

*UN Vision Project on Global Public Policy Networks*

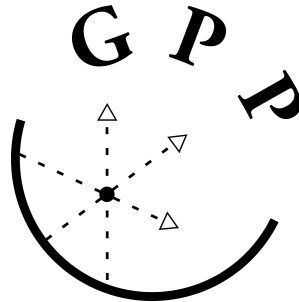
*www.globalpublicpolicy.net*

## **THE NETWORK STRUCTURE OF THE GLOBAL ENVIRONMENT FACILITY**

---

**Charlotte Streck**

Case Study for the UN Vision Project on Global Public Policy Networks



## I. INTRODUCTION

---

### Problem: Emergence/perception/definition

#### Emergence of a new problem area

In the early 1980, the effects of global environmental problems such as ozone depletion, global warming, loss of biodiversity and pollution of international waters became more and more obvious. Environmental problems had transcended national borderlines. At that same time, scientific knowledge of the interdependence between human behavior and the depletion of nature increased considerably. People became aware of the threat which environmental degradation would pose on the local, national and global levels. In developed countries a strong environmental movement had built up throughout the decade. In response to increasing environment concerns, governments took a number of steps to show their commitment to the environment. Public opinion pushed governments towards action and the international scope of the problem forced politicians to handle the problem on an international level with concrete actions at the local level.

#### Perception

Global environmental problems have international impacts, no matter if they occur on national (e.g. loss of biodiversity) or international level (e.g. global warming, ozone depletion). The industrial countries, which account for the major share of international pollution, had to accept the special responsibility in addressing these problems. However, in order to achieve sustainable solutions, action would also be required and be crucial for some areas in developing countries. These countries were unable to take this burden and unwilling to consider transboundary and global problems in their national politics and development plans unless additional funds from the industrial countries would be made available. In order to reach an international consensus the provision of additional support was therefore inevitable. It was at this point, when the idea of a fund for the developing world to finance measures for the global environment came up.

#### Definition of the problem

The problem faced by the international community could be summarized as follows:

- It is of national, regional or global scope but the implications are global.

- It is multisectoral: different economic sectors, various political actors and stakeholders from civil society (north-south/public/private/NGOs) are involved.
- It requires cooperation and interaction between different levels (sectoral and political).

### The Historical Context – Trigger Events for the Idea of a Global Environment Fund

The increasing awareness of the international interdependence of global environmental problems triggered broad activity in the international community. In the approach of the creation of a new “green” fund two events have been crucial.

#### The Brundtland Report

In 1987, the report of the World Commission on Environment and Development, *Our Common Future*, popularly known as “Brundtland Report” was published. This Report placed the subject of the international environment in a wider setting and received a lot of public attention.

The report mentioned at one point the necessity of an additional international environmental fund linked to the World Bank.<sup>1</sup> Mr. Sweatman, a former private banker, had speak up for a serious investigation into an international banking program to conserve biodiversity.<sup>2</sup> He managed to get support for his idea from the Brundtland Commission, which cites him as the source for their proposal. In light of the political impact of the report this turned out to be a clever move and the mentioning of the fund provided both inspiration and justification for further action.

---

<sup>1</sup> World Commission on Environment and Development, *Our Common Future*, 1987, 338: “ serious consideration should be given to the development of a special international banking programme or facility linked to the World Bank.”

<sup>2</sup> HELEN SJÖBERG, *From Idea to Reality – The Creation of the Global Environment Facility*, GEF Working Paper 10, 1994, pg. 4.

## The International Ozone Regime

In 1985 and in 1987, the first treaties dealing with a global environmental problem were signed, the *Vienna Convention for the Protection of the Ozone Layer*<sup>3</sup> and the more detailed *Montreal Protocol on Substances That Deplete the Ozone Layer*<sup>4</sup>. Both, the Vienna Convention and the Montreal Protocol were discussed and negotiated under the auspices of the United Nations Environment Programme (UNEP).<sup>5</sup> During the negotiations of these agreements an intergovernmental environmental forum emerged, which became crucial for all future efforts concerning the international environment. Although developing countries played a minor role during the establishment of the treaties, the Montreal Protocol spelled out for the first time the modalities for financial assistance to developing countries in order to meet their commitment under the treaties.

Some of what became the key features of the Global Environmental Facility (GEF), such as the incremental costs principle and the tripartite agreement between UNEP, the United Nations Development Programme (UNDP) and the World Bank,<sup>6</sup> were first mentioned during the discussion of the financial mechanism for the Montreal Protocol.

After lengthy and controversial negotiations, the Ozone Projects Trust Fund (OTF) became the financial mechanism of the Montreal Protocol and at the same time became the „prototype“ for an international funding agreement on the environment. One of the characteristics of this fund is its applicability only within the framework of the treaty, which shapes the way the fund is used. The implementation of the fund was to be handled jointly by UNDP, UNEP and the World Bank. In September 1990, the Executive Committee of Montreal Protocol, which is responsible for administering the OTF, reached an agreement with the World Bank.<sup>7</sup> This agreement stipulates the administration of the OTF according to the rules and policies adopted by the Executive Committee of the World Bank. This

---

<sup>3</sup> UNEP Doc. IG. 53/5; 26 I.L.M. 1529 (1987), March 22, 1985.

<sup>4</sup> 26 I.L.M. 1550 (1987), September 16, 1987.

<sup>5</sup> In fact, the Director of UNEP Mr. Mustafa Tolba was the leading personality in the process.

<sup>6</sup> For details see below.

<sup>7</sup> Agreement between the Executive Committee and the Board of Executive Directors of the World Bank, SecM91-1154, 6 September 1991.

agreement became a precursor of the later arrangements of the Rio Framework Convention on Climate Change and the Convention on Biological Diversity.<sup>8</sup>

---

<sup>8</sup> LAURENCE BOISSON DE CHAZOURNES, *The Global Environment Facility Galaxy: On Linkages among Institutions*, The Max Planck Yearbook of the United Nations, Vol. III, 1999.

## II. INITIATING THE NETWORK

---

### Early Action – Connecting of the Actors

#### The World Resources Institute/UNDP Initiative

Since the mid-1980s, Mr. Sweatman had called for funds for the international environment. And, as the time was ripe, it was possible for one individual<sup>9</sup> as the result of persistent efforts to trigger the creation of the International Conservation Financing Program (ICFP) at the World Resources Institute (WRI), a well recognized and rather mainstreamed Washington based NGO. The program was sponsored and commissioned by UNDP, Mac Arthur Foundation and the Canadian International Development Agency (CIDA) in order to execute a study and to explore the feasibility of a financial mechanism to support environmental projects in developing countries. The study was launched in 1988 and brought together various persons who over time became key personalities within the GEF system and members of the GEF ‘family’.<sup>10</sup> Within the scope of this study, the WRI organized six workshops in developing countries to discuss a draft report. The WRI aimed to involve representatives of governments and NGOs of G77 countries in the process and invited them to comment on the project. In 1989, the WRI published the paper.<sup>11</sup> It set out a number of proposals to facilitate environmental financing in the developing world, including the establishment of one, or several regional, International Environmental Facilities (IEF). The report notes the network character of the facility, but it did not spell out any concrete structure.<sup>12</sup> When the report was published, however, it did not have much impact. By that time, the idea had already left the level of experts and was discussed on a political level. WRI’s contribution to the international environmental fund was not its product, but the process they started.

---

<sup>9</sup> Michael Sweatman was the Director of the International Wilderness Leadership Foundation by then.

<sup>10</sup> Eg. Mohamed El-Ashry and Frederik van Bolhuis.

<sup>11</sup> WORLD RESOURCES INSTITUTE, *Natural Endowments: Financing Resource Conservation for Development*, 1989.

<sup>12</sup> The “IEFs would be joint ventures, sponsored by many of the OECD countries’ bilateral agencies, the multilateral development banks, in cooperation with developing country governments, U.N. agencies, and both national and international NGOs.”, WORLD RESOURCES INSTITUT, *Natural Endowments: Financing Resource Conservation for Development*, 1989, para. 3.1.2..

## The World Bank

As early as in 1986, committed bank staff initiated the internal debate on environmental funding in the World Bank.<sup>13</sup> At that time it was already clear that special efforts to address global environment problems were needed and that these efforts would require the provision of additional fund with “soft” lending conditions. Especially in countries like Brazil the demand for external financial support and advice in order to preserve their abundant and rich resources became obvious. World Bank loans with no finance return or with benefits to the international community were not attractive to client countries or difficult to promote within the institution. Therefore some environmental experts in the World Bank called for a new soft loan facility for the global environment.<sup>14</sup> However, within the World Bank, the issue was highly controversial. While the newly created Environment Department showed commitment for the idea of a green fund,<sup>15</sup> the senior management feared that such a fund would reduce the amounts available for concessional development assistance for other purposes.

The internal discussion on funding the global environment in the World Bank cannot be isolated from the parallel activities outside the Bank. The supporters of a green fund in and outside the Bank did not keep quiet. They started to create informal contacts and an exchange of views between interested people in order to increase support for the idea. Within the NGO community several proposals suggested the idea of exchanging debts in favor of environmental protection, commonly known as “debt-for-nature swaps”.<sup>16</sup> Contacts between World Bank staff and NGOs as well as with the scientific community were established in

---

<sup>13</sup> One early proposal came from Maritta Koch-Weser, Stein Hansen and Jerry Warford from the Regional Environment Division of Latin America and the Carribean (LATEN).

<sup>14</sup> Maritta Koch-Weser, personal communication to the author, 10/99.

<sup>15</sup> 1988, an internal discussion draft: „Environmental Funding Options – A World Bank Perspective“ was produced.

<sup>16</sup> LAURENCE BOISSON DE CHAZOURNES, *The Global Environment Facility Galaxy: On Linkages among Institutions*, The Max Planck Yearbook of the United Nations, Vol. III, 1999 pg. 3 of the draft.

order to promote the idea of creating a special fund for global environmental matters. Some of them thought that a public campaign should support the innovative ideas.<sup>17</sup>

Meanwhile, staff within the World Bank got in touch with staff from the WRI and they managed to convince some of the World Bank senior staff to get interested in the idea of the new fund.<sup>18</sup>

### Proliferation of proposals in 1989

In 1989, the NGO and World Bank proposals for environmental funding as well as the intensifying public discussion facilitated political interest among the governments for the green fund. Some of the main proposals, which emerged out of the debate, were the following:

- The Swedish government proposed a European fund within the ECE framework.
- Mr. Tolba, Executive Director of UNEP called for a fund of “billions of dollars” to prevent global warming.
- The Hague Declaration signed by twenty-four governments called upon the UN to establish an institution to protect the atmosphere.
- India, as the first G77 country addressing the issue, proposed a ‘Planet Protection Fund’ under the umbrella of the UN.

### Governments Enter the Scene: The French Proposal

On September 25<sup>th</sup>, 1989, governments took over the leadership in the process: At the Development Committee, a joint-ministerial meeting of the World Bank and the International Monetary Fund (IMF), the French Ministry of Finance put forward a proposal for an

---

<sup>17</sup> “If everybody in the richer countries gave the equivalent of ½ can of Coke every year, look at the money that could be raised..”. This calculation was spread by Maritta Koch-Weser in order to get public attention.

<sup>18</sup> With Basil Kawalski and Alex Shakow, two World Bank directors agreed to participate on the ICPF advisory panel.

international environmental financial mechanism. It was vague and did not depict the details of the fund. Instead, it commissioned the further elaboration of the framework of the fund to the World Bank. But more important, the proposal was backed with a concrete offer to contribute money for this new fund.<sup>19</sup> At the same meeting, Germany, which had originally prepared its own proposal, supported the French and indicated that it would also contribute a similar amount.

The submission of the French proposal forced the international political community to react. The World Bank took up its role as a platform and catalyst for the new fund. It now had the official mandate from its major stakeholders to assess the requirements for additional funding for the global environment and to explore the potential support for a new fund.

The World Bank fulfilled this new mandate very effectively.<sup>20</sup> In February 1990, a discussion paper was presented which soon became the basis for all future deliberations. From January to March 1990 the World Bank held consultations with potential donor countries. Potential recipient countries were involved in a next step at meetings, which took place in June 1990. While most G77 countries were generally supportive, they stressed the fact that the fund would have to be new and additional to funds already provided for regular development assistance.

The next meeting in Washington D.C. in September 1990 was characterized by the will of many participants to get the facility underway as soon as possible. One crucial factor for the increasing time-pressure was the upcoming Rio summit in 1992. Participants stressed that the Facility should gain some practical experiences before the summit would convene.

Participants agreed that the creation of new bureaucratic structures should be avoided. Instead, UNDP, UNEP and the World Bank should manage the fund as Implementing Agencies. This should happen with only modest changes in the three Implementing Agencies.<sup>21</sup>

---

<sup>19</sup> The French offered US US\$100 million over a period of three years. In this context it is important to mention that the French Treasury Ministry was involved and not the Ministry of the Environment or Foreign affairs as the Treasury had the possibility to offer money.

<sup>20</sup> See for details: HELEN SJÖBERG, *From Idea to Reality – The Creation of the Global Environment Facility*, GEF Working Paper 10, 1994.

<sup>21</sup> GEF, *The Pilot Phase and Beyond*, 1992, pg. 15.

The cooperation between the three agencies should bring practical and political advantages. As every Agency should work exploring its “comparative advantage”, the strength of both the UN Agencies and the World Bank was expected to be used in implementing GEF projects. Among the donor countries there were some that favored a strong role for the UN agencies, while others supported the leading role of the World Bank.<sup>22</sup> Moreover, the three agencies were supported by different constituencies within the participant countries. As a result the idea of bringing together the UN and Bretton Woods systems broadened the support for the new fund.

The negotiations were finalized by the end of November in Paris.<sup>23</sup> The member countries and the three Implementing Agencies put forward an “*Enabling Memorandum*” embodying a formal resolution for broad approval to establish the GEF.

The participants expressed their confidence in this new entity by pledging approximately one billion dollars for a three year Pilot Phase of the GEF. Sixteen OECD countries and nine developing countries pledged some US\$860 million to the Global Environmental Trust Fund (GET).<sup>24</sup> Australia and the US did not contribute to the core fund but established co-financing arrangements (Australia) or arrangements within its bilateral aid agencies to finance GEF-type projects (US).<sup>25</sup> In order to avoid different levels of membership it was understood that all participants should contribute to the new facility. Every participant should be a donor. Participants agreed that a contribution of at least US\$5,5 million should be the prerequisite for the participation in the GEF pilot phase. However, recipient countries were not obliged to be participants and contributors to the GEF in order to receive grants from the fund. This construction aimed to strengthen the partnership among the countries in abolition of the recipient / donor perspective. Developing countries as donor

---

<sup>22</sup> See for details: HELEN SJÖBERG, *From Idea to Reality – The Creation of the Global Environment Facility*, GEF Working Paper 10, 1994.

<sup>23</sup> The developing were represented by a group of seven countries: India, China, Brazil, Morocco, Mexico, Zimbabwe, Cote d’Ivoire.

<sup>24</sup> Austria, Belgium, Brazil, Canada, China, Denmark, Egypt, Finland, France, Germany, India, Indonesia, Italy, Japan, Mexico, Morocco, the Netherlands, Norway, Pakistan, Spain, Sweden, Switzerland, Turkey, and the United Kingdom. In addition to their contributions to the core fund, Belgium, Japan and Switzerland had separate co-financing arrangements.

<sup>25</sup> GEF, *The Pilot Phase and Beyond*, 1992, pg. 16.

countries were expected to show a new commitment for the true aim of the GEF creating benefits for the earth as a whole.

In March 1991, the Board of Executive Directors of the World Bank approved the Memorandum and established the Global Environment Trust Fund. Decisions by the Governing Council of the UNEP<sup>26</sup> and the Governing Council of the UNDP<sup>27</sup> supported the arrangement. The new Global Environmental Facility was born.

### The GEF Pilot Phase

The GEF Pilot was established as a three-year pilot program. The GEF participants agreed that the fund should provide co-financing to developing countries and those with economies in transition for projects with global environmental benefits. It was stipulated that GEF grants should only finance the “incremental” costs of projects. “Incremental costs” were defined as the extra costs incurred in the process of redesigning an activity vis-a-vis a baseline plane – which is focussed on achieving national benefits – in order to address global environmental concerns.<sup>28</sup> In addition, GEF finance would be made available for investment and technical assistance in four focal areas – global warming, biodiversity, international waters, and ozone depletion. The responsibility for the implementation of such projects was meant to be shared between UNDP, UNEP and the World Bank.

### The Governance Structure of the Pilot Phase

The GEF Pilot was launched with hardly any formal or informal governance structure. Instead of providing detailed guidance the governments put their faith in the proven and outstanding experience of the three agencies. The result was a loosely structured, action-oriented entity that was created without entailing a new bureaucracy.<sup>29</sup> Legally the GEF Pilot consisted of the GET with the World Bank serving as Trustee. The only agreement between

---

<sup>26</sup> Resolution 16/47 of the UNEP Council, 13.5.1991.

<sup>27</sup> Decision 92/16 of the UNDP Governing Council, 26.5.1991.

<sup>28</sup> GEF, *The Pilot Phase and Beyond*, 1992, para. 1.02., Footnote 2.

<sup>29</sup> See HELEN SJÖBERG, *Restructuring the Global Environment Facility*, 1999, pg. 1.

the participants was that the fund should be managed within a collaborative framework of labor division between UNDP, UNEP and the World Bank in implementing the agreement. Neither the cooperation between the Participants and the Implementing Agencies nor the collaboration among the Implementing Agencies was yet clearly defined.

The meeting of the participants governed the GEF Pilot and was charged with the overall stewardship of the GEF. Participating governments were defined as those that had contributed to the Facility or had announced the intention of doing so. Major donor nations had preponderant influence in the GEF. As the GEF Pilot lacked rules about a decision-making procedure, every decision had to be taken by consensus. A group of sixteen scientists, the Scientific and Technical Advisory Panel (STAP) advised the Participants scientifically. This Panel of independent experts was designated to help to ensure the scientific and technical integrity of GEF process.

The World Bank was the visible leader of the GEF. It served as Trustee and administrator, taking care of the day-to-day control of the GEF activities and, eventually, chairing the meetings of the GEF participants. The chairman was also responsible for overseeing the administration of the GEF and the investment operations. Every decision about the allocation or the closing of the fund as well as all decisions about changes of the initial resolution that created the GEF were concentrated in the hands of the World Bank.

### The Implementation of Projects

In October 1991, the tripartite agreement called the “Procedural Arrangement among the World Bank, UNEP, and UNDP for Operational Cooperation under the Global Environment Facility” was signed by the heads of the three Implementing Agencies.<sup>30</sup> The agreement spelled out the division of responsibilities among the three agencies in the implementation of the projects. UNDP became responsible for the implementation of tasks related to technical assistance and capacity building. The role of UNEP was to provide scientific and technical advice as well as advancing environmental management in GEF-financed activities. The World Bank played the primary role in ensuring the development and management of investment projects.

---

<sup>30</sup> Resolution 91-5 of the Board of Directors of the World Bank, Annex C ILM 30 (1990), 1735, 1766.

An Implementing Committee was established to enhance coordination and cooperation among the Implementing Agencies. In addition, the Committee prepared all information that could be useful to the participants and ensured consistency with GEF priorities through all Implementing Agencies.

## NGOs

NGOs had no formalized rights in the Pilot. At the time of the establishment of the GEF pilot, their position was rather weak, but it strengthened over time. One important step to give NGOs more influence was the decision to reserve the day before the Participants meetings exclusively for consultations with NGOs. Operationally, NGOs were allowed to submit project proposals and assess project impact and implementation.

## Actors

### Spinning the Supportive Web

At its inception, the GEF idea received greatest support from the World Bank and some Washington-based NGOs.<sup>31</sup> The latter provided a voice and as a coordinator played a key role in developing the supportive network. In dialogues with the World Bank the concept of a “green” fund became prominent. While the WRI provided its knowledge and expertise, the World Bank added own experts as well as the broader publicity. As an NGO, it was possible for WRI to be much more outspoken in pleading for the new fund than World Bank staff. Although junior staff of World Bank and the NGOs had no voice to call for a new fund, they were highly effective in creating the “supportive network”. The different players carried the idea into the international organizations, the scientific community, NGOs and eventually to the governments of the OECD countries in order to create wide ranging support.<sup>32</sup> When the

---

<sup>31</sup> In this case study the civil society will be represented through the society of NGOs. Even if most of the NGOs claim to represent civil society, this “civility” is doubtful and tricky to define. Therefore NGOs should be seen as a part of civil society, but not as its representatives. This paper understands NGOs as it defined of the World Bank as: i) independent from governments and ii) having humanitarian or co-operative rather than commercial objectives. WORLD BANK, Operational Directive 14.70, paragraph 2.

<sup>32</sup> Confirmed through personal communication to the author by Maritta Koch-Weser, 10/99.

officials of multilateral organizations and governments started to publicly favor the idea of a new fund, they were able to rely on this supportive network. In fact it was the supportive network which set the “global green” ball rolling.

Senior staff of UNDP showed an early interest in promoting the idea of a green fund, when the management of the World Bank still was much more reluctant. However, the environmental expertise within the World Bank was further developed and more advanced than at UNDP. The latter therefore got in touch with WRI and became involved as a sponsor but did not provide key personalities in the early process. Already at this early stage, competition emerged between UNDP and the World Bank for the funds, tension that lasted for several years.

While Southern NGOs were skeptical in general about the new fund, the issue was highly contentious among the Northern NGOs. With the WRI, an NGO played a key role as a catalyst in the early phase of the GEF network. Nevertheless the support of the WRI was not evenly shared and other NGOs provided early criticism. Some of them were long-standing World Bank critics and raised concerns about the role and involvement of the World Bank.<sup>33</sup> They were generally suspicious about the commitment of the World Bank to act as an advocate on behalf of the environment. On the other hand, some of the World Bank critics expected, that the GEF would be a kind of a positive “Trojan Horse” that would work from inside the World Bank and enhance their environmental engagement.

Altogether the small group of experts and enthusiastic people in Washington D.C. instigated a discussion and an exchange of ideas and opinions. Because of the broad public support for environmental measures the time was ripe and it became possible – even for a small group - to reach the backrooms of European governments.

### The Intergovernmental Level

While WRI and World Bank were crucial actors in drafting the early concepts, they did not have power or mechanisms to create the fund. Governments had to become active in order to put the idea into practice. In hindsight the French proposal marks a turning point. The

---

<sup>33</sup> See for details: HELEN SJÖBERG, *From Idea to Reality – The Creation of the Global Environment Facility*, GEF Working Paper 10, 1994, pg. 5.

proposal raised the willingness of the OECD countries to contribute to a new financial mechanism significantly. With real money at stake the discussion gained momentum and launched the debate among OECD governments, led by France and Germany.

The pilot phase of the GEF was clearly dominated by OECD countries. A major driving force behind their engagement was genuine concern for the global commons harmed by their own habits of consumption. There was also increasing pressure by environmentally concerned voters who forced their governments to act. Next to this, European countries anticipated the system of international environmental treaties, which could create ground for more financial mechanisms. It was therefore also a tactical move to establish the GEF and to preempt new proposals, which were likely to emerge from the *United Nations Conference on Environment and Development* (UNCED)<sup>34</sup> in the following year.<sup>35</sup>

The GEF Pilot was not very inclusive of the South. However, because of the global nature of the problem it was important for the donor countries to ensure the cooperation of the developing countries and to establish a feeling of partnership. Although this new flavor of partnership between South and North should be established, the GEF was project shaped according to the taste of the wealthy OECD countries. The process became more inclusive over time, however, the G77 and China did not play a proactive role in this phase of the network.

The French proposal presented the World Bank with the unique opportunity to take the leadership on the creation and the shaping of the fund. At the same time UNDP was losing its role in the GEF process and began to focus on the upcoming UNCED in search for an expanded environmental role for UNDP.<sup>36</sup>

From the donor perspective, UNEP was not considered a major player in the creation of a new fund. On the other hand UNEP had a strong position and role in the international

---

<sup>34</sup> Colloquial known as the “Rio summit”.

<sup>35</sup> ZOE YOUNG, *NGOs and the GEF: Friendly Foes?*, Final Draft, September 1998, pg. 4; KORINNA HORTA, *Global Environment Facility*, Foreign Policy In Focus, Vol. 3, No. 39, Dec. 98, pg. 1; GEF, *Independent Evaluation of the Pilot Phase*, 1994, pg. 33, 34.

<sup>36</sup> This engagement was promoted by Maurice Strong, the Secretary General of the UNCED and Special Advisor to UNDP.

environmental debate as the negotiations of the Montreal Protocol showed.<sup>37</sup> While UNEP provided a platform in the “Ozone process” and played a key role, the agency never developed ownership towards the GEF.

### Successes and Failures

The fact that the GEF was created as a pilot was crucial for the initiation of the GEF network. In the early stages it was obvious that the participating governments would never have reached any agreement on formal structure, strategy and future of such entity. Even among the countries that were in support of the new fund the perspectives were too different. In order to avoid endless confrontations and a long search for a compromise the only solution was to opt for the immature Pilot if participants wanted to establish the new fund within a reasonable time frame. Details of the GEF and contentious issues were simply left aside. Furthermore, the future of the Pilot remained unclear. Some European countries saw the Pilot as a phase of learning for what would become a stable organization in a later phase. These countries considered the GEF as the financial mechanism and “modular” receptacle<sup>38</sup> for upcoming Conventions. Other countries, especially the US, looked at the GEF as a temporary institution, which would be unnecessary, as soon as the World Bank integrated the global environment in its portfolio. The US also shared NGO hopes for the GEF to become a “Trojan Horse” to influence World Bank policies.

### Reasons for the successful establishment of the pilot phase of the GEF

- When the governments took over the leading role, the French paper served as an effective trigger. The French proposal was successful as it was supported by a substantial amount of funds. At the same time it was vague “which made it

---

<sup>37</sup> Some of the donor countries were averse to repeat the process of the Ozone Trust Fund. The later was considered as ineffective and without the adequate influence of the donor countries. They feared the proliferation of funds modeled after the OFT and promoted instead the GEF as the single financial mechanism for future international environmental treaties.

<sup>38</sup> HELEN SJÖBERG, *The Creation of the Global Environment Facility*, 1994, pg. 29.

inoffensive for critics while providing opportunities for creative leadership”<sup>39</sup> and eventually, it gave the lead to the World Bank, settling the competition between UNDP and the World Bank for the leadership role.

- The tripartite arrangement between UNDP, UNEP and the World Bank brought different support groups on board. The arrangement represents a compromise between countries that preferred a leading role of UN agencies and the countries that preferred the World Bank. Furthermore, the arrangement facilitated the participation of different ministries within countries as well as the support of different agencies among the countries. This enhanced the political acceptability of the new fund and it became easier to generate funds from different resources
- The true additionality with its focus on global problems and the strict attachment to global concerns made the proposal acceptable for both donors and recipients.
- Eventually, the GEF mechanism became attractive as an instrument for the implementation of the evolving conventions. The negotiations of the envisaged conventions and the upcoming UNCED in Rio put time pressure on the process and facilitated constructive negotiations.

#### Assessment of the Pilot

Governments created the Pilot as a highly innovative and action orientated facility. They expected that the Implementing Agencies would collaborate closely within the GEF, each according to its “comparative advantage”. It was expected that the GEF would introduce innovative approaches and serve as a catalyst for additional resources for global environmental issues.<sup>40</sup>

However, the fact that the GEF became practically a part of the World Bank provoked mistrust from NGOs and developing countries. The critics from the side of the G77 countries centered for example on the association of the GEF with the World Bank as an instrument of

---

<sup>39</sup> HELEN SJÖBERG, *From Idea to Reality – The Creation of the Global Environment Facility*, GEF Working Paper 10, 1994, pg. 17.

<sup>40</sup> Hans Peter Schipulle, personal communication, 10/99.

conditionality, the GEF policy of “incremental costs ”or the insufficient involvement of local communities and grassroots groups on the design of GEF interventions.<sup>41</sup>

The NGO judgement of the pilot phase was even more scathing.<sup>42</sup> For outsiders the Pilot GEF was a closed and dark OECD dominated event. Decision-making was not transparent and the participation of the NGOs on all levels was very limited. Some critics were even harsher: GEF was counterproductive and its existence reduced funding for the environment on other places or the World Bank was ‘greenwashing’ through the GEF.

In 1994 an evaluation, the *Independent Evaluation of the Pilot Phase*, was published.<sup>43</sup> It blames many of the GEF problem areas on political pressure to get it up and running quickly. When the Pilot was launched in a short period of time a very high number of project approvals took place. The report puts into questions the underlying rationale of the Pilot of developing strategies by the realization of projects. The three-year-pilot had contributed initial rush of project identification and authorization that generated “serious questions of top-down, agency-driven project development and inadequate attention to local conditions and interest.”<sup>44</sup>

Moreover, “the coordination arrangements among the Implementing Agencies that were supposed to result in interagency synergy and provide leadership for the GEF *as a whole* have proved to be ineffective.”<sup>45</sup>

During the Pilot phase, the tensions between the Implementing Agencies, especially UNDP and the World Bank worsened. And the Implementation Committee became the forum where the different interests were played out.<sup>46</sup> Between the World Bank and UNEP, the competition has been about power, control, and money.<sup>47</sup> However, according to the *Independent Evaluation*, the problem resulted not from the competition as such but from the

---

<sup>41</sup> GEF, *Independent Evaluation of the Pilot Phase*, 1994, pg. xiii.

<sup>42</sup> *See ig:* DAVID REED, *The Global Environment Facility*, 1994.

<sup>43</sup> For details see bellow.

<sup>44</sup> GEF, *Independent Evaluation of the Pilot Phase*, 1994, pg. 15.

<sup>45</sup> GEF, *Independent Evaluation of the Pilot Phase*, 1994, pg. 7.

<sup>46</sup> HELEN SJÖBERG, *Restructuring the Global Environment Facility*, 1999, pg. 8.

<sup>47</sup> GEF, *Independent Evaluation of the Pilot Phase*, 1994, pg. 137.

absence of an arbiter that would have been providing for guidance and decisions.<sup>48</sup> Instead, a diffusion-of-responsibility model was decided on, which led to the competition between the agencies. The UN agencies were not willing to accept the leading role of the World Bank. All agencies interpreted the participants' policies in another way.<sup>49</sup>

One of the major problems with GEF's Pilot Phase was that no actor developed ownership towards this experiment. What made it more difficult, was that it lacked a strategy and separate identity and was a constantly changing creature. Nevertheless it was a necessary step toward what became the "restructured GEF" and the Pilot proved to be able to learn.

---

<sup>48</sup> *Id.*

<sup>49</sup> *See: GEF, Independent Evaluation of the Pilot Phase, 1994, pg. 99-101.*

## ESTABLISHING THE NETWORK

---

### UNCED – Considering the Restructuring of the GEF

The UNCED in 1992 in Rio de Janeiro proved to be a watershed in the history of the GEF. Two of the main treaties signed at the Rio summit, - the *Convention on Biodiversity* (CBD)<sup>50</sup> and the *Framework Convention on Climate Change* (FCCC)<sup>51</sup> - accepted the GEF on an interim basis as the financial mechanism. The Conferences of the Parties as the governing bodies of the Conventions, however, specified that a permanent relationship would be contingent on reforms that would ensure the GEF would promote further transparency, democracy and universality of participation.

Prior to UNCED, the donor countries had indicated clearly that they would only support a unified funding mechanism for all up-coming Conventions. They wanted to avoid the proliferation of funds going along with the proliferation of environmental treaties. Instead, they envisioned the GEF as the financial mechanism for all future North-South financial transfers for environmental projects with global impact.<sup>52</sup> On the other hand, the developing countries together with UNEP called for one or several new “green” funds. However, when UNCE convened, the OECD countries refused to consider this option as well as the creation of a new institution. The G77 grudgingly had to accept the GEF as a financial mechanism for the Conventions, but they made clear that restructuring the GEF would be unavoidable.

During the fall of 1992, the negotiations of the restructured GEF began. The Rio process had laid bare the fundamental divisions between the developed and the developing world and negotiations resulted to be far more complicated than anticipated, -- more than once the negotiators had to break a deadlock. Only due to the indefatigable efforts and skillful leadership of some individuals, in combination with the outside pressure and the necessity for an agreement, was a compromise reached. Eventually, two years after the Rio conference, the

---

<sup>50</sup> Convention on Biological Diversity, 31 I.L.M. 818 (1992), June 5, 1992.

<sup>51</sup> United Nations Framework Convention on Climate Change, 31 I.L.M. 849 (1992), May 29, 1992.

<sup>52</sup> The developed countries highlighted that environmental projects without any global relevance ought to be paid by mainstreaming the regular developing assistance. The GEF funds were restricted in the Pilot as well as in the restructured GEF to projects with impacts on the global environment.

Instrument for the Establishment of the Restructured Global Environment Facility was adopted in Geneva on March 16, 1994.

The negotiations forced two major set of actors to confront widely different positions. Developing countries, UN agencies and the majority of the NGOs were in favor of a mechanism with a governance structure more similar to the UN system and the values the systems stands for. They wanted the GEF to be much more transparent, accountable, democratic and universal. In addition to this, NGOs claimed more participation in GEF procedures and projects. On the other side, OECD countries and the World Bank preferred the governance structure of the Bretton Woods system and argued in favor of efficiency, cost effectiveness, effective management and executive abilities. In order to integrate the GEF into the more UN-driven Conventions, and to make the GEF the financial mechanism for the Conventions, these incompatible differences had to be resolved and a compromise found.

#### Participation versus Efficiency: Negotiating a Restructured GEF

The negotiations were kicked off in December 1992 in Abidjan and were followed by meetings in Rome, Beijing, Washington, Paris, and Cartagena. The final agreement was signed in March of 1994 in Geneva. At their most complex point, the restructuring of the GEF became one of the most interesting processes in international law and politics. In the core of the process, people were faced with the task of marrying an extremely different and sometimes very uneven couple, - the cultures of the UN and the World Bank. And it certainly was not a love match.

One of the first questions that needed to be solved was the request for universal membership from the side of the developing countries. They made it a prerequisite for all further negotiations that the GEF become open for all parties of the Conventions. Therefore already at the very first meeting in Abidjan the mandatory membership contribution of the GEF Pilot was unanimously abandoned.<sup>53</sup>

The next critical point was the legal establishment of the restructured GEF. For reasons of pragmatism, simplicity, and flexibility, the OECD countries favored establishing of

---

<sup>53</sup> HELEN SJÖBERG draws the attention of the fact how the policy had changed between 1991 and 1994. When the Pilot was created the mandatory contributions was supported to promote a spirit of partnership. Three years later, the political viewpoint of universality was predominant.

the restructured GEF by a resolution of the Board of the Executive Directors of the World Bank. The G77, as much as the NGOs, preferred a body established independently of the World Bank either by a government endorsed “treaty” approach, or by an interagency agreement. However, there was little chance of pushing through the creation of an international legal entity.<sup>54</sup> The issue remained pending over a period and was not solved before the meeting in Washington in September 1993. By this date the parties agreed to the establishment by a resolution of the three agencies, signed by the heads of the agencies, and approved by the governing bodies. In contrast to the Pilot, all three Implementing Agencies formally participated on an equal basis. Nevertheless, the World Bank is still the most important of the three Implementing Agencies. Only the resolution of the World Bank Board of Director is legally binding, because neither UNDP nor UNEP has the necessary legal personality. Both agencies are UN programmes and therefore sub-entities of the UN, with the General Assembly as decision-making legal body.

Despite the new arrangement, the GEF remained legally as a trust fund, with the World Bank as trustee. Therefore the World Bank is responsible to formalize the arrangements and agreements concluded with the Conferences of the Parties as legal bodies of the FCCC and the CBD.<sup>55</sup>

The governance structure of the new GEF was another area of concern. While G77 pleaded for a universal Assembly, such as the General Assembly of the UN, OECD countries put forward the idea of a Council with similar rights and functions as the World Bank’s Board of Executive Directors. After lengthy discussions, the parties reached a compromise that included both elements. A Participants Assembly would be universal and representative, while the main decision-making body would be the GEF Council where representation would be based on constituencies and shares.

The next stumbling block for the negotiations was the distribution of the constituencies. At this point the OECD favored a small and balanced Council, whereas the G77 requested the majority of Council members. This question remained unsolved until the ultimate meeting and was part of the final bargaining procedure. Today, the GEF Council is

---

<sup>54</sup> Although a new negotiation team of the US suddenly showed support for this idea.

<sup>55</sup> The first sentence of para. 7 of Appendix B reads as follows: “The Trustee may enter into agreements and agreement with any national or international entity as may be needed in order to administer and manage financing for the purpose of, and on terms consistent with, the Instrument.”

made of thirty-two members, fourteen from OECD countries, sixteen from G77, China, and two from countries of central and Eastern Europe and the former Soviet Union.

During the negotiations, it became increasingly clear that the new GEF would be provided with a Secretariat with the mandate to manage the GEF. Initially, the donors would have preferred the cheap alternative of a Secretariat in the World Bank. Over the process, the US and an increasing number of other OECD countries saw the merit of a GEF Secretariat. However, the case was made against an independent secretariat, which would have the smell of a new institution. Instead, the idea of a “functionally independent secretariat” within the World Bank provided a way out. The Secretariat would be physically located in and administratively supported by the World Bank; functionally it would be independent and not supervised by the World Bank.

Intensive discussions emerged around the decision-making procedure of the new GEF. While the North supported the Bretton Woods model of contribution-weighted share (one \$, one vote), the South was in favor of the democratic system of the UN (one country, one vote). Donor countries clearly opposed a politically determined allocation process, as it was inefficient. As a compromise, the parties agreed that it would be generally understood that decisions would be based on consensus. Only if the secretariat cannot reach consensus, will they resort a formal vote.<sup>56</sup> The voting system finally established has a double majority and integrates both systems. For a decision to be held, the votes must cover a majority of both of the number of the participants and of the total contributions. The question of how to define the necessary majority within the double system still had to be resolved. The North favored a qualified majority in all decision-making, while the South thought a simple majority would be enough. This problem was not solved until the last meeting in Geneva. At this point a horse trading procedure took place in order to solve the last contentious questions. The result of this trading was that the OECD countries prevailed, instituting a 60 % majority policy.

Another aspect of difference, which remained unsolved for a while was the question of the chair for the council meetings. OECD countries wanted the Chief Executive Officer (CEO) of the Secretariat as the chairperson for the Council meetings, again reflecting the World Bank model. The G77 were in favor of a chairperson elected from the Council as practiced within the UN system. Finally both sides found a compromise in a merge of the two systems: two chairpersons chair The Council, the CEO of the Secretariat and an elected

---

<sup>56</sup> Till today, consensus always has been found.

Chairperson. A division of responsibilities between these two chairs is detailed in para. 18 and 20 of the *Instrument*.

In addition to these issues, a debate over the formal status of the NGOs during Council meetings took place. Here different coalitions were formed. Many recipient governments, like Brazil, India, China and Indonesia, were reluctant to allow NGO participation on a policy level. This may be linked to the NGO's often critical stance towards national policies and to the NGO insider's view of project performance in a recipient country. However, the opposite ends were held by two key OECD countries: France and the US. The debate focused on the question of how the decision about the observer status would be taken. France wanted a decision on observer status to be taken by consensus, while the US felt a single country should not be able to block this matter.<sup>57</sup> Eventually, after a long debate, the US won this point. France had to accept a formulation that made the permanent NGO observer status only a matter of time.<sup>58</sup>

As the result of the negotiations, a new international entity was formed, which links different interests and groups. The restructured GEF succeeded

- to learn from the pilot,
- to adjust the pilot to the Conventions,
- and to bridge the Bretton Woods and the UN system.

The GEF connects the legal realm of the Conventions with concrete measures. This linkage poses a lot of problems and leads to uncomfortable procedures, but to date, the GEF successfully connects both.

The replenishment process occurred parallel the negotiations. It was no less intense and complicated than negotiating the reconstruction. But since it is independent from the network structure of the GEF, the description of this process will be forgone. It shall be enough to point out that thirty-four nations, including thirteen recipient countries, pledged US\$2 billion to the restructured core fund.<sup>59</sup>

---

<sup>57</sup> HELEN SJÖBERG, *Restructuring the Global Environment Facility*, 1999, pg. 43.

<sup>58</sup> *Instrument*, para. 25 (a).

<sup>59</sup> The amount in the trust fund was however, much less than what the developing countries had expected after Rio.

## Actors

The procedure of establishing the network of the restructured GEF took place on the intergovernmental level. Therefore, it is compelling that governments took the leadership.

The OECD countries that had dominated the Pilot Phase no longer had such a powerful vote. During the negotiations about the reconstruction of the GEF, the bargaining power was equally distributed between the two sides. Influential interest groups and constituencies that provided similar weight and influence backed the two main blocks. While the OECD countries had the necessary financial resources, the pressure to create a financial mechanism for the Conventions strengthened the G77's position. The fact, that the counterparts had more or less the same power made the process cumbersome, but eventually successful.

## THE GEF NETWORK AT WORK

---

### The Governance of the GEF

#### Legal Status

The majority of the GEF member countries did not wish to confer legal personality on the GEF. The Legal Council of the UN points out in a memorandum that “the founders of the GEF did not provide it with the legal capacity to enter into legally binding arrangements or agreements.”<sup>60</sup> Corresponding to this, the restructured GEF was implemented neither by virtue of an interstate treaty nor as result of an agreement between international organizations destined to create a new institution. Instead, the seventy-three states attending the meeting that reached final agreement about the restructured GEF<sup>61</sup> merely “accepted” the new structure of the mechanism.<sup>62</sup> They reached agreement on the *Instrument of the Restructured Global Environment Facility*, which lays down the main rules and the governance of the Facility.<sup>63</sup> The governments did not sign the *Instrument* but it was “adopted”<sup>64</sup> by the three Implementing Agencies.<sup>65</sup> In spite of that, the approval of the countries to the restructured GEF was a preliminary condition to the decisions of the Implementing Agencies.

---

<sup>60</sup> Memorandum of 23 August 1994 to the Executive Secretary From Mr. Hans Corell, Under Secretary for Legal Affairs, the Legal council, UN Doc. A/AC. 237/74, Annex, 4-8. Some academics hold the view that the GEF could be a legal entity, *see*, SCHERMERS, BLOKKER, *International Institutional Law*, § 38. This opinion, however, is not shared by any GEF actors.

<sup>61</sup> Geneva, from March 14 to 16, 1994.

<sup>62</sup> *Instrument of the GEF*, Introduction 1, para. 1.

<sup>63</sup> The states’ approval of the *Instrument* did not lead to the consequences provided for by the law of treaties in matters of “consent to be bound” nor those that traditionally have prevailed for constituting an international organization. According to Art. 2 of the Vienna Convention of the Law of the Treaties an international organization is defined as an intergovernmental organization. *See*: LAURENCE BOISSON DE CHAZOURNES, *The Global Environment Facility Galaxy: On Linkages among Institutions*, The Max Planck Yearbook of the United Nations, Vol. III, 1999 pg. 15 of the draft.

<sup>64</sup> *Instrument of the GEF*, Introduction, para. 2.

<sup>65</sup> Resolutions No 94-2 and No 94-3 of the Executive Directors dated 24 May 1994 and Resolution No 487 of the Board of Governments of the World Bank adopted 7 July 1994, Decision of the Executive Board of the United Nations Development Program for and of the United Nations Population Fund, DP/1994/9, adopted

This two-step procedure for reaching legal effects characterizes the GEF.<sup>66</sup> This procedure requires no legally binding approval of the members (in the Council or the Assembly). In the next step the Implementing Agencies adopt the decision, but only a resolution by the Board of the World Bank makes the decision legally binding. Examples for these procedures are the opening of the replenishment process, the amendment and termination of the *Instrument* or the entering into agreements with any other national or international entity, such as the Conferences of the Parties of the Conventions.

The GEF is an entity difficult to label legally. States' political expediency and design ingenuity has outpaced lawyers' abilities to categorize institutions with confidence.<sup>67</sup> However, it provides for a unique governance structure that makes the GEF unique and interesting.<sup>68</sup> It was created not so much with legal correctness but with pragmatism in mind. The result is a highly innovative and creative structure, in which pragmatism dominates formalism. Although the result is legally very specific and with some obstacles for the GEF as an institution, it is a diplomatic optimum. It gives the different actors the chance of influencing and participating in the GEF. The influence of the various players is not fixed legally and formulated but it is present on a *de facto* base. This construction reflects common practice in international relations where informal agreements and decision-making is much more important than in the national context. Internationally, binding agreements are only needed on the operational level, but not with regards to governance. It is by far more important to strike the balance between the different actors, than to create an institution, which is legally watertight. The renunciation to binding and sometimes narrow legal structure enables and motivates the creation of new and innovative mechanisms like the GEF.

---

13 May 1994; Decision adopted by the Governing Council of the United Nations Environment Programme, SS.IV.1, adopted 18 June 1994.

<sup>66</sup> LAURENCE BOISSON DE CHAZOURNES, *The Global Environment Facility Galaxy: On Linkages among Institutions*, *The Max Planck Yearbook of the United Nations*, Vol. III, 1999 pg. 15 ff. of the draft.

<sup>67</sup> WERKSMAN, *Consolidating Governance of the Global Commons: Insights from the Global Environment Facility*, *Yearbook of International Environmental Law*, Volume 6 (1995), pg. 27, 57.

<sup>68</sup> Although the GEF lacks of legal personality, it has many characteristics of an independent institution such as an intergovernmental council that holds accountable the Implementing Agencies and has the capability of taking decisions of how the GEF are to be used and the "functionally" independent Secretariat.

## Governance in the Restructured GEF

The governance structure of the GEF is laid down in the *Instrument* of the GEF. It provides just a rough framework without unnecessary restrictions and allows the GEF to remain flexible and open for broader cooperation.

### Assembly

According to para. 13 of the *Instrument*, the Assembly of GEF members meets every three years and consists of representatives of all participant countries.<sup>69</sup> It reviews GEF's general policies and in the operations of the Facility. Furthermore, the Assembly considers for approval by consensus, amendments to the *Instrument* on the basis of recommendations of the Council.<sup>70</sup> All decisions of the Assembly are taken by consensus.

### Council

The Council is the main governing body of the restructured GEF.<sup>71</sup> Meeting every six months, the Council comprises thirty-four constituencies, representing all member countries and the Council. As long as the GEF serves as the financial mechanism for the CBD and the FCCC, the Council receives formal guidance from the Conference of the Parties to the Conventions and is accountable to them. The Conference of the Parties decides on policies, program priorities, and eligibility criteria for the purpose of the Conventions.<sup>72</sup> The Council approves the work programs, which are composed of operational projects that apply the policies and criteria that were identified by the Conference of the Parties. The Council is in general responsible for developing, adopting and evaluating operational policies and programs. It bases its decisions on documents prepared by the Secretariat. Besides the formal decision, informal understandings are part of the Council documents. Both the formal decisions and the informal amendments of the documents provide the Secretariat with

---

<sup>69</sup> 166 Countries in Sept. 1999.

<sup>70</sup> Para. 14. (d), 34 of the *Instrument*.

<sup>71</sup> Para. 14 - 20 of the *Instrument*.

<sup>72</sup> Para. 6 of the *Instrument*.

guidance. At the same time, the Council acts as the supervisory board for the Implementing Agencies, which are accountable to the Council. Furthermore, it appoints the CEO, which heads the Secretariat.

#### Secretariat

The GEF Secretariat services and reports to the Council and Assembly.<sup>73</sup> The Secretariat develops the operational strategy and the work programs of the Facility. It coordinates with the Secretariats of the Conventions and the implementation of program activities pursuant to the work program. The Secretariat has the responsibility of advising the CEO on whether or not to include a project proposal in the work program of the GEF. Generally, it is the responsibility of the Secretariat to translate the decisions taken by the Assembly and Council into reality.

#### The Fund

The World Bank serves as Trustee in the GEF network. The funds of the GEF pilot, all assets, receipts and liabilities held in the GE Trust Fund had been transferred to the new GEF Trust Fund. Only the OTF still exists independently as the main financial mechanism of the Montreal Protocol.

#### Implementing Agencies

As in the Pilot, UNDP, UNEP and the World Bank serve as Implementing Agencies for the GEF. These agencies are responsible for helping recipient countries develop and implement projects for GEF funding.

---

<sup>73</sup> Para. 21 of the *Instrument*.

### Scientific and Technical Advisory Panel (STAP)

The STAP of the restructured GEF consists of twelve internationally recognized experts. The STAP is administratively supported by UNEP. It is an independent body that provides for scientific and technical advice on GEF policies, operational strategies and programs. It conducts selective reviews of projects at specific points in the project cycle and maintains a roster of experts to review individual projects.

### The Executive GEF Operations Committee (GEFOP)

The original GEFOP convened at least quarterly and included representatives of the Secretariat, the Implementing Agencies, STAP and representatives from Conventions. The GEFOP was the mechanism for consultation on project proposals. Most participants agreed that GEFOP created more conflicts than cooperation.<sup>74</sup> Therefore the GEFOP was replaced in 1996 by a new procedure for project review, under which the Secretariat would hold bilateral consultations with each of the Implementing Agencies. In early 1997, a new GEFOP was established as a forum where GEF policies are discussed on a regular basis. Chaired by the Secretariat, it is composed of the chair of STAP, representatives from the Implementing Agencies, and, where indicated, representatives from the Secretariats of the Conventions.

## **Policies and Principles**

### Policies

The GEF has key operational principles based on the Conventions, the GEF *Instrument*, and Council decisions. These principles have been translated to the Operational Strategy to which all projects have to conform. The Operational Strategy set out ten (soon to be twelve) Operational Programs, from Arid and Semi-arid Zone Ecosystems to a Contaminant-Based Operational Program. Both, the Operational Strategy and the Operational Programs make

---

<sup>74</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 364.

clear the mission of the GEF and formulate its guidelines.<sup>75</sup> The Operational Strategy serves as a road map and was intended to provide a framework for programmatic cohesiveness and integration among the many entities that participate the GEF.<sup>76</sup> It incorporates the guidance on policies, programs and eligibility criteria adopted by the Conferences of the Parties of the CBD and the FCCC.

The GEF supports three broad types of projects in its four focal areas. These are operational programs, enabling activities and short-term response measures.<sup>77</sup> Enabling activities help countries to identify their needs and prepare for projects to help them meet their obligations under the Conventions. The GEF funds short-term response measures, but only if they are high priority and yield immediate benefits at low costs.

Operational Programs are to organize the activities in the four GEF focal areas and to ensure the coordination between the Implementing Agencies and other actors. They are developed in accordance with the program priorities approved by the Conferences of the Parties to the Conventions.

#### Assessment

The guidance of the Conference of the Parties and the Council through strategy and programs follows a top-down approach. This approach contradicts the rule of country-driven projects. According to the GEF principles, the project proposals ought to be developed bottom-up by recipient countries, NGOs and other entities. It is the task of the Implementing Agencies to match these proposals with the Operational Programs. As project ideas are initially explored, the Agencies have to consider whether the project idea contributes to the objectives of an operational program.<sup>78</sup> In the next step, the project has to be brought in harmonization with the Implementing Agencies project cycle. In a very complex procedure the project has to be brought in line with the requirements of the GEF and the Implementing Agencies. Every project has to be approved twice by the GEF Council and by the steering bodies of the

---

<sup>75</sup> GEF, *Operational Strategy*, 1996; GEF, *Operational Programs*, 1997.

<sup>76</sup> MOHAMED EL-ASHRY, Foreword of the GEF, *Operational Strategy*, 1996.

<sup>77</sup> GEF, *Operational Strategy*, 1996, pg. 7.

<sup>78</sup> GEF, *Operational Strategy*, 1996, pg. 8.

Implementing Agencies. All this has to happen according to the guidance of the Conventions. The combination of these requirements made the GEF project cycle to of the most complex project cycles in international collaboration.<sup>79</sup> Moreover, NGO representatives complain that because every project must be forced into the GEF corset, innovative project proposals that pass through the cumbersome mechanism of GEF project approval lose much of their initial attraction.<sup>80</sup> There is a danger that the NGO or Agency that put the proposal forward no longer feels ownership of the project that is eventually approved. This loss threatens the success and the sustainability of the projects.

### Mainstreaming of the Global Environment

GEF's mandate comprises the promotion of actions to benefit the global environment beyond those it directly funds.<sup>81</sup> GEF objectives should be integrated into the mainstream operations of other agencies. The extent to which the three Implementing Agencies "mainstream" the global environment is one of the measures of GEF's success.<sup>82</sup> Mainstreaming is defined as having two dimensions: First, increasing the number of GEF projects with co-financing and, second, increasing the number of GEF-type projects in regular operations of the Implementing Agencies.<sup>83</sup>

NGOs criticizes the poor record in 'mainstreaming' GEF objectives into the Implementing Agencies activities.<sup>84</sup> In the same vein the *Overall Performance Study* states that although the Implementing Agencies showed some initiatives to integrate global

---

<sup>79</sup> Personal communication to the Author by Rudolf Dolzer, 10/99.

<sup>80</sup> Personal communication, 9/99.

<sup>81</sup> GEF, *Operational Strategy*, 1996, pg. 6.

<sup>82</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 216.

<sup>83</sup> GEF, GEF Corporate Budget for FY98, GEF/C.9/4 (April 1, 1997), p.13.

<sup>84</sup> ANNE BICHSEL & KORINNA HORTA, *Leapfrog into Mainstreaming ad Jump-Start the Learning-Process: Critical Steps for the Future of the GEF*, 1998, at pg. 3.

environmental issues in their portfolio, mainstreaming by the agencies remains a priority recommendation of the report.<sup>85</sup>

### Communication and Coordination

Both communication and coordination play a crucial role in the GEF network. The Secretariat and the Implementing Agencies evolved a set of new tools for coordination such as regular meetings among the heads of the Implementing Agencies, portfolio consultations among the Agencies, focal area task forces, cross-sectoral task forces, and the Executive GEF Operations Committee.<sup>86</sup> The traditional competition between World Bank and UNEP has been replaced by collaboration on a growing number of projects.

In this evolutionary process of enhanced cooperation, the GEF Secretariat plays an important role. It maintains constant relationship with all actors. It seeks to consult the Council members, the Implementing Agencies and the NGOs. Through this strategy the competition and confrontation of the Pilot Phase are no longer high on the agenda. Moreover, the Council meetings are well prepared. Due to the consultative process in the approaches of the meetings, the meetings are held in an atmosphere of collaboration and not one of confrontation.

### The GEF and the Conventions

The Conventions provide the GEF with a framework of legitimacy and are the lifeline of the GEF.<sup>87</sup> At the same time, as the GEF funding is only available for countries that have ratified the corresponding Convention, there is a strong incentive to ratify the treaties. What is more,

---

<sup>85</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 216ff..

<sup>86</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 373 ff.

<sup>87</sup> According to John Ashe, as long as the Conventions are existing the GEF has a *raison d'être*. Personal communication with the author, 10/99.

the approval of funding can be used as a tool in cases of non-compliance or to bring countries into compliance of their commitments.<sup>88</sup>

In spite of this interdependence, the relationship between the Conferences of the Parties and the GEF is not easy.<sup>89</sup> The problems are due to the situation of double leadership. On one hand the GEF has its own governance structure. On the other hand, it works in the areas covered by the Conventions under the guidance of the Conferences of the Parties. This guidance sometimes is not easy to translate in concrete measures. Moreover, priorities of the Conferences of the Parties and the GEF are not necessarily the same, and in some case they even contradict each other. This is especially the case when the countries are represented in the GEF Council and in the Conferences of the Parties through other ministries and or only other individuals.<sup>90</sup> The GEF lacks a dispute settlement system to solve these cases. In order to promote the coordination and in order to allocate the responsibilities between the Conventions and the GEF, in difficult negotiations *Memorandi of Understanding* were developed.<sup>91</sup>

The relationship between the Conventions and the GEF leads to complex structures and processes. While the communication between the different actors of the GEF network have improved in the restructured GEF, there is a lot to be done concerning the collaboration between GEF and the Conferences of the Parties –not only on the administrative, but also on the scientific level. Today, no exchange of views between the STAP and the advisory panels of the Conventions happens.<sup>92</sup> In this point, a finer tuning would improve the system.

---

<sup>88</sup> LAURENCE BOISSON DE CHAZOURNES, *The Global Environment Facility Galaxy: On Linkages among Institutions*, The Max Planck Yearbook of the United Nations, Vol. III, 1999 pg 32 of the Draft.

<sup>89</sup> EHRMANN, *Die Globale Umweltfazilitaet*, ZaöRV, Vol. 57/2-3, pg. 565, 603.

<sup>90</sup> Confirmed in personal communication to the Author by Hans-Peter Schipulle, 9/99.

<sup>91</sup> The *Memorandi* again are not signed by the Council and the COP, but rather adopted by them (after consultation the World Bank).

<sup>92</sup> Bob Watson, personal communication, 11/99.

## 1998: The Second Replenishment

1998, one week before the first GEF Assembly met, the second replenishment of the GE Trust Fund was finalized. Formally, the council had asked the World Bank as the trustee of the GEF for initiating the replenishment process. After several rounds of meetings where donors discussed GEF performance, the programming of resources for the next period, the replenishment target, and the formula by which costs would be shared, thirty-six countries agreed to contribute to the GE Trust Fund. During the meetings the other member countries of the GEF were allowed to attend, but did not have a vote. After finalizing of the pledging process the steering council of all three Implementing Agencies approved the replenishment process, although legally binding was only the WB board decision.<sup>93</sup>

The GET second replenishment in 1998 achieved the envisaged figure of US\$2.75 billion. To a certain degree the result is encouraging but also result of a creative bookkeeping exercise as the number contains also remaining fund from the first replenishment of the GET amounting to US\$750 Mio. Furthermore, the time frame for the next replenishment period has been extended from three to four years. When all these effects are taken into account the actual amount which was made available under the second replenishment decreased.

It is important to mention that on the occasion of the replenishment, the donor countries made prerequisites of their funding. These „policy recommendations“ should guide to future efforts“:<sup>94</sup>

- Strengthening the country ownership of GEF projects
- „Mainstreaming“ of global environmental objectives into the regular policies and activities of the Implementing Agencies
- Mobilizing additional resources for global environmental actions, particularly from the private sector
- Further strengthening of GEF’s monitoring and evaluation function
- Exploring a wider range of executing agencies to carry out GEF projects
- The need for a user-friendly definition of GEF’s principle of incremental costs

---

<sup>93</sup> The replenishment process is another example for the legal two-step procedure described above.

<sup>94</sup> GEF, Early Impacts – Promising Futures, 1998 Annual Report, pg. 14.

These requests are neither new nor revolutionary, however, they show the donor countries' interest to influence GEF policies through the replenishment process. The policy recommendations have been included in the decisions of the Council. Likewise the recommendations of the *Overall Performance Study*, the Council reviews the implementation of the recommendations of the Second Replenishment frequently.<sup>95</sup>

### Actors

The main groups participating in the GEF are governments, multilateral organizations, NGOs, and to a smaller extent, private sector entities. Within the GEF network it is possible to differentiate between two levels or layers of involvement of these groups. One group, involving governments, multilateral organizations, international NGO's as well as advocacy groups influence the GEF on the policy level, while on the operational level multilateral organizations meet with local NGO's, the private sector, and the governments of recipient countries.

### Policy Level

Like in other intergovernmental bodies, the main actors on the policy level are the participating **governments**. Member countries are represented in the Assembly directly and through constituencies in the Council. While the Assembly meetings are considered by some participants as a mere side event, the GEF Council is an important, decision making and well-operated body.<sup>96</sup> In fact the Council is the main steering body and much attention is devoted to the semiannual meetings of the Council. Participants and insiders mainly agree that the GEF Council works in a rather effective way compared with other international bodies. Developing and developed countries are actively involved, however, the balance of power within the Council is still weighed in favor of OECD countries. The major donors underline their demands for influence with policy recommendations linked to the replenishment

---

<sup>95</sup> GEF/C.12/7, GEF/C.14/10.

<sup>96</sup> Compared with other international governing bodies, it is a joy to go to the GEF Council meetings. Personal Communication to the Author by several people.

procedure. However, increasing participation of developing countries in the GEF attests to a generally positive outlook of the GEF.

An important body on the policy level is the **Secretariat**, as the only constant institution that works exclusively for the GEF. The Secretariat comprises about forty-five support and professional staff. Although it has many masters to serve and its task is very complex, the Secretariat is the backbone of the GEF. Its permanent presence and its highly qualified and motivated staff makes the Secretariat an extremely influential and important player. Moreover, the preparation and formulation of Council documents provides the Secretariat with a highly influential position regarding GEF policies. The Secretariat carries the institutional memory and stands for continuity of the GEF. It keeps in touch with all actors and facilitates the communication among them. The Secretariat is crucial for the day-to-day work as well as for the facilitation of core learning processes and changes within the network. Its structure, function and size makes it the centerpiece of the GEF network and shows that the GEF is more than a temporary alliance.

On the policy level, the **World Bank** played a dominant role in the GEF Pilot as it bundled together the project decisions as well as the coordination of the project. In the restructured GEF, this influence decreased. Today, the World Bank as well as the other **Implementing Agency** is in constant communication with the Secretariat and the other agencies, and influences policies indirectly. However, the focus of all three Implementing Agencies is on the operational level of the GEF.

Despite the importance and the strong role of governments and the Secretariat, NGOs play an influent and proactive role on the policy level.<sup>97</sup> According to para. 25 (a) of the GEF *Instrument*, the Council shall determine the admission of observers in GEF Assembly and Council meetings.<sup>98</sup> At its meetings in November 1994 and May 1995, the Council decided to allow an observer status for NGOs at Council meetings and to hold consultations with NGOs in conjunction with each Council meeting. In consultations between the Secretariat and NGOs, criteria for the representation of NGOs at Council meetings were developed.<sup>99</sup> The

---

<sup>97</sup> For example, they were crucial in initiating the GEF Medium Size program.

<sup>98</sup> This Paragraph was inserted after the USA and other NGO supportive nations prevailed against the French in the negotiations about the restructured GEF.

<sup>99</sup> Joint Summary of the Chairs, GEF Council Meeting, 1.-3.11.1994, Appendix, Decision on Agenda Item 6: "Question of NGO Observers at Council Meetings and NGO Consultations; Joint Summary of the

goals were not only to allow well-funded northern NGOs participate but also to make sure that the representation of the NGOs would be broad-based. In order to attain this goal, NGOs organized a network of NGOs with thirteen regional focal points with IUCN in Washington serving as international focal point. One important task of the regional focal points of NGOs is the publication and distribution of a newsletter and documents in order to transmit information, news and views from the network center back to the periphery.<sup>100</sup> Today, five NGO representatives are allowed to attend the GEF Council meetings not only as observers but also as active participants. They are allowed to make statements to each agenda topic except during the discussion of the GEF budget. At the same time another five representatives follow the debate from a neighboring video room. NGOs are responsible for the selection of their representatives and for the presentations on the issues. As important as attendance during the Council meetings are the NGO consultations on the day before.

The advantage of NGO representatives is that NGO staff can sometimes be more outspoken than people within the system. Moreover, NGOs provide expertise and have a comparative advantage over Council members when it comes to practical experience. The actual influence of the NGOs on Council members is greatest when NGOs get involved in concrete projects as they are oftentimes closer to project reality and serve as a kind of transmission between the people at the ground and on the political level. NGOs in this situation provide valuable inside information.

In sum, NGOs activities on the international policy level comprise:<sup>101</sup>

- NGO consultations prior to each Council meeting and as observers at the Council meetings;
- Various working groups on demand by the GEF Secretariat;
- Lobbying for donor contributions;
- Providing inputs to other activities initiated by the Secretariat, such as enhancing monitoring and evaluation activities, the Operational Strategy, etc..

---

Chairs, GEF Council Meeting, 22.-24.2.1995, Appendix, Decision of Agenda Item 9: "Criteria for Selection of NGOs to attend/observe Council meetings and information on NGO consultation."

<sup>100</sup> Since fall 1999, the GEF publishes a quarterly NGO newsletter: GEF Digest

<sup>101</sup> A joint NGO Paper: *Improving the GEF Country Level Coordination*, I.5..

So far the **private sector** does not play any role on the policy level. However, private banks and insurance companies are becoming more interested in measures to promote and stabilize the status of the local and international environment. They also become more active on the policy level and put out their feelers in order to cooperate with international institutions such as the GEF.

### Operational Level

Except for project approval through the GEF Council and the governing bodies of the Implementing Agencies, governments of developed countries are not directly involved in GEF operations. According to GEF policies, all projects must be country-driven and be based on national priorities.<sup>102</sup> In order to realize these principles, **recipient countries** established operational focal points to disseminate relevant project information, identify project ideas and to make sure that the GEF proposals are consistent with the country priorities and commitments under the Conventions.<sup>103</sup> Every GEF project has to be endorsed by the recipient GEF Country. In this process the country is represented by the focal point, which forms an important body on the operational level.

The **Implementing Agencies** are the main actors on the operational level. The tripartite agreement lays down the role of the three Implementing Agencies. According to the 1998 completed *Study of GEF's Overall Performance*, the coordination and the collaborative thinking between the Implementing Agencies improved considerably.<sup>104</sup> Nevertheless, corporate cultures and the handling of the implementation of projects by the three Implementing Agencies differ significantly. Although the Study highlights the blurring of responsibilities between the Implementing Agencies, differences remain of which the following are noteworthy:

---

<sup>102</sup> Para. 4 of the *Instrument*.

<sup>103</sup> The organization and cooperation of the Operational Focal Points has been criticized by GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS in the *Study of GEF's Overall Performance*, 1999, para. 90 ff.

<sup>104</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 352.

The **World Bank** implements the biggest share of GEF projects, however, the GEF projects in the Bank's portfolio represent only a very small share. With its longstanding experience in implementing investment projects, the Bank advantage is clearly on this side. While UNDP acts as the Implementing Agency for all technical assistance, the World Bank implements the investment projects of the GEF.

One of the major advantages of **UNDP** is the fact that this agency has the greatest presence at country level. Moreover, UN agencies often have a better standing with recipient countries as the World Bank. Therefore UNDP can more easily convene local stakeholders to develop consensus on policy issues.<sup>105</sup> In this context, UNDP implements with the Small Grants Program one of the most successful GEF operations.

The role of **UNEP** is extremely difficult. It provides scientific knowledge and environmental expertise and supports the work of the STAP. It fulfills the dual role of the safeguard of the Conventions and at the same time, serves as one of Implementing Agencies. Moreover, UNEP's mandate in the GEF network overlaps in some points with the tasks of the GEF Secretariat and of the STAP. GEF's task of mainstreaming other Agencies overlaps in some points with the remit of UNEP.<sup>106</sup> Therefore UNEP is struggling to find its place. Eventually, the location of UNEP in Nairobi is a serious handicap for the agency to operate more efficiently.<sup>107</sup>

As much as **NGOs** offer political sway on the policy level, they offer technical expertise on the operational level. Therefore, NGOs importance and influence on the operational level is widely accepted and appreciated – even by countries that are not always in favor of NGO participation on the policy level. NGOs identify projects and implement them on the local level.<sup>108</sup> Especially in developing countries, they fill gaps in public service and disseminate information to potential project sponsors. Furthermore NGOs provide for ground experience and scientific knowledge, which often is often lacking in developing countries

---

<sup>105</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, Study of GEF's Overall Performance, 1999, para. 349.

<sup>106</sup> GEF, Independent Evaluation of the Pilot Phase, 1994, pg. 125.

<sup>107</sup> GEF, Independent Evaluation of the Pilot Phase, 1994, pg. 125.

<sup>108</sup> NGOs are involved in the implementation of over 200 GEF projects. The funding rate for NGOs between 1996 and 1999 increased about 60%. *See*: GEF Digest, Fall 1999, Issue 1.

with regard to GEF issues. Grassroots groups represent the link between the environmental community and the project level.

An increasing number of GEF projects engage **private firms**.<sup>109</sup> These are especially important in all energy related projects and in projects seeking to phase-out aerosols, propellants, foams, and refrigerants containing substances. However, private actors do not act as executing agencies, which means that they still have few opportunities to execute a project under its own responsibility.

### NGOs and the GEF

The relationship between the GEF and the NGOs was always very close and evolved with the development of the GEF. The strong influence of the environmental movement on northern governments often represented by NGOs was crucial for initiating the GEF. Today the GEF is seen as unique in its openness to outsiders. NGOs are the most prominent stakeholders in GEF activities and at the same time the group that benefited mostly from the openness of the GEF. The different levels of NGO participation reflect the important role of NGOs.

The reason why the relationship and the influence of NGOs in the GEF is so strong is linked to the importance of the environment in the work of NGOs. The number of NGOs involved in environmental protection is huge and one can say that the environmental debate started with the engagement of the civil society in form of NGOs. Over time the engagement of NGOs in the environmental debate developed from consciousness and sensitivity raising activities to active involvement in environmental work and protection. Nowadays, NGOs not only have a reputation for giving voice to public concerns but also as an excellent source of expertise and insight. Various coalitions among NGOs, governments, and other institutions are becoming more and more frequent. At the time when the GEF was created the environment played a major role in the political debate. No decision regarding the environment was feasible without NGO involvement. Therefore it was natural for NGOs to play a strong and important role during the foundation of the GEF. In that process and later on during the restructuring of the GEF, NGOs played an important role in giving support to certain positions, facilitating coalitions as well as influencing the debate. Today the relationship has evolved. GEF and NGOs are close partners in project implementation and

---

<sup>109</sup> In November 1999, GEF funds 35 private Sector projects.

GEF makes great use of the local presence and expertise of various NGOs. The relationship between the GEF and NGOs can also be described as a learning process. Today NGOs make use of resources provided by the GEF and the GEF makes use of the knowledge and expertise provided by NGOs.

However, the relation between the GEF and NGOs is not always an easy one.

First of all, it is important to point out that the term NGOs is extremely broad. NGOs range from local grassroots groups to Washington-based ‘think tanks’ and from policy advocacy groups operating at the international level to communities in rural areas.

Non-cooperative NGOs are still very suspicious about the close relationship between the GEF and the World Bank. They take the view that ‘if David ever did tame Goliath, it was by using a sling shot’ and ‘not by sitting with him to discuss reform at workshops whose content was first cleared at 1818 H Street, Washington.’<sup>110</sup> These NGOs focus on advocacy work from outside the GEF in order to reform the whole system. They criticize big international NGOs such as The Nature Conservancy (TNC) or IUCN for becoming part of a system, which is part of the problem.<sup>111</sup> On the question of accountability and transparency, these big NGOs are accused of not being much better than the Implementing Agencies themselves.

Others see the difference not so much between the cooperating NGOs and the non-cooperative groups but between the Washington-based NGOs and NGOs outside the beltway. This distinction is important and has to be taken into the assessment of the relationship between NGOs and the GEF.<sup>112</sup> Not only financial resources but also flow of information make a difference between NGOs. Sometime the beltway based NGOs are sharply criticized for their disproportionate influence in comparison to the small portion of people these NGOs represent.

The various approaches of NGOs regarding the GEF should also be seen from the perspective of other members of the GEF network. Hostile NGOs can be fierce and troublesome detractors. As allies, however, their expertise and constituencies can be used

---

<sup>110</sup> ZOE YOUNG, NGOs and the GEF: Friendly Foes?, Final Draft, September 1998, pg. 6.

<sup>111</sup> KORINNA HORTA, personal communication, 9/99.

<sup>112</sup> ACHIM STEINER, personal communication, 11/99.

very fruitfully. Moreover, NGOs are the working eyes and ears of the GEF.<sup>113</sup> As GEF's guidelines become more demanding, implementing agencies as well as project sponsors become dependent on outside assistance.<sup>114</sup> For the GEF, NGOs are a crucial factor for enhancing the country-level coordination and the country ownership. NGOs are catalysts for stakeholder participation on the project level and crucial for project success.

The growing involvement of NGOs and grassroots initiatives in institutions and their procedures puts NGOs in a quandary. NGOs may lose some of their identity, as they become part of processes. As one NGO representative pointed out, NGOs fear that they become weak and lose their edge.<sup>115</sup> This problem became obvious with the self-organized NGO network of focal points. The focal points gradually turned into a self-selecting clique no longer working effectively. They were never democratically legitimized and the selection process was rather accidental and influenced by personal interest.<sup>116</sup> 'The huge diversity of society became represented by ad-hocracy representatives of globetrotting professionals.'<sup>117</sup> The system is under strong criticism from the NGO community itself and in some regard it is seen as a complete failure, while others would like to improve the system and stress the need for more accountability, democracy and transparency.

These problems within the NGO community notwithstanding, NGOs frequently criticize the GEF. The main complaints and demands on the GEF from the NGO community are the following:

- GEF procedures are incomprehensible, inconsistent, inflexible, and slow. The GEF/Implementing Agency procedures and decision-making processes are too complex and hard to understand.
- NGOs complain about the complicated procurement procedures of the World Bank and claim that they are not adequate for NGOs.<sup>118</sup>

---

<sup>113</sup> MOHAMET EL-ASHRY, personal communication, 9/99.

<sup>114</sup> ZOE YOUNG, NGOs and the GEF: Friendly Foes?, Final Draft, September 1998, pg. 8.

<sup>115</sup> RACHEL KYTE, personal communication to author, 9/99.

<sup>116</sup> RACHEL KYTE, personal communication to author, 9/99.

<sup>117</sup> ZOE YOUNG, NGOs and the GEF: Friendly Foes?, Final Draft, September 1998, pg. 13.

<sup>118</sup> Partners of Hired Hands?, Prepared by an Ad Hoc NGO Working Group, 1997.

- The GEF Secretariat works without a comprehensive strategy.
- NGOs favor the proliferation of the number of Implementing Agencies, as it would increase competition and quality of the projects and see themselves as implementing agencies in the long run.
- In some countries there is a clear lack of NGO participation of NGOs and local communities' and that restrains the GEF in carrying out its mission successfully.<sup>119</sup>

Nevertheless, it is just the variety and the plurality of the NGO community that makes it one of the most important assets for the GEF. While collaborating NGOs join the game and add to the existing knowledge and expertise, non-collaborating NGOs provide constructive criticism, which keeps the network learning.

While Northern NGOs add the knowledge and expertise and get involved in diplomacy and politics, southern NGOs deliver ideas and arguments about the local situation and help implementing projects. In this light the GEF provides an extremely productive and open niche for NGOs to cooperate, which is so far quite unusual in the global governance models.

### The Private Sector and the GEF

In the last decade the role of private financial flows became increasingly important of funding for investment projects in developing countries. It is therefore obvious that any meaningful activity with regard to global environmental protection has to involve the private sector on a significant scale. Given the limited resources directly available through the GEF compared with the funding need estimates, one of the main goals of the GEF must be to leverage additional resources as much as possible from other resources.<sup>120</sup> The participation of private

---

<sup>119</sup> A joint NGO Paper: *Improving the GEF Country Level Coordination*, I.9. The same paper highlights different good and bad examples of multi-stakeholder participation. See as well: *GEF Examples of Public Involvement in GEF-financed Projects*, 1996.

<sup>120</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 14.

entities provides for an opportunity to raise the amounts of private sector capital in GEF projects and to raise the amount of funds devoted to global environmental protection.

Furthermore, private companies with an interest in profits stand for a better execution of the project than government agencies. As they have their own interest in the project's success, they often guarantee cost-effectiveness and efficiency.

Eventually, project success often will depend on the enhancement of the project idea through similar private investments. Therefore the integration and the feedback of private sector entities are crucial for the GEF success in general. Especially, the GEF must seek to strengthen the role of recipient country's private sector in broadcasting business opportunities through demonstration as well as to develop guidelines for private sector projects consistent with a competitive market setting avoiding subsidies.

Although private companies and financial institutions such as private banks and insurance companies should play an important role within the GEF network, this is so far not the case. For many years, the integration of private sector entities in the GEF network has been neglected and remains very limited when compared with other actors. The typical role of the private sector was the provision of equipment and/or services.<sup>121</sup> Although most private sector involvement in GEF is still through the World Bank, the private sector engagement through the IFC is increasingly important.

This might be due to the fact, that the IFC has offered the only direct way for GEF to fund private sector projects.<sup>122</sup> The projects financed by the IFC are channeled to the GEF via the World Bank as the Implementing Agency. According to the IFC, the collaboration with the GEF provides benefits for both sides.<sup>123</sup> Because the funds are made available by the GEF, the IFC is able to expand its investment activities into environmental sectors with a strong developmental impact such as renewable energy, energy efficiency, and ecotourism. Furthermore it enables the IFC to support cutting-edge ventures that may have a marginal rate of return or carry high risks. On the other hand, the GEF benefits from the capital, technology and management skills in the private sector. Regardless of the potential profitability of most

---

<sup>121</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 80.

<sup>122</sup> LOUIS BOORSTIN, personal communication, 9/99.

<sup>123</sup> LOUIS BOORSTIN, personal communication, 9/99.

private investments, the GEF provides concessional funding in the form of grants and hence subsidies to recipients.<sup>124</sup>

Private entities never took a proactive role in the GEF. And the private sector was the neglected stepchild of the GEF for most time. While NGOs always claim some credit for their active involvement in the GEF, the private sector had so far no incentive to collaborate. In 1996 and in 1999 this absence was recognized and, the Secretariat submitted a proposal for Council consideration aimed at increasing the role and importance of the private sector in the GEF.<sup>125</sup> While the first document in 1996 was received controversially,<sup>126</sup> the Council broadly supported the more recent paper. Similar reservations existed on the side of the NGOs, who were for some time suspicious and reluctant to involve the private sector. Today more and more NGOs see private companies as partners instead of competitors and see the value of their involvement.

One of the main problems hampering a closer collaboration with the private sector is the lack of knowledge about the GEF within the business community. One of the very first measures in order to enhance the private sector involvement has to be the promotion and the dissemination of information about the GEF within the business community.

Another barrier for the private sector is the time-consuming and complex project approval procedure of the GEF. The incremental cost principle is a cumbersome concept difficult to understand and not very operational. Given the uncertainty, the risks, the high opportunity costs and the limited amounts of funds, which are usually made available, private companies do not have many incentives to wait two or more years for approval.<sup>127</sup> It is clear that the GEF must develop a streamlined and less bureaucratic project approval process, which is tailored to private needs in order to attract private investors.

---

<sup>124</sup> The *Instrument* notes that the GEF shall provide grant or concessional financing to cover the agreed incremental costs of activities that achieve global environmental benefits.

<sup>125</sup> GEF Strategy for Engaging the Private Sector, GEF/C.7/12, March 7, 1996; Engaging the Private Sector in GEF Activities, GEF/C.13/Inf.5 May 14, 1999.

<sup>126</sup> The 1996 GEF document was preceded by a GEF Information Document. *Engaging the Private Sector*, GEF/C.6/Inf.4., October 5, 1995. This first paper was after being presented to the Council revised. The Council approved paper The official paper is less outspoken and more cautiously formulated.

<sup>127</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of GEF's Overall Performance*, 1999, para. 81.

Furthermore, it is very questionable whether the provision of grants is the adequate mechanism to stimulate the engagement of the private sector. Most private sector projects are investments in valuable and profitable projects. Therefore the provision of grand funds may increase the profitability, but will only be attractive and serve as an incentive if the increased profitability offsets the additional transaction costs due to bureaucratic procedures. At the same time, one important barrier for private investment in environmental projects is not costs or limited profitability but higher risks. Non-grant modalities might be more appropriate in these cases where projects are economically viable, but where the lack of operational experience, uncertainties with regard to performance of new technologies as well as regulatory uncertainties form a unpredictable risk for private investors.<sup>128</sup> In order to create a strong and new incentive for the private sector, it might be more appropriate to reduce the greater risks of projects with global environmental benefits rather than subsidizing the activities that the private sector would do anyway. In order to facilitate private investment the GEF should develop visible incentives and useful instruments such as contingent grants, performance grants, contingent or concessional loan, partial credit guarantees, investment and reserve funds.<sup>129</sup> The idea of non-grant modalities and instruments is slowly developing within the GEF secretariat. However, it seems that the scope and the openness towards a stronger private involvement have clearly increased over the years. This year a study on the scope for contingent finance was commissioned by the World Bank's Environment Department and the GEF.<sup>130</sup> The paper draws on the key lessons of contingent financing in IFC projects.

Nevertheless, much more needs to be done in order to make the private sector a real partner in the GEF network. In this regard it is important to note that the role of the private sector in the GEF network should not be limited to the operational level but should involve the private sector on the policy level as well.

---

<sup>128</sup> Engaging the Private Sector in GEF Activities, GEF/C.13/Inf.5 May 14, 1999, para 25.

<sup>129</sup> Engaging the Private Sector in GEF Activities, GEF/C.13/Inf.5 May 14, 1999, annex.

<sup>130</sup> MICHAEL S. ASHFORD, *Contingent Finance as a GEF Financing Modality*.

## Learning in the Network

When learning is defined as a continuous process causing institutional or behavioral change, the GEF network provides an excellent ground for learning. As an institution placed in a constantly changing environment comprising actors with sometimes very different and changing interests, the GEF must learn and evolve in order to survive. From the Brundtland report to the upcoming Convention on Persistent Organic Pollutants, the GEF is placed in an environment where the agenda constantly evolves and the external demand undergoes continuous change. As a network comprising governments, NGOs and the private sector from all over the world, the set of actors within the network could not be more heterogeneous causing permanent friction and change in their search to compromise. Mandated to protect the global environment and as the financial mechanism for the conventions, the GEF and its implementing agencies are operating in a new and challenging territory where tools and instruments need further refinement.

Therefore, learning, innovation and flexibility are key priorities for the GEF.<sup>131</sup> While its mandate and its overall goal of protecting the global environment was never questioned, the emphasis of the GEF learning process is on simple learning involving the change of means in response to changes inside and outside the network.<sup>132</sup>

The learning process of the GEF network is induced internally through the internal system and structures or externally through changes in the external environment including changes in the policy of its stakeholders. The emphasis of the following deliberations will focus mainly on the internal learning process.

The Pilot Phase should also be considered as a period of institutionalized learning where learning and change were the purpose of the whole setting. Accordingly, the GEF pilot was created with little formalized proceedings. The Pilot gave room for experimentation as well as for a trial-and-error approach, in order to find the most effective way to operate. After the Pilot phase the GEF went through fundamental reconstruction, in which the experiences of the pilot and new demands from its participants were integrated. However, this learning

---

<sup>131</sup> GEF, *Operational Strategy*, 1996, pg. 5.

<sup>132</sup> According to ERNST HAAS, simple learning is defined as actors cooperating in the network to search for solutions to a problem have agreed on new means to address the problem. ERNST HAAS, *When Knowledge is Power. Three Models of Change in International Organizations*, 1990.

process has not been always voluntary as certain claims were made mandatory or pushed through by a few but influential and powerful parties. Furthermore, the UNCED conference in Rio and the wish to make the GEF the financial mechanism of the upcoming conventions added to the internal and external dynamics and made adjustments necessary.

Internally, the restructuring process after the pilot phase was enhanced and strengthened by an *Independent Evaluation of the Pilot Phase*.<sup>133</sup> It clearly spelled out the weaknesses of the GEF Pilot. Unfortunately, the report of the *Independent Evaluation* came out late and had only a minor impact on the negotiations about the restructuring of the GEF. Nevertheless most of the recommendations of the report were taken seriously and implemented afterwards. One example is the establishment of an independent monitoring and evaluation unit (M&E) in the Secretariat, which provides another important source for the internal learning process and making learning more systematic. Another important decision enhancing the learning process was on disclosure policy, making almost all GEF documents publicly available and open for public scrutiny and feedback. Today the GEF is one of the most transparent international entities. Furthermore the role and participation of NGOs was further refined and participation on the country and community level was strengthened.

More learning and institutional change was induced by a second evaluation of the GEF commissioned by the GEF Council in 1996. The final report, the *Study of GEF's Overall Performance*, was presented at the GEF Assembly in Delhi 1998. It is worthwhile to mention that the study team of the second evaluation found that the GEF had taken concrete action on most of the recommendations of the *Independent Evaluation*.<sup>134</sup> Major progress and learning was achieved in the articulation and definition of the GEF mission and strategy as well as in the management of the overall operations. It was stated that most of the GEF projects had been country-driven,<sup>135</sup> stakeholder participation had increased and clear guidelines on participation in projects had been issued. Some aspects were formulated for the first time, such as the mobilization of private capital, the improvement of information dissemination at country and local level, mainstreaming of environmental issues in the implementing agencies

---

<sup>133</sup> GEF, *Independent Evaluation of the Pilot Phase*, 1994.

<sup>134</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of the GEF's Overall Performance*, 1999, para. 145 ff.

<sup>135</sup> However, more local and regional consultants should be used.

and the implementing monopoly of the World Bank, UNDP and UNEP.<sup>136</sup> All of these aspects were taken up by the GEF Council and led to internal changes sometime after a long and intensive debate on where means and values had changed.

To sum up, it is clear that the GEF in its unique setting was made to learn and will constantly change. The past provides good evidence that the GEF was open for change, remained flexible and was able to adapt to a changing environment. The learning process in the GEF was triggered by different events and actors and has its roots in the great variety of its stakeholders and its openness to society.

---

<sup>136</sup> GARETH PORTER, RAYMOND CLEMENCON, WAAFAS OFOSU-AMAAH, MICHAEL PHILIPS, *Study of the GEF's Overall Performance*, 1999.

## OUTLOOK AND CONCLUSION

---

The final aspect to be discussed concerns the prospects of the GEF. As shown above, the GEF undergoes a constant evolutionary process. This is one of the major strength of the system and the loss of this capability would jeopardize the whole system. Therefore it is quite sure that the GEF as described above will not be the same in five years. In order to give a brief outlook of what may come, this chapter will try to point out in which direction the GEF is moving.

Starting with a description of GEF activities in the last months, in a second step the conclusions of these developments will be drawn.

- The GEF Council reviewed in May 1999 the document GEF/C.13/3, *Expanded Opportunities for Executing Agencies*. In its decision, the Council approved the proposed approach for the participation of Regional Development Banks in preparing and executing GEF projects. Moreover, the Council urged the Implementing Agencies to make a greater effort to diversify and cooperate with a wider range of executing agencies, including in the implementation of the strategic partnerships<sup>137 138</sup>.
- The GEF Secretariat puts a lot of effort in enhancing the involvement of the private sector in the GEF.
- In order to get more control over the administrative budgets of the Implementing Agencies, the GEF Council has approved in the first Council in 1999 the application of a fee-based system to determine Implementing Agencies with respect to GEF projects.<sup>139</sup> The fee-based system is supposed to provide transparency and comparability and implement cost savings. Currently, the Implementing Agencies get reimbursed for their expenses through annual administrative budgets.
- The GEF promotes a new “programmatic approach” in its relationship with the Implementing Agencies. This concept allows the Agencies to implement in a systematic approach several projects related to the objective. Today, all three

---

<sup>137</sup> These partnerships are built up around a specific operational objective, managed mutually, and entail a long term commitment. GEF/C.13/9, para. 3.

<sup>138</sup> Joint Summary of the Chairs – GEF Council Meeting, May 5-7, 1999.

<sup>139</sup> GEF/C.13/11

Agencies have their own strategic partnerships according to it comparative advantage (UNDP – capacity building, World Bank – renewable energy market transformation, UNEP – mobilization of the scientific and technical community).

All these latest developments give evidence for the increasing self-confidence of the GEF represented through the GEF Secretariat. It shows how it tries to untie the connecting strings to the Implementing Agencies. The GEF Secretariat plays an important role in this development which is no longer an outpost of the World Bank, but an independently in GEF interest acting entity.

The decision to involve the Regional Development Banks into the GEF opens up the GEF to other actors. Although the number and the stewardship of Implementing Agencies are still untouched, the expanding number of executing agencies shows the direction of development. The expansion of the number of executing agencies could finally lead to an expansion of the number of implementing agencies. Already, the Council document GEF/C.13/11 notes that in special cases the executing agencies could be even directly accountable towards the Council.<sup>140</sup> This is the logical conclusion in order to avoid making the GEF project cycle even more complex.

What makes the new fee-based systems in this context so appealing is that it is not only more transparent and easier to handle but it opens the administrative procedure for other agencies as well.

Eventually, the strategic partnership approach removes the GEF from the strict project by project concept. These broader partnerships pass on a strategy for GEF projects in a certain area. Once the GEF would have to deal with more than three implementing agencies, the Council would have to give up the project by project approval. The concept of strategic partnerships would allow systematically to bundle the projects together.

The closer engagement of the private sector may provide further reason for change. A stronger engagement of the private sector on the operational level could also mean to strengthen its role on the policy level. It is so far hard to predict how far this process may go and to what extend the private sector will become a mature network partner, but it is a process which takes already place and will change the face of the GEF.

---

<sup>140</sup> GEF/C.13/11, para. 27.

The tendency to increase the number of GEF involved entities would strengthen the role of the Secretariat and weaken the Implementing agencies. The call for expanding the number of agencies is a longstanding request from the international NGOs, which is supported by the US. The argument for the expansion is that it would improve the quality of GEF projects through enhanced competition. Moreover, expanding the number of Implementing Agencies could stimulate increased involvement in the GEF process by critical stakeholders, including NGOs, community based organizations and the private sector. However, not only the three Implementing Agencies but also some of the countries still oppose the expansion of the agencies.

In a long-term perspective the changes of the GEF could be even more far-reaching. The question is if the GEF will become be an organization on its own right. Even though the GEF lacks legal personality, it is already functionally to a certain degree independent. A further emancipation that leads to a future independence is not out of the question. Some actors clearly see the development of the GEF pointing in this direction. According to these voices, the GEF would become an independent entity without implementing agencies. It would perhaps continue to be administratively dependent from the World Bank but the GEF would contract various entities to perform specific functions.

On the other hand, the political support for the creation of a new international organization would be hard to find. And the question is if it is necessary to create formally a new organization. The GEF can execute its mandate in its actual shape in avoiding legal formalisms and new bureaucracies. It may even loose its actual strength of being a transparent, flexible and participatory institution when becoming formalized.

Increasing the influence of the Secretariat means increasing independence of the GEF. If this means necessarily a strengthening of the system as a whole, however, remains in question. Strengthening the secretariat and achieving greater independence must not necessarily mean that such process will strengthen the GEF at the same time.

### Leadership

Institutional Leaders: World Bank – Governments – GEF Secretariat

For the longest time, the World Bank had the leadership in the GEF network. In the Pilot, the GEF was more or less a part of the World Bank. In the restructured GEF, it became an own

identity, but still the influence of the World Bank is strong. The leadership of the World Bank can be explained historically. In its inception, the GEF was clearly a developed world project and the donor countries favored the linkage between the GEF and the World Bank. However, with the restructured GEF, leadership and responsibility shifted from the World Bank to the GEF Council. The governments represented in the Council undertook the responsibility for the GEF policies and programs. The more the GEF developed its own strategy, the more the influence of the Implementing Agencies declined and reached a point where the limitation of three agencies is challenged. At the same time, the GEF Secretariat gained influence and leadership. GEF's leadership can be much attributed to the ability to make other actors want to join the facility.<sup>141</sup> Therefore, in terms of leadership, the question remains critical, which of the actual actors will get the private sector on board of the GEF.

#### Individual Leaders

The GEF was initiated in a time where broad public support offered the opportunity for individual leaders to play a key role in initiating the network. Throughout its history, the GEF depended on support of both institutional and personal allies. In the early years, a group of committed individuals built up the mentioned informal supportive network for establishing a fund for the global environment. These individuals came from a different background, such as multilateral organizations, governments and NGOs. While some of them were only active in a limited timeframe, others remain committed to the fund today. The core group of this network considers itself as the "GEF-family" connected by strong informal ties. Active members of the GEF family provided for influence of the actor they represented. Especially, among the governments, proactive delegations and representatives increased the influence of the respective country.

However, the GEF-family was especially important in the early phases of the GEF. The more the GEF became an established institution, the more it became independent from the family support. From a certain point, fathers and mothers even might hamper the development of their children. Founders often stick to a fixed view of their project or idea and lack the flexibility to evolve and learn. But as the GEF institution evolves so does the family,

---

<sup>141</sup> ANDREAS OBSER, *Communicative structuration and governance of the global environment through policy networks of international aid organizations*, 1999, pg. 138.

especially when members leave and become substituted by their successors. Until now, the family provides also a great source of institutional memory, which will fade with the integration of new actors and representatives. The new members may be part of a new generation with new ideas and new approaches, but they will also lack the institutional memory sometimes helpful to manage the distant secretariat. This entails that the roles and the division of power between the family or the Council and the Secretariat will be altered over time.

### Interaction between the Actors

Apart from the asymmetries described above, the relationship among the different actors in the GEF network improved over the time. Other than in the Pilot Phase, the GEF as it works today is characterized through cooperation instead of confrontation. Communication, consultation and a structural framework were the key points that improved the relationship among the actors in the restructures GEF. A critical role among these actors was played by the Secretariat serving as a platform for communication. Important as well, in the restructured GEF the institutional set-up clearly assigns the roles in the system. The work sharing between the different actors ensures the checks and balances between the actors by doing so it stabilizes the network.

The GEF suffers from some power asymmetries within the different sectors that weaken the system.

The most obvious of such inequalities is the uneven distribution of financial resources. Still, the major donor countries provide for most influence in the system. First, they occupy their own seat in the Council. Second, they have at their disposal the means for staffing and coordination their work in the Council. In some developing countries the coordination and information dissemination does not working adequately. These countries lack both financial resources and knowledge to coordinate their interests among and within the constituencies.

Another example of asymmetry in terms of power and influence, can be find between the Implementing Agencies. The tripartite partnership is an innovative concept and worked as a successful model. However, the World Bank has acted as the most influential actor and left the other two agencies under-represented. UNEP has an especially difficult position.

Located in Nairobi, with staff recruitment problems and limited resources it suffers a disadvantage vis-a-vis to the other agencies.

Summarizing the problem, a network has to address the differences in power and knowledge between the actors. For being successful the network has to support weaker actors. The lack of resources will otherwise limit the ability to find the full potential of the actors.

When the GEF was created, all new and superfluous governance and structure were to be avoided. The GEF wanted to be simple and no-bureaucratic. However, the GEF missed this target. Today, the GEF project cycle is one the most complex and cumbersome in the whole international system.<sup>142</sup> It has not only to satisfy the needs and demands of the traditional public project sponsor, but must develop special solutions and instruments to serve the different approaches from NGOs and the private sector. Furthermore one of the main strength of the GEF - the integration of different sectors and the highly participatory structure of the GEF - turned out to be a weakness at the same time. The pure number of actors and agencies involved led to an overly complicated project cycle and lengthy decision processes.

### Last Words

The GEF is a highly innovative and interesting entity. The renouncement to binding and sometime narrow legal structure enables and motivates the creation of new and innovative mechanisms like the GEF. The flexibility of the GEF is an integral and crucial element. It provides for a fascinating object for discussion and research. As it shows key features of innovative implementation strategies such as new forms of governance, flexibility and informality, it provides for endless questions and a good number of answers. The restructured GEF provides a new and different answer to international problems. The GEF network invites

---

<sup>142</sup> RUDOLF DOLZER, personal communication to Author, 10/99.

interested people to dig into the structures and processes of this specific and of other trisectoral networks. The lessons drawn are worthwhile to be broadcast to a broader audience.



## BIBLIOGRAPHY

---

- Ashford, Michael (1999): Contingent Finance as GEF Financing Modality, Part 1: Conceptual Issues, edited by: Climate Change Team Environment Department, The World Bank.
- Bichsel, Anne; Horta, Korinna (1998): Leapfrog into Mainstreaming and Jump-Start the Learning Process: Critical Steps for the Future of the GEF.
- Boisson de Chazournes, Laurence (1999): The Global Environment Facility Galaxy: On Likages among Institutions, The Max Planck Yearbook of the United Nations, Vol. III. DRAFT.
- Bowlwa, Ian A. and Glenn T. Prickett (1994), Reframing the Green Window: An Analysis of the GEF Pilot Phase Approach to Biodiversity and Global Warming and Recommendations for the Operational Phase, NRDC Washington DC.
- Ehrmann, Markus (1997): Die Globale Umweltfazilität (GEF), ZaöRV, Vol. 57/2-3, pg. 565.
- GEF (1992): The Pilot Phase and Beyond.
- GEF (1994): Independent Evaluation of the Pilot Phase.
- GEF (1996): Operational Strategy.
- GEF (1997): GEF Operational Programs.
- GEF (1998): Early Impacts, promising futures, Annual Report, GEF Special Edition.
- GEF (1998): The GEF in the 21th Century: A Vision for Strengthening the Global Environment Facility A Joint NGO Document (Final Draft, 5 March 1998).
- A Joint NGO Paper (1999): Improving GEF Country Level Coordinations - Experiences, Views and Recommendations from the NGO Community, A joint NGO paper (21.4.1999).
- Ad Hoc NGO Working Group (1997): Partners or Hired Hands? Procurement Reform for Effective Collaboration Between NGOs and Multilateral Institutions.
- Haas, Ernst B. (1990) When Knowledge is Power. Three Models of Change in International Organizations, Berkeley, University of California Press.
- Horta, Korinna (1998): Global Environment Facility, Foreign Policy In Focus, Vol. 3, No. 39.
- Obser, Andreas (1999): Communicative structuration and governance of the global environment through policy networks of international aid organizations, Baden-Baden.

- Porter, Gareth, Raymond Clemencon, Waafas Oforu-Amaah, Michael Philips (1998): Study of GEF's Overall Performance, Washington D.C., Global Environment Facility.
- Reed, David (1994): The Global Environment Facility, Volume II, World Wide Fund for Nature International Institutions Policy Program.
- Reed, David (1993): The Global Environment Facility and Non-Governmental Organizations, American University Journal of International Law and Policy 9, pg. 191.
- Schermers, Henry G., Blokkers, Niels M. (1995) , International Institutional Law, Third Edition.
- Helen Sjöberg (1994): From Idea to Reality – The Creation of the Global Environment Facility, GEF Working Paper 10.
- Helen Sjöberg (1999): Restructuring the Global Environment Facility, GEF Working Paper 13.
- Jacob Werksman, (1995): Consolidating Governance of the Global Commons: Insights from the Global Environment Facility, Yearbook of International Environmental Law, Volume 6 (1995), pg. 27.
- World Resources Institute (1989): Natural Endowments: Financing Resource Conservation for Development.
- Young, Zoe (1998): NGOs and the GEF: Friendly Foes?, FINAL DRAFT, Sep. 1998.