

## What Future for the Global Environment Facility?

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For more than a decade, the Global Environment Facility (GEF) has provided critical support to developing countries for fighting global environmental problems such as climate change and the loss of biodiversity. But recent developments do not bode well for the ability of the GEF to continue playing its pivotal role in support of implementing multilateral environmental agreements. Its already modest resource base has been declining in real terms, and a December 2005 deadline for the conclusion of the fourth replenishment of the GEF (GEF4) passed without a compromise between major donors. The adoption of a resource allocation framework in September 2005 is likely to complicate how the GEF can program its resources in the future, even if replenishment negotiations can be completed by June 2006. Current events reinforce the need for a close look at what the future role of the GEF should be and how resources for addressing global environmental problems in developing countries should be raised.<sup>1</sup>

**Keywords:** *environment; funding; Global Environment Facility; resources*

The Global Environment Facility (GEF), a multilateral financial mechanism first set up as a pilot phase in 1991 and formally established in 1994, finds itself in the most serious crisis since inception. The replenishment negotiations for GEF4, which would fund the GEF's operations from 2006 to 2010, are in limbo as the United States has indicated that its contribution to GEF4 may amount to only \$225 to \$250 million, far short of its contribution to GEF3 of \$430 million.<sup>1</sup> Four months earlier, a controversial performance-based resource allocation framework (RAF) had been adopted by the GEF Council, largely as a precondition for securing U.S. participation in GEF4. Other donor countries threaten to cut back their GEF contributions in proportion to U.S. cuts.

The GEF is the single largest source of grant-financing for programs and projects in developing countries that are defined as generating primarily global environmental benefits. It serves as the financial mechanism for the Convention on Biological Diversity

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**Author's Note:** This contribution has benefited from personal communications during the past 2 years with a number of persons familiar with the Global Environment Facility (GEF) and its implementing agencies. Because some requested anonymity, I have decided to list no names here. The article furthermore draws on my experience as the Swiss representative to the GEF replenishment and restructuring negotiations from 1990 to 1994 and as a member of the evaluation team for the first GEF Overall Performance Study in 1997. In addition, I am grateful to two anonymous reviewers for very helpful comments. All mistakes are mine.

(CBD) and the UN Framework Convention on Climate Change (UNFCCC), both adopted in June 1992. More recently, it has begun supporting the Stockholm Convention on Persistent Organic Pollutants and the UN Convention to Combat Desertification.<sup>2</sup>

The GEF has been limping from one 4-year funding period to the next, but donor countries so far have failed to address fundamental issues relating to the GEF's long-term role and resource base. The GEF Council—the governing body that meets twice a year to approve program installments and to give strategic guidance to the GEF—has taken the small resource base of the GEF as a given and has focused on institutional and operational efficiency of the GEF and its implementing agencies, the leveraging of cofinancing, strategic programming of resources, project eligibility criteria, transparency, stakeholder consultations, and lately development of indicators to measure project results.

Overall performance studies mandated by the GEF Council have reflected this preoccupation with operational aspects of the GEF (GEF, 2003, 2005e; Porter, Cléménçon, Ofosu-Amaah, & Phillips, 1998). Although they are independently conducted, they follow rather narrowly defined terms-of-reference approved by the GEF Council. Their mandate is to provide donor countries with an assessment of the institutional effectiveness of the entity, and overall project and program performance, thus providing a basis for future decisions regarding continued funding of the mechanism.

A comprehensive and strategic look at the GEF as an institution is becoming urgent. Overall performance studies have drawn plenty of conclusions relevant for the bigger picture, but reviewers have not been charged with assessing in any comprehensive or strategic sense the GEF's past, present, and future role as the central financing mechanism supporting multilateral environmental agreements. Such an assessment would need to include consideration of the longer term vision for the GEF and of the adequacy of the GEF's financial means. It would require an assessment of how much resources are really needed to achieve specific objectives and of how the resource flows could be gradually increased and made more predictable during the coming decade.

The present contribution is an attempt to stimulate discussion of such issues. The history of the GEF, its institutional setup, and its mandate are first briefly reviewed. The recent debate concerning adoption of a performance-based resource-allocation framework is then discussed. In the section about replenishment, the article shows that GEF resources have actually declined in real terms during the past decade. The article's main contribution is to explore the factors that determine the size of the GEF fund and the outcome of periodic replenishment negotiations. Finally, three practical suggestions for maintaining the relevance of the GEF during the next decade are offered.

The overall argument is based on two basic assumptions that are not discussed in much detail. The first assumption is that the GEF is by-and-large an effective institution. The second is that the resources at the GEF's disposal are insufficient for fulfilling the mandate given. Of course, it is impossible to objectively quantify exactly how much should be done to help developing countries address global environmental problems and at what cost to citizens in developed countries. However, comprehensive scientific assessments continue to urge a swifter and much more substantial response to

global environmental problems (e.g., Intergovernmental Panel on Climate Change, 2001; Millennium Ecosystem Assessment, 2005). Such calls are echoed by statements by heads of many governments to international summits such as the Johannesburg World Summit on Sustainable Development in 2002, the UN Millennium Development Conference in 2000, and the 60th UN General Assembly meeting in 2005.

### Some History

The GEF was first set up as a voluntary pilot phase in 1991 based on an initiative by France, backed by Germany. The GEF would provide financial resources additional to official development assistance, and fund incremental costs of investments that could turn regular development projects into projects with global environmental benefits. In doing so, it would respond to expectations by developing countries that they would receive financial support for joining international environmental agreements that were being negotiated at that time, notably the climate convention and the biodiversity convention. The United States in the end refused to join the GEF pilot phase in 1991 but joined in 1994. France, Germany, and Japan had made their continued support for the fledgling GEF conditional on the United States' participation (for an excellent account of the early phase of the GEF, see Sjöberg, 1994, 1999).

The GEF was born mainly out of a concern by some donor governments finance ministries about the proliferation of environmental funds modeled after the Montreal Protocol Ozone Fund which is under the responsibility of the Parties to this convention (Cléménçon, 1994). At the same time, the GEF was able to capitalize on the fact that several European countries had reserved financial resources in their budgets in support of emerging new conventions on climate change and biodiversity.

Developing countries, for their part, had little interest in the GEF and, before and during the Rio Conference, were pushing for the establishment of a green fund that would fund environmental projects of national priority (Chatterjee & Finger, 1994; Cléménçon, 1994). As far as the Convention on Climate Change and the Convention on Biodiversity was concerned, they demanded financial mechanisms under the authority of the Parties to the Conventions, which would decide on funding questions based on the UN one country–one vote system.

Important questions were what role existing multilateral institutions should play in the new mechanism and what governance structure it should have. Some smaller European donor countries and nongovernmental organizations (NGOs) had initially advocated the establishment of an independent organization, an idea that however never took hold. France and Japan, on the other hand, had wanted to set up the GEF simply as a new World Bank financing window under the World Bank Executive Board. In the end, the GEF was established as a cooperative arrangement between three existing international organizations that were designated as implementing agencies mandated with helping recipient countries identify, develop, and implement projects: the World Bank, the United Nations Development Program (UNDP) and the United Nations Environment Program (UNEP). The GEF is served by a small secretariat housed in the

World Bank in Washington, D.C., and governed by a GEF Council with 32 seats distributed equally to developing and developed country constituencies based both on a country's contribution to the GEF and its importance to the global environment.

As the GEF Instrument—the founding document adopted in March 1994—specifies, the GEF

shall operate, on the basis of collaboration and partnership among the Implementing Agencies, as a mechanism for international cooperation for the purpose of providing *new and additional grant and concessional funding* to meet the *agreed incremental costs of measures to achieve agreed global environmental benefits?* (GEF, 2004b, p. 10, emphasis added)

Furthermore, it “shall ensure the cost-effectiveness of its activities in addressing the targeted global environmental issues . . . and shall maintain sufficient flexibility to respond to changing circumstances to achieve its purposes” (GEF, 2004b, p. 10).

The GEF in many ways is a unique institution. It was the first regime to adopt a system that allocated voting rights based both on a country's contribution to the GEF as well as on its importance to the global environment. This ultimately made it acceptable to the UNFCCC and the CBD, which eventually designated the GEF as their financial mechanism. The GEF furthermore has forced three multilateral organizations to start working together that previously had very little contact with each other and made these institutions adopt new standards with respect to consulting with stakeholders and NGOs during project development and implementation.

### **Little Money—Huge Mandate**

Today, the GEF funds project activities in six focal areas. Biodiversity conservation, climate change, and international waters absorb more than 90% of the resources and ozone depletion, desertification and land degradation, and persistent organic pollutants account for the rest. Project types include conservation and sustainable use of biodiversity, energy efficiency measures and renewable energy technologies, identification and mitigation of water pollution hot spots, and the elimination of stockpiles of obsolete but highly toxic pesticides. In addition, the GEF has been funding enabling activities to help developing countries fulfill their reporting requirements under the climate change, the biodiversity, and now the persistent organic pollutants conventions. Enabling activities however involve on average only about \$300,000 in funding. The GEF is also financing regional and global projects that span many countries and often involve data collection and analysis, technical training, and information dissemination activities.

A small grants program run by the UNDP gives grants of up to \$20,000 to local stakeholders for small activities related to the focal areas. Based mostly on anecdotal evidence, overall assessment studies have repeatedly come to the conclusion that the Small Grants Program is the most appreciated and visible program of the GEF as it

reaches many stakeholders and responds to local priorities at very low cost (GEF, 2005e; Porter et al., 1998).

In 2003, a cross-cutting capacity building program was adopted in recognition of the need for more systematic efforts to build and strengthen capacities in recipient countries that relate to all global environmental issue areas. The GEF has long struggled with the question of how much resources to allocate to projects with short-term but measurable impacts as compared to projects that have long-term capacity building objectives but whose impacts are hard, if not impossible, to measure.

A key objective laid out in the GEF Instrument is that grant resources should be used to leverage other resources. The annual report states that the GEF has been able to leverage three times as much in cofinancing as it provides in grant financing (GEF, 2004b, p. 16). But the amount that the GEF is leveraging from other sources has been a source of much debate. How much of the cofinancing would have been committed to a project in absence of GEF grants? More than 50% of cofinancing now identified comes from recipient governments and from multilateral development banks. There has always been a concern that some of the cofinancing is simply a relabeling of concessional resources already committed to related development projects, particularly in the forestry and energy sectors. Indeed, the pressure on the GEF's three implementing agencies has been considerable to show that they have programmed some of their own resources as cofinancing to GEF grants and are mainstreaming GEF objectives into all their lending and grant-giving activities.

Donor countries have also had high expectations in the GEF's ability to leverage private sector involvement. But private sector resources make for only 20% of total cofinancing, and it has remained an open question how much potential there is to use grant resources effectively to leverage private sector involvement in activities that tend to have little immediate commercial potential. The recent OPS3 (GEF, 2005e) echoes findings from various project implementation reviews and independent focal area program studies and faults the GEF for lacking a clear strategy for involving the private sector (GEF, 2005e, p. 193). However, it also points out that such a strategy may require difficult decisions on how to reconcile differences in doing business, given different incentive structures and time frames.

Similarly, a recent study on private sector involvement in voluntary partnership arrangements (Track II) launched at the Johannesburg World Summit on Sustainable Development finds that only 1% of funding in 291 partnerships comes from the private sector and only 20% involve the private sector in some capacity (Hale & Mauzerall, 2004, p. 236). Compared to this, the GEF's leveraging of private sector resources seems significantly better.

Cofinancing has been much easier to accomplish in the climate change focal area than for biodiversity conservation. Clean energy technology and energy conservation projects often present reasonable investment opportunities if the GEF helps pay for them. Conservation projects on the other hand, often lack such private sector opportunities (see next section).

According to its annual report 2004, the GEF from 1991 to 2004 has programmed \$5.1 billion in grant resources and leveraged 16.8 billion in additional cofinancing

from other sources (GEF 2004b, p. 16). As a nominal amount, \$5 billion seems like a lot of money. But when put in context, the GEF's resources are less impressive. It amounts to an average of some \$450 million annually spent on several focal areas in some 140 countries.

Table 1 shows the resource allocation to focal areas during the past 6 years. Payment arrears caused a dip in programmed resources in 2002, and the upward trend during the past years is at least partially a result of delayed programming. More importantly, the trend apparent in Table 1 masks the fact that GEF commitments have actually declined during the GEF's life when adjusted for inflation and the fact that the GEF was asked to take on additional tasks in recent years (see section on replenishment).

In the climate change area, the GEF has targeted large developing countries, which hold the key to future global emissions control. China has received the largest GEF contribution of any country, \$34 million calculated as an annual average from 1991 to 2004, followed by Mexico with \$13 million, India with \$10 million, Brazil \$7.2 million, and the Philippines \$5 million (Eberhard et al., 2004, p. 22). More than 120 other countries have received less than \$5 million, most of them less than \$1 million. For conservation projects, mega-diversity countries such as Brazil, Mexico, China, Indonesia, and Peru are the top recipients of GEF funding for conservation with Brazil averaging \$6 million a year and Peru \$3. India, number 10 on the list, averages a bit more than \$2 million a year during the life of the GEF. Even if the intention is first of all to leverage resources, these annual disbursements are very small.

As described earlier, the GEF's mandate is to provide "new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits" (GEF, 2004b, Article 2, p. 10). It furthermore shall serve as the financial mechanism for the climate change and the biodiversity conventions and it shall make use of its resources "in conformity with the policies, program priorities and eligibility criteria decided by the Conference of the Parties of each of those conventions" (GEF, 2004b, Article 27, p. 16).

Does the GEF have enough resources to fulfill its mandate? The answer to this question is ultimately a political one. The conventions have not defined official benchmarks that could be used to quantify what should be considered adequate or not. Only nonofficial attempts to estimate resource needs for achieving certain objectives relating to global environmental agreements are available, and they range widely (Cléménçon, forthcoming a). Some, for example, look at how much it might cost to protect biodiversity hotspots or to produce 15% of electricity with renewable energy technologies by a certain year. A perusal of the literature suggests that funds available through the GEF and bilateral channels are very small compared to what would be required to achieve even limited objectives suggested in such assessments.

If resources are inadequate, is the GEF the place where more resources should be spent? There are other channels through which resources benefiting global environmental projects in developing countries could be allocated: bilateral aid agencies, NGO, recipient country governments, even the private sector. The GEF, however, is the single largest grant making institution for global environmental programs, and the

**Table 1**  
**Multilateral Funding by the Global Environment Facility, by Focal Area, 2000-2005 (in Millions of Dollars)**

Fiscal Year (July 1 to June 30)	Biodiversity	Biodiversity (Biosafety)	Climate Change	International Waters	Land Degradation	Multiple Focal Areas	Ozone	Persistent Organic Pollutants	Total
2000	183	—	186	47	—	29	7.5	—	453
2001	159	26	178	75	—	26	—	6	470
2002	85	7	134	80	—	42	—	—	349
2003	121	2	172	80	—	76	2	40	493
2004	160	10	202	116	34	83	5	5	615
2005	192	11.5	132	56	48	65	5	44	553
Total	900	57	1,004	455	83	320	19	95	2,934
Total %	31	2	34	16	3	11	1	3	100

Source: Global Environment Facility (2005c).

most accountable one. It can draw on the longtime experience of many partner organizations and has the capacity to provide an umbrella for a broad range of activities that respond to recipient country priorities while targeting global environmental benefits.

The third question in this context is what would be an adequate funding level? The GEF was always meant to be first of all a catalytic instrument, given its limited resources. But how much of a catalyst can the GEF continue to be, after the low-hanging fruits of financing national strategies and action plans have been picked and many demonstration projects have been completed that now should be replicated on a grander scale?

A key consideration must be consistency and predictability of resource flows over time. A 5% or 10% growth in real terms of programmable resources would significantly increase the GEF's leveraging power and enable the GEF to sustain project results while expanding and scaling up successful activities.

### **GEF Performance in Its Key Focal Areas**

In 1991, participants to the GEF decided—because of a lack of a better distribution key—to allocate 40% of resources to climate change and 40% to the biodiversity focal area, leaving 20% for other focal areas (GEF participants' meeting in 1991). The rational of this indicative allocation guideline has never been reviewed and it needs to be reconsidered.

The GEF's success in the climate change focal area appears to be mixed at best (Eberhard et al., 2004; GEF, 2005e). Measuring some sort of success is particularly difficult because any actual reduction in carbon brought about by a particular project is tiny compared to overall world emissions. Thus, GEF interventions can only be said to be effective if they lead to replication and help leverage more funds or if the capacity of a countries is significantly enhanced to develop and implement effective climate policies.

The GEF has been most effective in promoting energy efficiency and conservation but much less so in promoting the adoption of renewable energy technologies and in affecting costs of low GHG-emitting energy technologies, activities that tend to be costly and are becoming less compelling as fossil fuel prices increase and investments into low-carbon energy technologies are becoming more attractive. Many such projects may furthermore qualify for financing under the Clean Development Mechanism under the Kyoto Protocol.

OPS3 reiterates findings of earlier evaluations that the climate portfolio has suffered from mixed and unclear expectations on how to address the trade-off between long-term catalytic market transformation and immediate GHG mitigation objectives (GEF, 2005e; UNFCCC, 2004).

In the biodiversity focal area, the GEF has significantly contributed to strengthening the ability of countries to conserve biodiversity first by supporting the development of national conservation plans and even legislation and second by funding on-the-ground conservation activities mainly in support of protected areas, which involve 75% of GEF projects (Dublin, Volonte, & Brann, 2004). Megadiversity countries have

received approximately one third of total GEF biodiversity funds. But as shown earlier, the level of such funding per country and year is very small.

All GEF projects must be designed to achieve financial sustainability after GEF funding ends, which has proven particularly challenging for biodiversity conservation projects. An in-depth look at 34 completed biodiversity projects revealed that in two thirds of the cases important outcomes were not sustained after project completion (Dublin, Volonte, & Brann, 2004). This means that without continued funding and institutional and technical support, notable achievements and outcomes are likely to fade away. As the GEF helps fund more and more biodiversity conservation projects, the question remains unresolved, how much the GEF should contribute to recurrent cost financing beyond the implementation time of the project.

The GEF has also not been very successful in involving private-sector interests in conservation efforts. But several outside studies indicate that opportunities for private-sector involvement in the biodiversity sector may be much smaller than originally believed (Pagiola, Bishop, & Landell-Mills, 2002; Ten Kate & Laird, 2000). This means that expanded and sustained conservation efforts in developing countries will require significantly more public funds.

Overall, the percentage of protected area around the world has increased, but the pace at which land is converted and biodiversity is lost outside of these areas has not slowed (Millennium Ecosystem Assessment, 2005). Conservation efforts in nonprotected areas and productive zones are seen as an important next frontier of conservation (Kiss, 2004). Although most of these resources will have to come from the countries themselves, increased international public funding will be critical to expand conservation efforts beyond protected areas, particularly in some of the poorest countries.

In the international water focal area, the GEF has provided critical financing to revive regional cooperation among countries with often few established channels of communication. The GEF has in many cases triggered development of transboundary diagnostic analyses (TDA) and subsequently of strategic action plans (SAP) involving a wide range of governmental and nongovernmental stakeholders (see, for example, Gerlak, 2004). As concrete pollution prevention and clean-up projects are identified to protect international waters, resource needs are also growing.

The GEF's activities as the funding mechanism for the Convention on Persistent Organic Pollutants is of newer date and so far largely involves enabling activities modeled after the climate and biodiversity areas.

Insights from the program studies and overall performance studies must lead to the conclusion that overall the GEF is of more critical importance in the biodiversity and the international water areas than it is in the climate change focal area. On climate change, the GEF should therefore focus increasingly on long-term capacity building to enable countries realize cost-effective climate relevant projects with funding from emerging sources such as the Clean Development Mechanism (CDM). At the same time, the GEF should scale up efforts for biodiversity conservation and protecting international waters, where its impact has been most clearly felt during the past decade and where recurrent cost financing should be addressed more realistically.

## The Resources Allocation Framework

At a special session in September 2005, the GEF Council adopted the controversial resource allocation framework (RAF), which allocates GEF funds to recipient countries according to their global environmental relevance and furthermore ties resource allocation to performance-based indicators (GEF News Release, 2005). The outcome was one that many observers inside and outside the GEF had hoped to avoid but which was deemed necessary to secure the participation of the United States in GEF4.

The issue of performance standards and result-oriented resource allocation goes back to the third replenishment of the GEF (GEF3) in 2001. An agreement on the funding level of GEF3 and on the participation of the United States was only reached after a set of policy recommendations proposed by the United States were adopted that linked disbursement of parts of the U.S. GEF contribution to measurable performance and to result-oriented funding allocation (GEF, 2001b).

The GEF RAF negotiated during the past 2 years is built on a country's potential to generate global environmental benefits but also on its performance as reflected in national policies and enabling environments that facilitate successful implementation of GEF projects. Starting with the GEF4 allocation period in July 2006, country rankings will be determined with the help of two indices: a GEF Benefits Index that measures the potential of each country to generate global environmental benefits in a particular focal area and the GEF Performance Index that measures each country's capacity, policies, and practices relevant to a successful implementation of GEF programs and projects (GEF, 2005d).

The decision foresees that all countries are listed according to their benefits and performance indices for the biodiversity and the climate change focal areas. The highest ranked countries in each focal area making up 75% of adjusted resource allocations will get individual country allocations, whereas the remaining countries will be placed in groups with collective access to the indicative allocations for the group. The allocations will be developed for the GEF4 program period.

Simulated allocation tables based on GEF3 funding levels show 47 countries to be eligible for individual allocations in the biodiversity focal area and sharing in \$673 million during 4 years and 101 other countries to have access to \$237 million (GEF, 2005d). In the climate change focal area, 36 countries share \$674 million, with \$236 million left to 124 countries.

The content of the performance indicators and the amount of GEF resources that should be allocated to high-priority individual countries and groups of countries remained a controversial issue to the end. Not all, but most, of the data required for the GEF Performance Index will be borrowed from the World Bank and subjected to World Bank policies on public disclosure. Some of the Country Policy and Institutional Assessment indicators used now for the GEF Performance Index are not public for all countries (World Bank, 2005).

A common feeling that the RAF is driven more by ideology than a real concern for making the GEF more efficient cannot easily be dispelled. Some carefully phrased concerns by other council members are reflected in the Annexes of the Chairman Sum-

maries to recent meetings leading up to the adoption of the RAF in September 2005 available on the GEF Web site. The German council member summarized a prevailing feeling after the adoption by consensus of the RFA:

We are concerned that these long-standing and resource-intensive discussions have not led to the result we would have needed to really improve the efficiency and transparency of the use of GEF resources. We are afraid that the system we are adopting is complicated but not transparent; that it is exclusive and does not reflect the necessity of universal participation; that it does not ensure the cost-effectiveness of the GEF's activities but leads to increasing bureaucracy; that it is not sufficiently flexible to respond to changing circumstances—all these being fundamental principles laid down in the GEF Instrument. And we are concerned that this jeopardizes the quality of GEF projects because of very low thresholds for a number of countries. (GEF, 2005a)

In the end, council members felt that a trade-off had to be made between keeping the United States engaged in the GEF or standing on principles and that a failure to come to an agreement on the RAF would jeopardize the survival of the GEF in its current shape and form. As part of the compromise language adopted in September 2005, the implementation of the RAF during the next few years will be closely monitored and evaluated. It is therefore worthwhile to highlight the main criticisms against the RAF as reflected in the discussions in the GEF Council.

One concern is that the RAF is incompatible with the spirit and letter of the multilateral environment agreements the GEF is serving. Convention language does not foresee country performance as a criteria for allocating resources from the financial mechanism of the conventions to individual countries. Convention provisions, however, do call for cost-effective use of resources for global benefits. Most council members had advocated a RAF based on a group system rather than on individual country allocations. This would have maintained what many feel is a necessary flexibility of the GEF to program resources among groups of countries with similar global environmental benefit scores.

The RAF will significantly alter the competition among project proposals. It will guarantee some countries a specific amount of resources during a 4-year period. This may lessen the need and incentive for such countries to develop high-quality project ideas as funding seems assured up to the defined ceiling. Small countries with low thresholds will in the future have to compete for a very limited amount of money allocated to a group of countries, which for many countries may reduce the incentive to try to develop a pipeline of GEF project proposals and may affect country-level capacity relating to global environmental issues more generally.

A key issue for many was that performance-based indicators would not be fully transparent because some data supplied by the World Bank are not public, a violation of convention provisions and the GEF instrument. But more substantially, many fear that penalizing countries with corruption-problems and undemocratic political systems will do little good. GEF projects often provide significant resources to local nongovernmental stakeholders and thus are critical for long-term capacity building

exactly in countries with significant governance problems. The RAF that makes it more difficult for the GEF to remain active in problem countries is likely to be counter-productive to the long-term goals of the GEF and thus come at environmental costs.

Performance-based resource allocation also does not easily square with the strategic objective to build and sustain capacity in countries in support of convention objectives. The decision on the RAF sets aside 5% of resources for the cross-cutting capacity building initiative of the GEF and 5% for global projects. But significant capacity building is often a key component of regular projects as well, which fall under the RAF.

A last concern is that the RAF will lead to significant additional administrative costs related to trying to program resources within the confines of predefined small indicative country allocations.

The coming years will show how the GEF and the implementing agencies adapt to programming according to the RAF's indicative allocations and what impact the RAF will have on the GEF's overall project portfolio.

### **GEF4 Replenishment and Funding Levels**

Since 1994, new commitments to the GEF have declined in real, inflation-adjusted terms. Creative accounting, however, has allowed the GEF secretariat and donor countries to claim slightly increasing nominal replenishments for GEF2 and GEF3 over GEF1. This misrepresentation can be found in all GEF reports to the conventions and increasingly in the secondary literature. It has encouraged a belief that the GEF's resources have been growing, perhaps lessening the perceived need to review the adequacy of the GEF's funding base.

GEF1 in 1994 started with a \$2 billion fund to be allocated during a 4-year period. A working paper, based on pledges made at the Rio conference, had defined the target range for replenishment negotiations as between \$2.8 and \$4.2 billion for a programming period of between 3 and 5 years (GEF, 1993). But the size of GEF1 ultimately came in well below the low end of this range, largely determined by the commitment of the United States to contribute \$430 million to the new institution (Sjöberg, 1999).

All GEF documents highlight nominal replenishment amounts for GEF2 and GEF3, in each case adding significant amounts of unspent resources from the previous funding period into the final figure (compare Table 2). This way of accounting has allowed the GEF to show the replenishment of GEF2 as a significant increase over GEF1, and GEF3 as an increase over GEF2. However, new commitments for GEF2 barely reached the \$2 billion of GEF1 in nominal terms and they amount to only \$1.8 billion if expressed in 1994 dollars.<sup>3</sup>

GEF3 did result in a small increase in new money in real terms compared to GEF2 but it remained almost 10% less than 1994 in inflation-adjusted terms. The press release was able to celebrate a GEF3 replenishment at a symbolic \$3 billion level by including \$750 million in carry-over of nondisbursed funds, largely of funds committed under GEF2 but not yet paid (GEF, 2001a).

**Table 2**  
**GEF Replenishment, New Money Committed,**  
**and in Comparison to 1994 Dollars**

	Nominal Replenishment Amount	Nominal New Money	New Money in 1994 Dollars
GEF1 1994	2,000	2,000	2,000
GEF2 1998 (1998 to 2002)	2,759	1,991	1,811
GEF3 2001 (2002 to 2006)	3,000	2,250	1,867
GEF4 2005 Scenario 1	3,000*	2,250*	1,684*
GEF4 2005 Scenario 2	3,300*	2,550*	1,912*
GEF4 2005 Scenario 3	3,750*	3,000*	2,250*

\* Assuming carry-over is the same as it was from GEF2 to GEF3 (GEF, 2005b).

GEF4 replenishment would need to come in at about \$2.7 billion in new money just to get back to a no-growth, inflation-adjusted level of GEF1, far away from what is currently being debated.

GEF statements about replenishment outcomes are at least misleading, as they do convey a false impression that countries have provided the GEF with growing resources. But the deterioration of the GEF's funding base must be considered an issue of concern. It is even more pronounced if one considers that the GEF in 2001 was mandated to serve as the funding mechanism for two additional multilateral environmental agreements: the Convention on Desertification and the Convention on Persistent Organic Pollutants.

### **Do GEF Contributions Reflect Willingness-to-Pay?**

The GEF is doing something that most people in developed countries—and increasingly developing countries—would likely rank fairly high in terms of importance, given the proclaimed environmental awareness expressed in many polls. But GEF funds allocated so far amount to perhaps 60 cents per capita per year for citizens in developed Organization for Economic Cooperation and Development (OECD) countries. If all official bilateral financial transfers for projects remotely relating to global environmental issues are included, such transfers still do not reach \$2 per person; and if philanthropic and voluntary contributions to such causes through nongovernmental environmental organizations and grant-making foundations are added, each citizen of a developed country contributes less than \$3 a year (Cléménçon, forthcoming b).<sup>4</sup> These are tiny amounts if compared to other expenditures. Compare, for example, the GEF contribution of the United States of \$107 million to its annual military expenditures of close to \$500 billion!

An interesting question that should be explored is whether GEF funding levels in any way reflect citizens' level of concern for global environmental problems and their willingness to pay for environmental projects in developing countries. No surveys have posed exactly this question, but evaluation of polling data suggests that funding made available through governmental sources is less than what individuals would likely be willing to contribute if given a choice and if contributions would be mandatory and would be levied at polluting activities (Eurobarometer, 2002, 2005; Guber, 2003). If this is a reasonable assumption, other factors must determine the funding level of the GEF and strategies to increase the availability of public financial resources for global environmental protection should try to address these.

Neo-realist and institutionalist international relation theories treat international regimes as functional outcomes of rational decisions by states that take into account the costs of creating and maintaining the regime and the collective benefits it will generate. But the GEF and its resource base is better explained with reference to path-dependency, a notion that "specific patterns of timing and sequence matter, large consequences may result from relatively small or contingent events, and particular courses of action, once introduced, can be virtually impossible to reverse" (Pierson, 2000, p. 251).

I have maintained elsewhere that the GEF was the "right institution for the wrong reasons" (Cléménçon, 1994, p. 1). The GEF was not set up as a rational response to global environmental problems, but as a reflection of what dominant donor country agencies did not want: they did not want a new multilateral institution set up; they were against creating separate funding windows within each environmental convention; and they did not want a discussion on funding needs based on an expert input. They did, on the other hand, want the institutional and budgetary embedding into general development cooperation activities and control of the allocation of the resources to programs and projects in developing countries. Although the result is arguably an innovative and effective institutional and governance model, the closeness of the GEF to development cooperation has not served it well as far as securing financial resources for provision of global public goods is concerned. It is today moot to wonder whether another institutional arrangement—such as an independent organization, or funding windows within the Conventions—would have resulted in overall larger and more sustained resource flows for global environmental activities in developing countries.

Funding levels determined by GEF1 have served as the benchmark for negotiating subsequent GEF replenishments, as they led to institutionalized procedures on the national level to secure GEF contributions in line with established expectations. For most donor countries, this works as long as resource requests for the GEF are within the predefined narrow range.

On the international level, burden sharing is a key factor explaining the size of a multilateral fund. Burden sharing is an important instrument in multilateral cooperation as it provides a broadly agreed-on strategy for distributing costs for collective action among countries and helps discourage free riding. On the down side, the least generous country—at least among the large donor countries—determines the size of

the fund as the rest of the countries fall in place depending on their traditional share. A recent study also shows that small donor countries carry a disproportionately large share of the financial burden of international funds such as the GEF (Addison, McGillivray, & Odedokun, 2003). The GEF has used an adjusted International Development Association-burden sharing key (Sjeberg, 1999).

The United States has been holding down GEF funding levels since GEF1. The question is whether a more flexible burden-sharing arrangement would make more sense, one that uses the majority of donor countries as a reference point. This idea is explored in greater detail further on.

The stage for burden-sharing negotiations is set by national-level politics in dominant donor countries and within the framework of resource allocation to development cooperation in general. Competition for resources between similar worthy causes within government budgets strongly predetermines possible contributions to a next GEF allocation period. In the case of the GEF, financial contributions are managed by either finance or development ministries, and in most countries, they come out of development cooperation budgets. In a time of chronic budget deficits, any increase in funding for the GEF would likely have to come out of another budget line related to development cooperation. Anecdotal information suggests that this link has kept at least a few government officials from asking for higher GEF shares in the past (S. Levin, personal communication, March 16, 1994). Recent initiatives agreed on by major donors to substantially increase aid to fight poverty and AIDS in Africa and to forgive foreign debt are long overdue efforts (Stevenson, 2005). But they are likely to make it more difficult to call attention to the funding needs for addressing global environmental issues.

Trade-off considerations are, of course, also highly salient when it comes to passing budgets in parliaments. In most donor countries, parliaments do allocate GEF contributions as part of general development cooperation budgets or in the case of the United States, as part of an even larger budget appropriation, the Foreign Appropriations bill. In some cases, such as in Norway, separate budget lines did exist but were merged again with development aid budgets to fully integrated environmental and sustainable development concerns into all development cooperation activities (Norwegian Ministry of Foreign Affairs, 2000).

It is difficult to make the fight against longer term global environmental degradation a budgetary priority when the fight against AIDS and poverty is funded through essentially the same budget line. It has long been argued that fighting global environmental problems should be seen as a long-term national security objective. A consequence of such an understanding could be to fund GEF and GEF-type programs through national defense budgets. Another approach would be to implement a polluter-pays approach and use funds for the GEF from budget lines that subsidize industries with high environmental impacts. At the very least, drawing GEF contributions from development cooperation budgets is conceptually, and perhaps ethically, questionable.

A country's level of international assistance is also affected by its overall outlook on the world and its view of multilateral institutions and recipient country govern-

ments. Trust in UN-type programs to manage international funds effectively was low even before the publicity surrounding the grossly mismanaged UN oil-for-food program in Iraq (Bouton & Page, 2002; Hook, 2003; Krull, 1996). Public distrust in developing country governments' ability to manage public funds further provides a disincentive to increase funding. This attitude toward development cooperation is well established in the public mind in most donor countries but may be particularly influential in the United States.

There is no quick and easy fix for countering a perception that international agencies and governments are inefficient at best and corrupt and incompetent at worst, even when such generalizations are not borne out by facts (Sachs, 2005). The GEF and its implementing agencies for their part have a long track record of providing a high level of transparency concerning the use of public funds. A quick perusal of the many evaluation studies carried out during the years will likely convince most skeptics that extraordinary and continuous efforts are being undertaken to assure efficient use of GEF resources. Indeed, the GEF's greatest challenge in this regard is to find a way of striking a balance between increasingly burdensome evaluation and monitoring requirements and donor countries' concern for quality control and transparency.

### **In Search of a Constituency for the GEF**

The earlier discussion focused on institutional and procedural factors that account for the current GEF-funding level. But it is conceivable that such constraints could be overcome if there were more national level support for the GEF and GEF-type activities. This would require the existence of either strong support at the highest political levels and an influential constituency with a stake in the GEF. As will be shown later, such a constituency does not exist. The GEF thus faces a typical public goods and collective-action problem, where a latent but shallow general interest in the public good exists but the strong leadership required for fully capitalizing on the latent support does not (Hardin, 1982; Olson, 1965). This does not mean that key actors (i.e., developing countries, NGO, and specific government agencies) are not supportive of the GEF. Rather, it means that such support is modest if put in a larger context.

Social scientists have long been interested in why societies respond to some problems more than others and in how a successful societal problem is constructed (i.e., in the processes that lead societies to recognize some issues but not others as social problems). In this context, it is important to consider how issues are being framed, how issue entrepreneurs do the framing and how the media amplify this (e.g., Hannigan, 1995; Lakoff, 2004; Wapner, 1999). When it comes to the GEF, framing is done mainly by individuals closely associated with the institution (i.e., by members of the GEF secretariat), the implementing agencies, the GEF Council and national agencies linked to the GEF. These are the actors inclined to frame the GEF as a successful institution to secure at least the current modest levels of resources. But this may also encourage a view that the GEF is a reasonably adequate response by the donor community to the problems at hand.

Recipient countries might be considered to be the most interested in GEF funding. But developing countries interest in global environmental agreements and the GEF must be regarded as marginal (Chatterjee & Finger, 1994; Najam, 2004). GEF grant funding nominally is very small when compared to other financial flows.

The GEF Council could be a source of strong support for the GEF. However, many government representatives on the GEF Council have other responsibilities that may compete with their concern for global environmental issues. For example, the United States, Japan, France, and Italy are all represented by finance ministries; Canada, Germany, and the United Kingdom by development cooperation agencies; and most of the smaller European countries by foreign affairs ministries.<sup>5</sup> Developing countries are sometimes represented by their World Bank executive director (e.g., India and China) and often by their permanent missions to the UN in New York. In other words, few of the Council members will likely be very strongly dedicated to the GEF and willing to fight hard for budget allocations for the GEF at home. In recent years, the GEF Council has also seen a high turn-over among council members, which some believe is both eroding its institutional memory and lessening its level of dedication to the GEF's mandate.

The diversity of agencies involved in the council could be seen as an advantage because this could provide the basis for mainstreaming global environmental concerns more broadly into development cooperation and other policy realms. Most large donor countries have developed sustainable development criteria for their development aid programs that explicitly include global environmental indicators. But questions remain regarding the extent to which some countries coordinate their participation in the GEF with their positions in environmental negotiations. These are forums in which foreign affairs and environment ministries, and not finance and development cooperation ministries, serve as the lead agencies.

Nongovernmental organizations (NGOs) might be seen as an obvious source of support for the GEF. But rather than pushing for increased funding as a priority, NGOs have focused their lobbying efforts on influencing the programming of resources and on gaining the right to be able to execute projects funded through the GEF (Reed, 1993). NGOs deserve credit for pressuring the GEF into adopting unprecedented transparency and stakeholder participation criteria that have become exemplary in international development cooperation. A strategic consideration for NGOs, however, could be that a well-funded and visible GEF might undermine NGOs own fundraising efforts, which depend on voluntary contributions by concerned citizens.

So where ultimately should the momentum for strengthening the GEF come from? The GEF has failed to truly develop an identity on its own, separate and distinct from the large multilateral development organizations that serve as its implementing agencies, the World Bank, the UNDP, and to a lesser degree the UNEP. To build support for increased funding levels, a broader public awareness of the GEF and GEF-type activities is clearly required.

## What Future for the GEF?

The previous discussion has offered a political and institutional account of the GEF's modest resource base. In the following, three concrete recommendations for council work during the coming few years are advanced.

### Replenishment for GEF4

As donor countries seek to secure funds for the next allocation period (from 2006 until 2010), they should consider some of the following:

#### *Burden Sharing*

Even if the Bush administration succeeds in getting Congress to reinstate more funds for the GEF, Congress is unlikely to reinstate the entire amount. Many other programs in the Foreign Appropriations Bill have been cut, including the President's Emergency Plan for AIDS relief.<sup>6</sup>

Donor countries should reconsider the burden-sharing brinkmanship that some have adopted in view of the United States's unwillingness to maintain at least previous commitment levels and to clear its payment arrears. Burden sharing may be a useful instrument in international affairs, but a more flexible approach should be adopted. The current negotiations give the most recalcitrant country disproportionate influence. It would seem that France and Germany as the initiators of the GEF and Japan as the host country of the Kyoto Protocol must have a vested interest in pulling together and seeing the GEF succeed even without the United States's full support.

The understanding of what multilateralism implies in a post-9/11 world is undergoing some change. The COP11/MOP1 has managed to move ahead in absence of a consensus by adopting a provision that keeps the United States and a few other countries engaged in the future UNFCCC process while at the same time proceeding without these countries to discuss a future commitment period under the Kyoto Protocol (see Schipper & Boyd, 2006 [this issue]). Similarly, countries should make their contributions to the GEF contingent not on the U.S. contribution but on commitments by a 66% or 75% majority of donor countries as measured by their previous GEF commitments.

It should be pointed out that the United States's position on the GEF is at least consistent with its position on the conventions. The United States has not ratified the Biodiversity Convention and is not part of the Kyoto Protocol, although it has ratified the UNFCCC. It is therefore probably unrealistic to expect that it should be a strong advocate of the GEF. Many in the United States furthermore feel that burden-sharing should be considered within a broader context and that the United States shoulders large financial and human costs associated with fighting international terrorism and the Iraq war. Such views have become increasingly influential in the U.S. Congress and among the American public.

Brinkmanship in the replenishment negotiations may be perceived as necessary part of the negotiating game. The assumption is that other donors can make a credible

threat that they will let the GEF implode without the traditional U.S. contribution and that this may sway some votes in the U.S. Congress. But even if this would work, one must ask whether securing an additional \$10 or \$20 million annually from the United States would present a better outcome for the GEF than would rethinking the burden-sharing approach to make it more reflective of the views of the majority of donor countries.

Important obstacles to implementing such a majority-oriented model exist because of traditional and engrained strategic commitments by key donors. Japan maintains a policy that it cannot be the single largest donor to any multilateral fund, effectively tying itself to the action of the United States, the largest donor in nominal terms. As discussed earlier, France and Germany have also committed themselves to holding the United States accountable for its contribution to the GEF by insisting on a strict implementation of the traditional burden-sharing idea. But such considerations must be balanced against the stated substantive interest in seeing a strengthened GEF emerge independently of U.S. policy. Such leadership may do more to sway the United States to participate more substantially again down the road than a futile attempt to pressure it into compliance.

Several outcomes of the replenishment stalemate are theoretically possible. The most far-reaching would be to replenish the GEF without attempting to force the United States to come up with its full share. The implementation of the newly adopted RAF should then be put on hold or be revised, as it was adopted in the current form to keep the United States fully engaged.

Another option for a GEF4 could be a temporary replenishment for a 1- or 2-year period (a GEF4-1) instead of for the traditional 4-year period. Although this would allow more time to resolve budgetary issues in the United States, it would not guarantee a different outcome down the road. More important, the continuous budgetary uncertainty would result in significant problems for the GEF and its implementing agencies on all levels of its operations.

It is also possible that GEF4 will be replenished based on the contribution the United States is willing to make, which could lead to a severely reduced funding level for the coming years if other donor countries adjust their contributions to the one by the United States. This would likely necessitate significant cuts in some activities, to keep the most valuable activities going. One variant to this scenario could be that donors replenish the GEF according to the traditional burden-sharing at whatever level is possible, but at the same time consider the creation of a parallel additional funding window based on contributions of a qualified majority of donors. Such an additional fund might be managed by some cooperative arrangement among bilateral aid agencies, but could also be linked to the regular GEF or bilateral programs like the French GEF. It would not be accountable to the GEF Council and would not need to program resources according to the resource allocation framework. But while this might be a pragmatic way out, it may do more to undermine a truly multilateral approach in the long term than would the adoption of a majority-based burden-sharing formula that strengthens the GEF as the only multilateral financing mechanism for global environmental purposes.

## **Innovative Fund-Raising**

The GEF's capacity to fund new initiatives and sustain results during the long term is questionable without a gradual but predictable increase in the flow of resources. The development of a predictable resource flow to finance programs and projects of predominantly global benefits is a long-term proposition. These efforts must therefore be separated from the traditional budgetary allocation process, in particular from budgetary decisions relating to development cooperation.

Work on innovative fund-raising should depart from two assumptions: first, that the general public would be willing to contribute toward GEF and GEF-type bilateral activities at a higher rate if given a choice; and second, that institutional mechanisms should be explored that could capture such a willingness to pay independently from the traditional budgetary allocation process. Given their institutional affiliations with finance and development aid ministries, many council members have an interest in securing resources outside national budgets. Many existing local and national fund-raising mechanisms provide useful examples and many new ideas have been proposed (e.g., Cléménçon, 2000; Koch-Weser, 2002; OECD, 1995). These include user fees on a variety of environmental services, charges on fuel, electricity or car insurance premiums, small per capita charges added to state taxes, levies added on to a range of consumer products, a special GEF stamp, and even the sale of carbon credits or holding rights on a parcel of rain forest retailed at the consumer level. A first step would be to develop an inventory of such instruments with the objective of analyzing mechanisms that might eventually lend themselves to being scaled-up to the national or international level, providing an empirical basis for suggesting further steps to be taken by countries.

The introduction of any such a mechanism would require a great deal of patience and would have to gradually emerge from pilot projects in individual countries, perhaps encouraged by technical support from a multilateral entity. A few lead countries might begin by raising (voluntary or mandatory) contributions in conjunction with an existing national tax or charge. Proper framing of the initiative and selling its benefits to the general public would be essential for making such initiatives work. Countries engaging in such experiments might fully or partially substitute such revenues for their regular GEF contributions. National and bilateral activities could also benefit from new revenue streams.

There are many obstacles to implementing such innovative revenue-generating schemes. But there is also political momentum toward considering international charges for funding specific global common objectives. European Union ministers in May 2005 adopted in principle a voluntary air travel tax to fund the European Union's pledge to more than double development aid to Africa in line with the Millennium Development Goals (BBC News, 2005; European Union Press Release, 2005). In addition, a tax on airplane tickets is expected to become mandatory in Belgium, France, and Germany. Other countries might give passengers a choice as to whether they want to pay it.

The GEF, which arguably serves a truly global public good can make a compelling argument that its resources should come from global fund-raising initiatives.

### **Reconsider the Distribution of Funds Among Focal Areas**

Securing a predictable and possibly growing funding level for the GEF for years to come is a long-term challenge. Meanwhile, the next programming period has to work within the confines of existing and perhaps declining resources to the GEF core fund. As GEF-resolutions have stipulated again and again, the GEF needs to focus on areas where it can expect to make the most difference, and therefore also must reconsider allocation of funds among focal areas.

Insights from various independent evaluations referenced earlier strongly suggest that the GEF is creating more concrete impact with its limited resources in the biodiversity and international water focal areas than in the climate change focal area—very simply, the conservation of biodiversity can be expressed in visible areas of protected lands; reductions in greenhouse gases achieved by the GEF, on the other hand, are not only invisible but tiny compared to global emissions.

The GEF should treat biodiversity conservation programming as a priority. If necessary, it should reduce its programming of resources in the climate change focal area. Such strategic resource allocation decisions will be especially crucial if GEF4 indeed ends up with less resources, relative to GEF3.

## **Conclusion**

The resource base available to the GEF is very small in relation to what donor countries expect from this institution, and it has been declining. Significant political and institutional constraints to adequate funding for addressing global environmental issues in developing countries have been identified.

The resource issue must be addressed on three levels. First, the replenishment of GEF4 needs to be completed, with or without a full participation of the United States. An inflexible interpretation of international burden sharing should not be pushed to the point where the GEF's survival, or even its short-term operation, is jeopardized. A more flexible, majority-based approach to sharing the costs for replenishing the GEF can be justified on several grounds and would provide a better basis for small but gradual increases in resources in the future.

Second, innovative ways to raise funds beyond the traditional budgetary allocation process should be explored, with the aim of developing a long-term revenue-generating mechanism on the international level. The GEF Council is the only governmental forum where work in this direction could plausibly be initiated. All governing bodies of other international entities are too narrowly focused on their particular mandates.

Third, the GEF should focus on those activities where it can expect to keep generating the best returns on its investments. Its impact in promoting biodiversity conservation is greater than in the climate-change focal area. Biodiversity conservation will

continue to critically depend on permanent public funding, as opportunities for private sector involvement remain small. On the other hand, much larger amounts than the GEF has available would be required to significantly affect energy markets. As energy prices are increasing, opportunities for financing investments into energy conservation and renewable energy technologies through concessional or even commercial loans are growing.

The GEF is only one small but potentially important instrument in the struggle against global environmental degradation. The extent to which the international community can find effective ways to prevent the further loss of biodiversity, the increase in greenhouse gas emissions, the degradation and impoverishment of international waters, the spread of toxic persistent organic pollutants, and progressive desertification and land degradation depends on a wide range of governmental and nongovernmental actors and policy decisions in all countries. The GEF is a unique mechanism that has so far shown that it can help developing countries better address such issues. It is therefore an indispensable instrument for implementing respective multilateral environmental agreements. Therefore, the GEF and similar bilateral and nongovernmental programs deserve much more attention by policy makers and the general public than they are getting.

## Notes

1. As of December 31, 2005, the Bush administration had asked Congress for nominal allocations for GEF4 in an amount equivalent to the United States' GEF3 contribution (i.e., \$107 million annually for 4 years). In addition, funds for a partial clearance of open arrears from GEF2 were requested. The House of Representatives cut all allocations, whereas the Senate put them partially back into the appropriations bill. A final consolidation of the bill is pending as of the date of this writing.

2. The GEF is also financing projects to phase out the use and production of ozone-depleting substances in eastern European economies in transition. Developing countries, on the other hand, are eligible to receive funds from the Ozone Fund, which was established in 1990 and serves the Montreal Protocol.

3. Calculated using inflation adjustor by U.S. Department of Labor, Bureau of Labor Statistics (2005).

4. Multilateral, including GEF, and bilateral grant resources from developed OECD countries for climate change and biodiversity are estimated at about \$700 and \$600 million a year; NGOs and foundations are estimated to add \$100 to \$300 million to climate change projects and \$500 to \$800 million to biodiversity projects. These figures are based on an analysis of data available through the OECD creditor reporting system—primary sources as available—and the Foundation Center (<http://fdncenter.org/media/stats.html>). Methodological problems, however, abound when trying to aggregate available data into some meaningful summary figures for resource flows, such as double-counting. For example, high percentages of NGO grant resources come from foundations and government sources (discussed in detail in Cléménçon, forthcoming b).

5. The agencies responsible for the GEF have not changed in the case of all major donors since the creation of the GEF. Information on council members can be accessed on the GEF Web site ([http://www.gefweb.org/participants/council/council\\_members/council\\_members.html](http://www.gefweb.org/participants/council/council_members/council_members.html))

6. The Bush administration in 2005 did ask Congress for the full amounts necessary to both fund GEF4 at the level of GEF3 and for funds to clear the arrears accumulated under GEF3, but the 108th Congress cut allocations in the Appropriations bill (Executive Office of the President, 2005).

7. GEF1 also includes a carry-over from the pilot phase, but it is taken as the departing point because it is the first official funding cycle involving all donors.

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