



Chapter 6: Financial Resources for Civil Society

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The primary role of UNEP is to catalyse environmental action. It has limited funds to allocate to civil society compared to those of intergovernmental development agencies, such as UNDP. Financial resources for civil society can be generated through UNEP when activities are undertaken in support of the implementation of its work programme or as part of UNEP's portfolio of projects as an implementing agency of the Global Environment Facility.

Main Areas of Financial Resources for Civil Society

The development of scientific assessments, policies, and laws, as well as their implementation, can generate resources for civil society. Following are some of the main areas of opportunity:

In the field of *Scientific Assessment*, UNEP provides leverage to attract governmental and intergovernmental funds (especially from the GEF). As UNEP's work depends on research and academic/scientific centres, UNEP finances these institutions. The *Global Environment Outlook*, as well as all the other assessments undertaken by UNEP, are excellent examples of results from this support.

When developing a *policy or law*, individuals or their organisations in the technical or policy fields may be contracted directly by UNEP to prepare papers or organise seminars on different

technical topics. These experts can work as consultants or UNEP can formalise co-operation with their respective organisations. The objective of expert consultation is to inject fresh and accurate knowledge into UNEP on new environmental trends or complex policies and laws. In the same vein, it is current practice to finance individuals from developing countries or countries in transition, to participate in policy dialogues or meetings at both the regional and global levels.

In the field of *policy implementation*, UNEP sometimes finances CSO pilot projects. For example, UNEP financed EarthCare Africa to execute a project on “Empowering Women in Rainwater Harvesting in Kenya.” The project illustrated the critical role played by pastoralist Maasai women and by women living in the slums in water management.

In the field of implementation of policy or law, partnerships with CSOs are a powerful tool to garner additional support. In a partnership with a civil society partner, UNEP can endorse and promote the project of the CSO. This endorsement is a powerful leverage to seek funds from financial institutions, such as national or international development agencies. Another financial advantage of participating in a UNEP partnership is that CSOs, which usually compete for the same scarce financial resources, are collaborating rather than competing.

Any project that UNEP finances has to be formulated according to UNEP standards. When the project is approved, UNEP and the CSO sign a Small Scale Funding Agreement (SSFA) that provides a contractual basis for the relationship between the CSO and UNEP. This document describes the major activities and expected outputs. It contains the legal clauses that UNEP and the CSO have to fulfill in order to execute the project. The SSFA also contains administrative information on the mechanism for disbursement of funds.

Where there is no financial commitment from either party, UNEP and the CSO can work within the framework of a letter of agreement.

Financial Resources Through UNEP-GEF

The Global Environment Facility (GEF) provides grant and concessional funding to developing countries and countries with economies in transition to meet agreed incremental costs of measures to achieve global environmental benefits in six focal areas: biological diversity, climate change, international waters, land degradation, persistent organic pollutants, and ozone layer depletion.

The GEF serves as a financial mechanism for the implementation of the UN Convention on Biological Diversity (CBD), the UN Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants (POPs), and the UN Convention to Combat Desertification (UNCCD). The GEF also supports the objectives of the Montreal Protocol on Substances that Deplete the Ozone Layer in countries with economies in transition (developing

countries are supported by the Multilateral Fund) and the Regional Seas Agreements. The GEF manages two additional special funds under the UNFCCC: the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).

Organisational Structure

Currently, 178 countries are members of the GEF, and each country has a GEF representative known as a "Focal Point." The GEF Council is the main governing body of the GEF and features 32 members representing GEF member countries, both developed and developing. The GEF Assembly comprises all GEF member countries and meets once every four years to review the policies and operations of the GEF. The GEF Secretariat serves and reports to the Assembly and Council. In consultation with implementing agencies, the GEF Secretariat ensures the implementation of policies and operational strategies. The GEF CEO and Chairperson heads the Secretariat.

The GEF operates on the basis of collaboration and partnership among three Implementing Agencies (UNDP, UNEP, and the World Bank) and seven GEF Executing Agencies (FAO, the International Fund for Agricultural Development, UNIDO, and the four Regional Development Banks).

The independent GEF Evaluation Office (GEFEO) conducts reviews of GEF's work and publishes lessons learned so that the GEF's effectiveness can be enhanced.

The GEF Scientific and Technical Advisory Panel (STAP) provides strategic scientific and technical advice to the GEF. STAP has six members who are internationally recognised experts in the GEF's key focal areas of work: biodiversity (including biosafety), climate change (mitigation and adaptation), international waters, sustainable land management, persistent organic pollutants, and ozone depletion. STAP provides objective, strategic scientific and technical advice on GEF policies, operational strategies, projects, and programmes. In the GEF Project Cycle, STAP focuses on the provision of quality advice to the Council and the GEF Secretariat on scientific and technical priorities to deliver global environmental benefits including the provision of: (i) advice on the scientific rationale for new and existing strategic programmes; (ii) screening project concepts for scientific and technical soundness and oversight of the screening process; and (iii) advice on project development on a selective basis.

GEF Operations

Support is provided to eligible countries through a variety of project types, including: Programmatic Frameworks, Full-size and Medium-sized projects within GEF Focal Area Strategies, and Strategic Priorities. The GEF also supports “Enabling Activities” that assist countries to build their capacity, including meeting obligations of being Party to the CBD (and its Cartagena Protocol on Biosafety), the UNFCCC, and the Stockholm Convention.

The GEF is a project co-financier, bringing together GEF resources with those from governments, banks, NGOs, bilateral and multilateral agencies, and the private sector. GEF projects must be “country-driven” and address the global environment within the framework of country priorities, complementing national programmes and policies. The funds the GEF allocates seek to reach “new and additional” benefit to these national initiatives to obtain global environmental benefits.

In development of a GEF project, key criteria are taken into account in the review process:

- country eligibility;
- consistency with GEF strategic objectives and strategic programmes;
- comparative advantage of the GEF agency submitting the PIF;
- estimated cost of the project, including expected co-financing;
- consistency of the GEF grant request with resources available in the focal area;
- GEF Resource Allocation Framework allocations;
- milestones and agreements for further project preparation.

In September 2005, the GEF Council adopted the Resource Allocation Framework (RAF), a new system for allocating GEF resources to recipient countries. Under the RAF, resources are being allocated to countries based on their potential to generate global environmental benefits and their capacity, policies, and practices to successfully implement GEF projects. RAF implementation began in July 2006 and applies to resources for financing biodiversity and climate change projects through the 4th replenishment of the GEF.

GEF projects are supported in their preparation and implementation by the GEF’s Implementing Agencies and Executing Agencies and are approved by the GEF Council or its Chief Executive Officer (CEO), based at the GEF Secretariat in Washington, D.C.

UNEP’s GEF Portfolio

Projects implemented by UNEP represent approximately 7–8 percent of the value of the entire GEF portfolio. Further to this breakdown, UNEP has historically been responsible for implementation of 25 percent of the enabling activities and 25 percent of the medium-size project portfolio, measured by number of projects.

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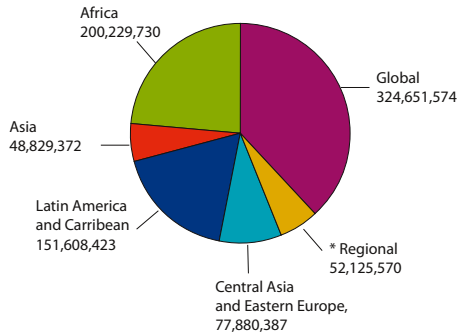
UNEP's recognised strengths and areas of comparative advantage for project development and implementation include: scientific and technical analysis, assessment, development of monitoring, tools, standards and norms in all of GEF's focal areas, and capacity building and technical assistance in select areas of emphasis. UNEP engages in emerging issues and adaptive learning, international and national environmental policy and law, fostering transboundary collaboration, and establishing networks with other organisations. UNEP works through partners, including UN bodies, NGOs, and networks.

Table 1 shows (by GEF Focal Area) the number of projects approved since 1991, the US\$ value in GEF resources approved, and the U.S. dollar value of the registered co-financing. In total, the GEF co-funding ratio is 2:3, although big changes between focal areas occur (for example, Land Degradation projects tend to generate much more co-funding compared to Biodiversity projects or Ozone Degradation projects).

Focal Area	No. of Projects approved	GEF Funds(US\$ Value)	Cofinancing (US\$ Value)
Biodiversity	155	259,486,489	250,154,617
Climate Change	67	160,192,592	254,156,299
International Waters	38	201,768,021	438,994,475
Land Degradation	13	56,334,036	209,963,109
Multi-Focal Area	61	91,754,854	168,497,572
Ozone Degradation	14	34,092,611	14,866,871
Persistent Organic Pollutants	67	51,696,453	36,293,823
Totals	415	855,325,056	1,372,926,766

Figure 2 shows the regional distribution of approved portfolio (US\$ value) by UNEP region. Global interventions and activities focusing on the African Region dominate UNEP DGEFs main geographical intervention areas.

Figure 2: Regional Distribution of UNEP-GEF Project in US\$



*Regional - This represents projects of a regional nature that include countries from more than one geographical region but are in the same general area, mainly Regional Seas projects.

The following sections provide some examples of civil society engagement with UNEP-GEF in recent projects:

International Waters

Most, if not all, GEF projects in the International Waters focal area involve civil society directly. The following projects exemplify the involvement of civil society in project implementation:

Reduction of Environmental Impact from Tropical Shrimp Trawling through the Introduction of By-catch Reduction Technologies and Change Management. This project, executed in partnership with FAO, is demonstrating the effectiveness of by-catch reduction devices (BRDs) whilst developing and revising national policies on shrimp/fish trawling in Cameroon, Colombia, Costa Rica, Cuba, Indonesia, Iran, Mexico, Nigeria, Philippines, Venezuela, Trinidad and Tobago. Based on the results of the demonstration of the use of BRDs, in most of the participating countries, critical public-private partnerships have been established between the industrial trawlers and the fisheries departments. The industrial trawlers have started installing the devices as a direct result of the project's interventions.

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Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment. This project is executed by the Russian Ministry of Economic Development. One of the demonstration activities in the project relates to the co-management of resources with indigenous people in the Russian North, with the NGO RAIPON. A Strategic Action Programme has been developed in close consultation with a wide range of stakeholders, including indigenous peoples' organisations, private companies, and local governments.

Implementation of the Strategic Action Program for the Bermejo River Binational Basin. This project has fostered shared water resources management between Argentina and Bolivia at the basin scale, within an environment of unprecedented public participation. The high degree of involvement of all basin stakeholders from all levels of Bolivian and Argentinean society in discussing Bermejo matters and jointly designing a SAP for the basin was a hallmark of the project, and the key to most of the technical achievements in the basin.

This effort has involved work by community-level organisations and non-governmental institutions, as well as official local, state, and federal agencies. Two hundred and sixty local consultants, from 70 different institutions, were hired to help produce the analyses and reports. Working Groups of government, civil society, and local experts were established to help prepare the action programme. There were 12 regional workshops or seminars involving over 1,100 participants. The seminars identified the major problems, their causes, and possible solutions. A website was established to promote access to preliminary reports and information about the study conclusions (in Spanish). This medium was complemented by interviews, surveys, specific topical meetings, and direct participation by local beneficiaries in the pilot demonstration projects. More than 100 provincial and national institutions and CSOs participated in the final compilation of plans, programmes, and projects.

Integrated Management of Land-Based Activities in the São Francisco Basin project established the institutional cornerstone mechanism for the participative and integrated management of the basin, by actively supporting the creation and strengthening of the São Francisco River Basin Committee (CBH-SF), which was established by Brazilian Presidential decree on June 5, 2001. The new Committee is comprised of 60 members representing: 40 percent water users, 33 percent public institutions, and 27 percent civil society with shared responsibility among the five riparian states and the Federal District. The mobilization process was implemented by an NGO entity from the basin, through an agreement signed with ANA. As part of the process, a total of 66 public events were held, involving 6,600 people (including 26 indigenous people representatives) from all over the Basin, with a predominant participation of civil society representatives (53 percent), followed by water users (28 percent), and public institutions (19 percent). Overall, the public participation process has been a big success story, responsible for most of the project's achievements to-date.

Biodiversity

In-situ Conservation of Crop Wild Relatives (CWR) Through Enhanced Information Management and Field Application. This project is investigating beneficial traits of selected CWR with a view to establish breeding programmes for increasing the use of CWR for crop improvement. Actual and potential uses of CWR species, and their importance to local and national economies, will be assessed. In situ conservation actions for species that are desirable for use in production systems will also facilitate the conservation of species and habitat biodiversity in general. Partners are working collaboratively with communities to implement strategies for sustainable conservation and use of CWR.

In Situ/On-Farm Conservation and Use of Agricultural Biodiversity (Horticultural Crops and Wild Fruit Species) in Central Asia. This project relies on Multidisciplinary Site Committees that are considered the principal tool for involvement of local communities. Researchers are trained in application of participatory approaches and tools in indigenous fruit crop diversity evaluation to capture associated traditional knowledge. They consider local communities as equal players in the agrobiodiversity management process in countries with transition economies where farmers were ignored as knowledge holders.

Conservation and Use of Crop Genetic Diversity to Control Pests and Diseases in Support of Sustainable Agriculture. This project identified stakeholders through consultation and a multi-institutional and multi-disciplinary approach at the national and local project site levels. The main stakeholders involved include farmers, farmer organisations, women motivators within the farming communities, CBOs, NGOs, agricultural extension workers, natural and social science researchers from universities and agricultural research institutes, and government ministries of agriculture and the environment.

Global Environmental Citizenship Project. This project includes as its partners the civil society organisations World Association of Communitarian Radio Broadcasters (AMARC), Latin American Association of Radio-educators (ALER), Latin American Council of Churches (CLAI), Latin American Parliament (PARLATINO), Consumers International (CI), and IUCN. Working with CSOs, the project has generated public awareness, increased levels of understanding of global environmental issues, and mobilised support in Latin American countries for the objectives of the GEF operational programmes.

Biosafety

UNEP has been assisting, since 2001, approximately 140 countries to meet their obligations under the Convention on Biological Diversity's (CBD) Cartagena Protocol on Biosafety (CPB). As of June 2008, through two global and 19 national projects, UNEP has assisted countries to

develop their National Biosafety Frameworks (NBF), start implementing these frameworks, and set up their national Biosafety Clearing-Houses to share information globally. Public Awareness and Participation is required under Article 23 of the CPB and is a major part of any NBF.

In addition, UNEP has developed a toolkit (www.unep.org/biosafety) that will enable countries to develop their stakeholder participation and to include this as part of their NBFs. UNEP has also developed a training curriculum and modules targeted specifically at training the public on issues related to the BCH, including informing “the public about the means of public access to the Biosafety Clearing-House” (Art. 23). Although the UNEP biosafety programme has no specific project targeting civil society, national-level implementation requires that each Party develop and implement its biosafety framework with full civil society participation, and ensures that systems for public participation and information are incorporated into the national biosafety frameworks.

Climate Change

Assessment of Impacts and Adaptation to Climate Change in Multiple Regions and Sectors (AIACC). This recently completed project uniquely featured extensive participation by academia. The capacity built by the project promises to be sustainable because of a number of innovative features. Most of the regional assessments were based at scientific institutions, meaning that the enhanced capacity is located in institutions committed to ongoing research, education, and training. Through their participation in the AIACC project, they have developed new capabilities and/or enhanced existing capabilities for policy-relevant assessment of climate change vulnerabilities and adaptation. Training activities were directed primarily at early career scientists of high merit, which will yield more sustainable involvement of developing country scientists in the issue of climate change than would be achieved by targeting more senior scientists.

Integrating Vulnerability and Adaptation in Eastern and Southern Africa. The goal of this ongoing project is to reduce the vulnerability of communities to the impacts of climate change, thereby improving their well-being and protecting their livelihoods. The project will also provide global environment benefits by contributing to the mitigation of land degradation and greenhouse gas emissions. To support achievement of its goal, the project will promote the mainstreaming or integration of vulnerability and adaptation to climate change into sustainable development plans and planning processes through three pilot projects. In Kenya, efforts to reduce the vulnerability of Makueni District to the impact of drought through improved land management practices will contribute to sequestration or conservation of carbon in the soil. In central Mozambique, community-based fire management will reduce the area of forests that currently burn on an annual basis, and provide the skills necessary to address the rise in fire outbreaks anticipated as a result of climate change. And in Rwanda, increased provision of energy from current and future mini-hydro dams will reduce demand for energy from fossil fuels and biomass sources.

Cogeneration for Africa. This project is designed to promote wider use of efficient cogeneration options in Africa and eventually stimulate over US\$300 million of cogeneration investment in the region. It works with policymakers to expand clean electricity sales from cogeneration plants to the national grids of the region, which will in turn deliver substantial socio-economic benefits at the local and national levels as well as expand the clean energy industry in the region. Adoption of cogeneration has several attractive benefits for different stakeholders. In Mauritius, for example, smallholder farmers growing sugar cane can benefit from the sale of surplus electricity to the grid by sugar factories, via an innovative revenue-sharing system that could be a model for the region. Because most agro-industries and forest industries with cogeneration potential are located in remote rural areas, they provide a good opportunity for expanding rural electrification for local communities. This in turn can bring benefits such as improvements to health care facilities and schools as well as enhancing the potential for agroprocessing facilities such as milk coolers and maize mills.

Land Degradation

Kenya – Development and Implementation of a Sustainable Resource Management Plan for Marsabit Mountain and its associated watersheds. This project works with communities on the periphery of the mountain that use the forest resources. The earliest candidates for assistance were the 15 Manyatta or villages that own Gotu Gadi Gorge, which have made progress towards construction of a den to reduce livestock pressure on the forest. Progress has also been made in the establishment of new community woodlots and associated nurseries. Capacity enhancement of national stakeholders has been accomplished through post-graduate scholarships and the sponsoring of national leaders to visit the project. Local communities have been direct participants in the project operations and are the main implementers of innovations.

Sustainable Management of Inland Wetlands in Southern Africa: A Livelihoods and Ecosystems Approach. This project is being implemented in eight southern African countries and will be completed in 2009. Through integrated analysis and modeling, the project has made progress in combined livelihood and biophysical analysis. It has provided guidance whereby livelihood benefits are combined with the preservation of ecological and hydrological functioning and stability of sensitive ecosystems that are used for agricultural purposes. Progress has also been made in local-level capacity enhancement. The skills developed have enhanced the implementation of innovative and indigenous sustainable land management practices at the local level.

Persistent Organic Pollutants (POPs)

POPs, Food Security, and Indigenous Peoples in Arctic Russia. Indigenous peoples organisations, such as the Russian Association of Indigenous Peoples of the North (RAIPON), the Inuit Circumpolar Conference (ICC), the Saami Council (SC), and the Aleut International Association (AIA), are

working with the Arctic Monitoring and Assessment Programme (AMAP) to execute this project, which assessed levels of toxins in the region.

Fostering Active and Effective Civil Society Participation in Preparations for Implementation of the Stockholm Convention. This global project, a joint effort of UNEP and UNIDO, involved NGOs in promoting the elimination of POPs, and was based on the important role played by NGOs from many countries in the negotiation of a strong and effective Stockholm Convention. The project recognised and built upon the important role that NGOs and civil society in many developing countries and countries in transition have played in recent years in raising awareness and promoting appropriate policies for the protection of health and the environment from chemicals and wastes. The Environmental Health Fund and the International POPs Elimination Network (IPEN) coordinated the participation of more than 350 NGOs worldwide in the project.

National Implementation Plans (NIPs) for the Stockholm Convention on POPs. CSOs are involved on a routine basis in all Enabling Activities for countries developing their NIPs. They are invited to participate in stakeholder meetings, contribute to the establishment of countrywide POPs inventories, and are actively involved in the country action plan development, which forms the basis of all follow-up activities in the country for the implementation of the Stockholm Convention. Of the more than 130 NIP projects worldwide, 60 are supported by UNEP.

The GEF Small Grants Programme

Launched in 1992, the Small Grants Programme (SGP) supports activities of non-governmental and community-based organisations in developing countries towards climate change abatement, conservation of biodiversity, protection of international waters, reduction of the impact of persistent organic pollutants, and prevention of land degradation while generating sustainable livelihoods. Funded by the GEF as a corporate programme, SGP is implemented by UNDP on behalf of the GEF partnership, and is executed by the UN Office for Project Services (UNOPS).

At present, 101 countries participate in SGP, having ratified the conventions on biological diversity and climate change. There are 84 country programmed offices, two regional offices, and two sub-regional offices with day-to-day management by SGP National Coordinators and SGP Sub-regional Coordinators. The overall SGP project portfolio during the GEF-4 so far roughly comprises 41 percent biodiversity, 24 percent climate change, 13 percent land degradation, 7 percent multi-focal issues, 4 percent international waters, and 2 percent POPs. The funding to-date comprises US\$247.2 million from GEF and US\$308.8 million from other partners as co-financing in cash or in-kind equivalents.

The maximum grant amount per project is US\$50,000, but the average is around US\$20,000. Grants are channeled directly to CBOs and NGOs. More than 10,500 grants have been awarded

worldwide to-date, with many benefiting multiple communities. SGP features decentralised decision-making about grant awards, based in strategic direction by a voluntary National Steering Committee in each participating country. A small central programme management team, based in New York, is staffed by nine people.

For more information on the SGP, see <http://sgp.undp.org>