HOUSE OF COMMONS

Environment, Food and Rural Affairs Committee

Oral evidence: Global Environment Facility, HC 376

Wednesday 15 June 2022

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Watch the meeting

Members present: Sir Robert Goodwill (Chair); Geraint Davies; Rosie Duffield; Barry Gardiner; Dr Neil Hudson; Robbie Moore; Mrs Sheryll Murray.

Questions 1 – 33

Witnesses

I: Gustavo Alberto Fonseca, Director of Programmes; and Carlos Manuel Rodríguez, Chief Executive Officer and Chair, Global Environment Facility.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: Gustavo Alberto Fonseca and Carlos Manuel Rodríguez.

Q1 **Chair:** Welcome to this session of the Environment, Food and Rural Affairs Select Committee where we are looking at the Global Environment Facility, which is not something that I know very much about. It is very important that we are having this meeting so we can raise the profile of this important UN organisation. We have Barry Gardiner to blame for being here. Barry Gardiner, who does know all about it, wants to share that knowledge. Could I ask you, please, to introduce yourselves?

Carlos Manuel Rodríguez I am the CEO and chairperson of the Global Environment Facility.

Gustavo Alberto Fonseca: It is a pleasure to be here. Thank you for the invitation. I am the director of programmes at the GEF secretariat in Washington, working with Carlos Manuel.

Q2 **Chair:** My first question is to you, Mr Rodríguez. I know nothing whatsoever about this organisation, a terrible admission to have to make. Could you give me an overview of the Global Environment Facility and tell us what your role is, I suppose an idiot's guide to GEF?

Carlos Manuel Rodríguez Yes. Thank you. It is my pleasure.

The Global Environment Facility is a multilateral organisation created and based on a political decision, not in response to an international agreement, a political decision taken by 183 nations in the aftermath of the summit on sustainable development in Rio in 1992. The political understanding was that there was a need to provide strategic funding to developing countries to implement what was originally known as the Rio Conventions, the multilateral environmental conventions that came out of Rio 1992, the convention on biological diversity, the convention on climate change and the convention to combat desertification that has to do with land degradation, desertification and drought. Eventually, the GEF became the financial mechanism for other environmental-related conventions, particularly on chemicals and waste.

It is the financial mechanism that was agreed with the developing and developed nations in order to implement the conventions giving the possibility of generating global environmental benefits. That is the GEF in a nutshell. It has 184 member countries. Probably around 35 are donor nations, primarily developed nations. Some developing nations are donors. They are middle-income or high-middle-income nations that are both donors and recipients. China, India, Mexico, South Africa, Brazil, Ivory Coast, Ethiopia and Nigeria are recipients and donors. An assembly represents the 184 countries and is governed by a council where half of the members represent developed donor nations and half represent the constituency of developing nations. We have a secretariat and I am the CEO of that secretariat. At the same time, I am the chairperson of the council based in Washington DC. Around 75 people work in the secretariat. We just went through our eighth replenishment process, which we do every four years.

Q3 **Chair:** Excuse my interrupting. When is your next assembly? Is that every four years?

Carlos Manuel Rodríguez: No, the next assembly will be next year. It was supposed to be this year, in July, but because of the pandemic we had to rearrange everything. We were unable to do it in person so we will wait one more year for the assembly.

We work on a cycle of four years and we were able to have a very successful replenishment of $5.3 billion, which will be invested in recipient countries, around 140 countries, in the assistance that the GEF gives them to implement international commitments related to global environmental agreements.

Q4 **Chair:** Are there any notable exceptions from the group of donor countries, countries that contribute, countries that we might think, "Why are they not doing their bit?" I am sure you have a short list of those. Would you like to name and shame one or two?

Carlos Manuel Rodríguez: That is a very interesting question. Let me begin by saying that we have a very strong, consistent, coherent group of countries providing us with probably 80% or 85% of the funding. These 10 countries have been consistent and the UK has always been in the top five, which we are extremely grateful for.

Which countries are not there yet? The Arab nations are not there yet and we are working on that. Qatar is becoming a member of the GEF partnership. However, there are a few other countries that are, I will say, in a capacity, because they do have international assistance programmes and funding, that should be within this partnership. Others contribute relatively low to their international commitment for assistance. We are working on them. I believe that we can do better. Yes, of course, even though this is a multilateral mechanism based on the political agreement that happened 30 years ago, we move more and more towards the private sector in many diverse manners. We do not see the private sector as a way to finance ourselves but, most importantly, we look to the private sector as a strategic partner in system change and how we support them in their best practice and transformation. We have some specific funding to derisk sustainability efforts and the private sector sees us as a potential partner. Then we have the philanthropic sector that now, since very recently, looks at us with high attention because we have something that the philanthropic world does not have—

Chair: The Bill Gates of this world and people like that.

Carlos Manuel Rodríguez: Yes, Bill Gates and many other large foundations. They have come to realise that we are potential strategic partners because we have two things that are very important to them. One is the political entry point. We work with Ministers at the country level. The other is our ground network. Since we have been working in

150 countries for the last 30 years, we have grown a strong network of local partners and, yes, of course, we understand the socioeconomic realities of many of the countries that we work with.

To finish, some 35 countries of the 150 countries that we work with are countries that are—how can I put it?—fragile, very fragile countries, countries in conflict, countries coming out of conflict, and there is no other agency that works in nature and climate change besides us. We work through implementing agencies, but 35 countries are countries that are in very difficult and tough political and socioeconomic circumstances.

Q5 **Chair:** How do you deliver a project on the ground? Would a Government be in charge or would it be one of the match-funding partners, or an international organisation, maybe an NGO? How do you avoid corruption?

Carlos Manuel Rodríguez: The GEF is country driven. There are the conventions, where we have 200 parties. They set their goals, targets and commitments and that has to be brought down into national sectoral plans at the country level. Here is where we help the countries, designing implementation plans, designing the monitoring, reporting and accountability elements, and then we help them with the implementation of actions to respond.

Let me give you a very simple example. In 2015, we had COP 21 in Paris and we had the Paris agreement. We are the financial mechanism that countries use to implement the Paris agreement. The implementation of the Paris agreement is not just the transformation of the economy or the decarbonisation of the economy. You need to invest in building capacities at the country level in terms of monitoring, transparency, accountability, project design and so on and also within the political dialogues. Countries are represented normally in the international conventions by a ministry—say foreign affairs or environment—but then when things are agreed at the convention level, what we call the COPs, things sooner or later need to go to the national Parliaments. They need to come here. We need to be there, supporting their executive branches in implementing actions at the country level but also in mainstreaming those agreements with all economic and political sectors, so we work a lot in that respect.

We also work through implementing agencies. GEF has 18 implementing agencies that cover 150 countries. They are UN agencies such as UNDP, UNEP and FAO. Then we use multilateral development banks from the World Bank all the way to the regional banks—Asian banks, Latin American banks and African banks. We also work with NGOs, large NGOs with a global scope. These are the implementing agencies. These are the organisations that work with the countries in designing the specific projects and doing the implementation, the oversight and their reporting, and we do the upstream oversight of those projects. We work through our implementing agencies. Otherwise, we would be forced to have offices or a physical presence in all of the countries, so we work through these mechanisms. That has proven to be the right fit for the model that we use.

Chair: Thank you. That is a very good overview. In a nutshell, you are the most important organisation that I have never heard of. Hopefully, this session will change that.

Q6 **Geraint Davies:** I understand from what you said that, in essence, GEF is the UN funding mechanism for all the conventions. Is that correct?

Carlos Manuel Rodríguez: It is not a UN organisation. It is an independent organisation. It does not belong to the UN system. We are housed in the World Bank, but that is because we are not a product of a convention so we need the legal back-up of the bank. We are housed in the World Bank, but we are totally independent and autonomous from the World Bank and the UN system. We have our own governance structure, which is the assembly, and below the assembly we have the council, 34 members that meet twice a year, and then we are the secretariat.

Q7 **Geraint Davies:** Does the UN have a different funding system for delivering conventions or does it work in partnership?

Carlos Manuel Rodríguez: The UN does not have a specific funding mechanism. The conventions do have specific funding mechanisms. Let me give you another example. Based on the decisions of the parties, the climate change convention has few funding mechanisms, the Green Climate Fund, the Adaptation Fund and ourselves. There are also other funding mechanisms associated with multilateral banks. The Climate Investment Funds are the World Bank and are a good example of other possible funds. Some of these funds do not work on a concessional base rather than a non-concessional base and this is one of the main differences with the GEF. Of course, we normally look to work with those who can give us leverage. The co-financing element is extremely important to us and I can explain or elaborate a little on that.

Q8 **Geraint Davies:** In a nutshell, you are the main financial driver for multilateral environmental—

Carlos Manuel Rodríguez: Yes. The other funds are very much related to climate. Not many funds with our scope and with our mandate operate with nature conservation, waste and chemicals.

Q9 **Geraint Davies:** You have mentioned the generality. Perhaps you could give us a few examples of the sorts of tangible projects that you deliver and possibly some examples of successes and even a couple of examples of where it has not quite worked out the way you wanted it to.

Chair: By the way, if you want to field a few questions across to your colleague, please do.

Carlos Manuel Rodríguez: Thank you. I will begin to answer that and then pass it over to Mr Fonseca because he has a lot to tell you while we are here.

On protected areas, we have been the single most important investor or supplier of finance for protected areas in the world. We have been behind the system of protected areas in 150 countries. The size of all the protected areas that have been created with GEF funding would be greater than the area of Brazil. They are areas that will preserve biodiversity for ever. They are areas that will preserve the livelihoods of indigenous communities and local communities. These are the areas that are given the resilient element that countries need at this point in terms of climate impacts and adaptation and we have been the biggest by far, but that is not enough because we have only protected 17% of the terrestrial part of the planet and we need at least to get to 30% with different categories of management of protected areas by 2030. This is something that the UK Government have been leading worldwide through a coalition called the High Ambition Coalition for Nature and People, and I want to publicly thank the UK Government for leading that initiative. This is a good example of what the GEF does, but let me turn the question over to Gustavo Fonseca. He can give you more details of the things we do.

Gustavo Alberto Fonseca: Thank you and thank you for the question. It is a long answer if we had time to do it but the GEF, over its 30 years, has funded some 5,000 projects everywhere in the world. We are by mandate obliged to provide funding to 144 countries every four years, every replenishment cycle, because every country has an allocation—this is a unique feature of the GEF—so that no one is left behind and everyone has the possibility of implementing projects that help them fulfil their obligations and their commitments to the different conventions.

In addition to that, as Carlos Manuel mentioned, we have five different conventions that we support. We have a small-grants programme that is active also in over 60 countries and we have provided 26,000 grants, small grants, for community-level engagement and so on.

It is quite hard to go into any developing country and not step on one of the GEF projects at one point or another.

Q10 **Geraint Davies:** In general, how do you effectively evaluate value for money? Obviously, you are, as has been pointed out, operating in some countries—I think you said 35 such countries—that may be war-torn and without proper administration, yet you do need to deliver benefits. Secondly, how do you deliver value for money in that very difficult terrain?

Gustavo Alberto Fonseca: It starts very upstream in the process in the allocation system that we have embraced, which looks at countries with a higher capacity to deliver what we call global environmental benefits. Global environmental benefits, as the name says, are investments that we do that live on top of the existing development priorities of these countries and we cover the incremental cost of greening that project or that pathway.

Perhaps a simple way to describe this is that let’s say a particular country needs to increase its electricity capacity. The lowest cost option would be a coal-fired power plant. We come in and say, "What is the next best option that you have to transform this development project into a green project?" and we provide that delta on top of it to transform it into a solar or wind or geothermal project.

We look at all those variables and we have to look across the capacity to generate reductions in greenhouse gas emissions, whether the country has unique biodiversity that is restricted to that country—these are global environmental benefits—and whether they have a particular potential for land restoration, putting land back into production through the land degradation convention.

Each country has an allocation of X amount of money and, as you would guess if you were to guess which countries receive the most money, it is not a difficult exercise. The big countries, the large countries, are the ones that have the largest capacity.

It starts with the allocation of resources at the beginning of the process. Then we look into what these countries are committed to under the convention. They have, for example, nationally determined contributions under the climate convention and, say, commit up to 2030 to restore 60 million hectares of degraded land back into production as a means to stop deforestation. We look into that and that becomes another filter to put those resources where they belong.

Finally, we have a series of steps. We have a mid-term evaluation of these projects; every project gets a mid-term evaluation, midway into its implementation. We have a terminal evaluation of the project. We have a scorecard that we produce every six months. We have council meetings or boards of the council. Every six months we meet and we share implementation statistics. Then we have—and it is a very important part of the job—an independent evaluation office. They don’t report to Mr Rodríguez as the CEO; they report directly to the governing body. They conduct evaluations of every programme and project we have and report on the good, the bad and the ugly, and in that way we can be sure.

Q11 **Geraint Davies:** In a nutshell, you are looking for global added value to the environment. In other words, an individual country might in its own interests not choose to do some of these projects and it is not a link to selling them Land Rovers or whatever; it is all about global added value when you do the audit. How do you learn from the past into the future when things do not go quite right?

Gustavo Alberto Fonseca: Again, the independent evaluation office—and by the way, thanks for making that prior remark—we are not a development agency. That is an interesting distinction. Even though we work with development entities and development programmes, our money comes primarily from ODA resources. If you want to be measuring ourselves, it is against global environmental benefits and greening economies. It is not about the development indicators necessarily, even though we have been keeping track of the benefits provided to the communities, provided to health, provided to a number of other socioeconomic outputs.

Geraint Davies: How do you learn from the past, when it does not quite work for the future, and is it transparent?

Gustavo Alberto Fonseca: Yes, absolutely. Every cycle, the independent evaluation office produces a very comprehensive study—it is called the overall comprehensive study—of the cycle. In it you will see a series of recommendations that they provide, saying, for instance, "This has worked and we believe it is because of this or that". These recommendations are evaluated by our donors during the replenishment process and they may decide to introduce the changes that have been called. Sometimes the recommendations are not fully implementable because sometimes that is how things turn out to be but we use that.

Another element that I didn't mention is we also have something called the scientific and technical advisory panel, which reviews every project that comes to us for the scientific soundness of the project. That process also makes use of the existing literature and builds on what models have worked or not worked in the past. They also give recommendations on improving the project design so it can have a higher likelihood of being successful.

Carlos Manuel Rodríguez: Let me add just one element that is important because your question is very relevant.

Every single project must have a sustainability element, a sustainability element based on our very own experience of lack of political consistency in the countries we work in. In many of the countries we work in, political changes affect our expectations of sustainability. We see political changes in the executive branch that make things complicated from the extreme right all the way to the extreme left in many countries. We invest a lot in civil society through the small grant programme. Every single GEF project must be investment related to local communities in civil society organisations. From our experience, that gives us a lot of these sustainability elements, which are important.

Another element is that all projects, besides fulfilling our aspirations in terms of our own indicators, need to be politically relevant. Projects must contribute to enhancing policies and legal frameworks and incentives because, at the end of the day, our biggest challenge, our global biggest challenge, is that every single country is investing way more resources in activities that destroy nature and contribute to climate change, which what we are investing in are reverting; those tendencies. Those are elements that are very clear in our projects, in our programming aspirations and things that we are improving in terms of understanding those political challenges in front of us.

Geraint Davies: I had better leave it there, but people will need a local payback, as you say, locally as well as the global value.

Q12 **Mrs Sheryll Murray:** This is to Mr Fonseca first, then to Mr Rodríguez if you could come in with any additional information. What are GEF's priorities for the next four years and how were they developed?

Gustavo Alberto Fonseca: The priorities, as I mentioned earlier, come from what we call convention guidance. The conventions meet, since we are their financial mechanism—

Q13 **Mrs Sheryll Murray:** Who participates in those conventions? How do you get participants?

Gustavo Alberto Fonseca: Those conventions meet either every year or every couple of years. They are represented by sovereign Governments so each one has a voice in that process. They operate by building consensus around a certain set of topics that they would like to see prioritised in another funding cycle. It is very specific. Every convention that the GEF serves will have negotiations on what they call guidance to the GEF, guidance to the financial mechanism, and then we transform those higher-level objectives into operational strategies on the basis of what we already know, what we know in the countries. We have a lot of dialogue that we entertain with the recipient countries, the beneficiary countries, about their own priorities, and then we make some calculation—because money is always very limited. No matter the $5 billion we got this time around, when you spread it around 140 countries it becomes thin very quickly.

Chair: One of the questions we decided not to ask was would you like more money because we knew what the answer might be.

Gustavo Alberto Fonseca: Money never hurts and I will come back to that.

The point is that it is not about the money, necessarily, or the volume that is required, and there are many different estimates of what is needed around the world for this task, but it is about how it is used. The GEF has been very catalytic in the way it provides funding. Every dollar, or every pound, that is given by the taxpayer is leveraged many times. It is leveraged first by being part of a multilateral system. I believe the UK has over the years provided around 9%, 10% of the resources. That 10% is leveraged by another 90% coming from other countries. These in turn get leveraged on average another eight times, so we are multipliers of funding and it is really about being able to scale up what we do.

The priorities are driven by the capacity, as I mentioned earlier, of generating global environmental benefits at scale. We do a lot of innovation as well because no one else in the marketplace is out there to risk resources and build innovation.

The GEF was a pioneer when no one wanted to put money into solar, wind or geothermal technologies very early on when the convention became active, the convention on climate change, and we did derisk a lot of our private capital to demonstrate that pilots could become viable and could have a market, to the point that today it is very difficult for us to find opportunities to de-risk private capital in the energy space. The market essentially took over, except for certain very poorly developed countries, the least developed countries, like we are doing for mini-grids in Africa because there is no appetite, the scale is not that big, for the market to take place.

Now we are moving progressively from energy investments to nature-based investments because they are also very important, particularly in a climate of adaptation. That is needed very much now.

Mrs Sheryll Murray: Mr Rodríguez, do you have anything else to add in response to my specific question?

Carlos Manuel Rodríguez: Yes. Before COP 26 in Glasgow, our climate finance looked like this: 80% of climate finance was for climate mitigation; 20% was for climate adaptation. Out of that 80% for climate mitigation, 80% was invested in industrialised countries in their own country. This is what the UK was investing in, in the UK; this is what Japan was investing in, in Japan. There was a decision, a landmark decision, that we should split that 50/50; 50% in climate mitigation, 50% in climate adaptation. We were the ones called to implement that. In our GEF aid replenishment, we brought everything from Glasgow, the very direct mandate from the parties to us, as with all the very innovative ideas that we presented to our donors in terms of sustainability because there are two other elements that are important. There will never be enough resources in the planet if we continue investing in economic activities that contribute to climate change and destroy nature. The GEF needs to be a catalyser for policy coherence at the country level and this is quite a new element that we brought in recently.

Those elements are very specific to what you said but let me go on a little bit along the lines of what Mr Goodwill said with regards to more money. Yes, of course, more money will have a higher impact, but we have a very good plan to have a high impact with limited resources. Let me give you the broad picture. Let's talk about nature conservation.

How much do we humans invest in nature conservation annually? The answer is $120 billion. How much should we be investing from all sources today, $750 billion? So humans—developed, middle-income and poor nations—invest $120 billion in nature conservation. This is less than what humans spend on dog and cat food. Okay? Out of $120 billion that is invested annually in nature conservation, 80% comes from public expenditures. This is what the UK invests in the UK and this is what my country, Costa Rica, invests in Costa Rica.

Q14 **Mrs Sheryll Murray:** That brings me quite nicely—and I am very conscious of time—on to the second part of my question. How engaged were the UK Government in discussions around GEF's priorities during the latest replenishment cycle? I wonder if you could perhaps address that as well.

Carlos Manuel Rodríguez: The UK was instrumental in bringing us to a middle ground in the replenishment. We got competitive priorities coming from our donors. Some of our donors have climate change very high in their priorities; others have nature conservation very high in their priorities. The UK came very straightforwardly in the middle of that discussion saying nature-based solutions will give us climate benefits and nature benefits. The role and the position of the UK Government in bringing all the donors into this well-balanced area where we agreed on a model, a modality, that in my personal impression was the best possible of all the different scenarios was extremely helpful to us. It was very constructive and that is beside the fact that the UK increased its financial commitment to the GEF by 30% compared with the previous process.

Gustavo Alberto Fonseca: The UK was a champion in two other elements during the negotiations. The first was defending the proposal that we brought forward on what we call impact programmes. These are programmes that instead of fragmenting resources across multiple lines of funding, are very small and not catalytic projects, to integrated programmes that have much more impact. They were pushing hard for this and thankfully, largely because of the UK, we got that.

Secondly, we have a window that is not a grant window—most of our money goes out in the form of grants—but is concessional financing and it is to de-risk private capital and bring the marketplace into this equation because ODA is never going to be able to solve this problem alone. We need these distortions in the market to be taken away. In many instances, the private sector is not ready to risk capital. We provide derisking capital. We develop structures and take junior positions in mezzanine structures and have the potential to flow resources back to the trust fund and we invest those resources. The UK was a huge champion of this and we got a good result out of that.

Carlos Manuel Rodríguez: The UK also helped us a lot and pushed very hard for something that the secretariat was pushing. This did not come as a mandate from the convention but we got this political flexibility to add value through a proposal that is investing more in vulnerable nations, the most vulnerable nations. The UK was a champion in the context of what we were putting up for the consideration of our donors. One element that was strongly supported by the UK was the need to increase our engagement with those countries that are more vulnerable than probably the middle-income, high-income nations.

Mrs Sheryll Murray: Thank you very much, gentlemen.

Q15 **Chair:** Before we move to questions from Barry Gardiner, Mr Fonseca, what is a mezzanine structure? It is part of my ignorance.

Gustavo Alberto Fonseca: Sometimes you have investors who aim at different return levels. In these mezzanine structures, you have junior layers and, say, if the project goes belly up or if the project does not return the full expectation in terms of the funding that the investors are expecting, the junior layer takes the first hit and protects the senior layer from any loss. This goes in different layers, depending on the structure, so that you can attract risk-averse investors together with those like us that are prepared to take some more risk because our money, essentially, at the end of the day, is grant money but we have a return if the project goes well.

This is the kind of structure that is becoming very popular. It is used a lot on the social side of things with impact investment in education and health. There are different appetites from different investors. We have a portfolio now of projects in which even big banks, Credit Suisse or BNP Paribas, have a certain set of clients who want to put their money into investments that have a green return. They know, of course, that it is likely to be more risky than your typical investment that you might put somewhere else and they are willing to risk a little but they are not willing to risk too much. If you are a pension fund, you are looking for things that also do social good but you don't want to jeopardise a lot of the investments of the pensioners. There are all sorts of investments in the market and without this flow of resources going into the greener agenda, we won't have at the end of the day a lot of traction in attracting the volume of resources that we need.

Chair: Thank you. That has clarified that for me. I understand what you are talking about. We will now turn to Barry Gardiner who, you will be pleased to know, is an evangelist for GEF. His enthusiasm knows no bounds whatsoever.

Q16 **Barry Gardiner:** Thank you, Chair. First, I should declare an interest because not only have I known the GEF and our witnesses for many years, but I believe I have also attended conferences. I think I have spoken to GEF council members and so on. I have a long engagement with GEF and I declare that for the record.

Can I ask you to comment on something that our Foreign, Commonwealth and Development Office had said to us in written evidence about their engagement with you? It is all complimentary. They have backed up what you said. They say that the UK plays a significant part as a top-five donor in providing leadership and funding to enable the GEF to deliver on its functions.

There was one thing I wanted to tease out with you a bit more, though, and that is where the Foreign, Commonwealth and Development Office said that the GEF replenishment documents highlight that the GEF embraces the conclusions of the Dasgupta review and incorporates, they said, "the logic of its proposed solutions in the programming directions set for the GEF8 period". I wondered. I was not quite sure what "the logic" of the proposed solutions meant. Is it clear to you what they are saying about the way in which you have incorporated that in your further programmes as a priority?

Gustavo Alberto Fonseca: Carlos Manuel, that is yours.

Carlos Manuel Rodríguez: Thank you. Definitely, the Dasgupta report has become as important as the Stern review. It is like the Stern report for nature and I thank the UK Government for supporting this initiative because there is a point of no return after those reports. We saw what happened in climate change and definitely there is a link within the Stern report and the years it took to get to, but the most important element in the Paris agreement is not 2-point or the 1-point or 5%; it is the fact that we broke with a problem that we created.

When we agreed on the convention, we divided the world into the good guys and the bad guys, the polluters and the non-polluters. The Stern review helped us understand that it is in their own self-interest, everybody’s, to commit to decrease CO_2 emissions. The Dasgupta report will take us to the same place. It won't be easy but it will take us to the same place where countries will recognise that it is in their own self-interest to do much better than what they are doing in protecting nature. Here I am talking about finances. I can talk a lot about political incoherence, where you have contrary policies coming from the same executive branch in any single country, but here the most important element of the political challenges that we are confronted by is this very strong ideological confrontation about who is going to pay the bill. Who is going to pay the bill? The Dasgupta report is the right baseline in terms of data and information for us to play an important role in finding a common understanding that we need to mobilise financial resources from all sources much more efficiently.

As of today, there is a very strong position from the Global South saying that the Global North is responsible for paying the cost of the new agreement on the convention on biological diversity, which is very similar to what we had before the Paris agreement. I think the Dasgupta report came at the right moment with the right information and we have embraced that document. As a matter of fact, I even went to Cambridge to meet Professor Dasgupta and to talk about his report and what we can do as a follow-up on that report, because at this point we are close to being in a lockdown situation in terms of an ambitious agreement on a new framework for the biodiversity convention. The whole GEF-8 programme looks to implement what the Dasgupta document has recommended to us, which is basically phase out negative investment, perverse incentives, go from negative incentives into positive ones. It talks about the return on investment and, at the end of the day, ODA will never be enough to solve the global problem and this is something that we very clearly proposed.

The GEF is the largest financial source of nature conservation, even though we only mobilise 0.5% of the climate investment on nature conservation. The other is basically public expenditure. We need, as Gustavo mentioned, to continue building on our capacity to catalyse and that catalysation should mean more effectiveness in the investment of public resources and more political coherence, otherwise we will continue investing against the market, against the financial mechanisms. At the end of the day, what Dasgupta wants, recommends, encourages us is that all countries need to align their policies in ways in which private and public sector investments are fully responding to the Paris agreement and the UNCDD and the chemicals conventions commitment. This is the ultimate goal. By 2030, we need to create the frameworks by which all public and all private investments are totally aligned. If we are able to help countries align public and private investment with the conventions, we do not need more money. We do not need more money. With the same amount of money, we will be having a higher impact if we know how to address that very complicated issue of policy coherence. This is what we are aiming for.

The GEF-8 was the first big approach into that in the context of a green/blue recovery, but we are also thinking that the GEF-8 is the seed that will grow in GEF-9 and by the end of GEF-9, 2030, we can be in a position where we feel confident that we are helping countries align their policies so all public and private investments are responding to the Paris agreement, otherwise we will continue to be subject to this ideological confrontation within the north and the south. The Dasgupta report for us is the right report to help us bring together all those elements.

Q17 **Barry Gardiner:** We are, of course, going to make a report in which we will recommend to Government how they operate. Would you say that alignment between public and private finance around the climate and environmental objectives that are set by the conventions that we have signed up to in Glasgow, and hopefully in Kunming when it happens, is one of the recommendations that we should make to Government about how they should operate and how they should seek to operate internationally in promoting that?

Carlos Manuel Rodríguez: Yes, without any doubt. We are also in conversation with Professor Dasgupta, so we can do something else that can help us. His report is a global report and is a top-down analysis. We need to do a bottom-up analysis taking some regions and some countries improving, making the case on key countries of the Global South. That can be the right complement so that we can generate the consensus and the convergence that we need at the conventions.

Q18 **Barry Gardiner:** You have spoken about how at your council you work by consensus and you have spoken about how the council is operating to my colleague Sheryll Murray. You explained that the conventions, the convention on climate change, the convention on biological diversity, set the overall objectives that you were seeking to implement. Of course, it is helpful that the members of your council are also the same people who were at the conference of the parties as the parties to the convention. How do you reconcile the different environmental priorities of participating countries to produce coherent programmes that deliver on the conventions? Each country at your council will receive certain funding, and you said each has an allocation. How do you seek to balance that in that process of arriving at consensus?

Carlos Manuel Rodríguez: That is a very good question. Let me first explain that even though we have a council with representation of all stakeholders, normally the donors are represented by people from the Ministries of Foreign Affairs, and the recipient countries are normally represented by the Ministers for the Environment. That is a reality and that means that they come from different worlds and different realities. In most cases, neither representative is participating in the negotiations of the COPs. This is done by somebody else in their Governments. We constantly are politically challenged by the fact that cross-pollination, internally, domestically, does not happen. We play a role there in facilitating information and normally during our council meetings, any preparation with the council meetings, we have preparatory meetings, even with the convention secretaries, so we can help on that.

Even though the mandates from the COPs are relatively clear, we are constantly challenged by initiatives coming from countries, council members and even opportunities. How do we balance that? It is not easy because their needs are many, but we need to be very firm in our response to the mandate of the conventions. The conventions tell us what to do, but they do not tell us how. That "how" gives us the technical possibilities to be flexible and cope with the different realities that we need to deal with.

I am relatively new to the GEF in this position, as a former Minister for the Environment of Costa Rica I worked for 30 years with the GEF but in my capacity I am relatively new and I have found a very mature organisation. Normally, you do not have the political convergence in their conventions as you have in the GEF and you can look in other forums that have a similar governance structure. You do not find the convergence that you normally find in the GEF and that is a mix of a mature organisation with very good staff at the secretariat level.

Q19 **Barry Gardiner:** You mentioned your previous role as the Minister for the Environment in Costa Rica. I believe that you are the first chief executive and chair of the GEF from a non-donor country.

Carlos Manuel Rodríguez: That is correct.

Barry Gardiner: Has that made a difference?

Carlos Manuel Rodríguez: It is to be seen. It has already made a difference. In terms of the impact, it is to be seen, but politically it has made a big difference because this, as you said, is the first time that you have a representative from a recipient country. I think it proves the maturity of the organisation on one side, and it proves the need to bring a practitioner, somebody who has been implementing the GEF to the highest GEF position, which I strongly believe is a great opportunity. It is definitely a change of paradigm in terms of how the GEF has been governed. I hope I can open the field for more leaders from the Global South.

In the beginning, and let me be very transparent and frank, there were some concerns in some donor countries about having somebody from the Global South, because they thought initially that I was going to be an ambassador from the Global South. At the end of the day I have become a nightmare for the Global South, because I know what works and what does not in the Global South, and I need to deliver. I will be maximising the opportunity to have higher impacts in the Global South as I understand what works and what does not work within recipient countries.

Q20 **Barry Gardiner:** Can I move to some specific funding questions? Of the US$5.25 billion of the GEF-8 replenishment, how much came from the United Kingdom? How much has been pledged by the United Kingdom? We have figures that GEF is the 18th top recipient of funding for a multilateral organisation. We know that it received 8% of the total spend of ODA in 2019, but we do not know in our briefing notes how much the UK has contributed of the US$5.25 billion.

Carlos Manuel Rodríguez: It is US$450 million or around £260 million. The UK went from US$337 million to US$450 million, increasing its share of the portfolio of 34% from the previous cycle, and this is very consistent with the UK pledges throughout the life of the GEF trust fund. It has been steadily increasing super consistently throughout time, so I have the numbers and I can share them all with you.

Barry Gardiner: That would be helpful to have, if you could release those to us afterwards.

Carlos Manuel Rodríguez: I have here a document that we call "Analysis of the UK donor contributions" so we can share that with you all.

Q21 **Barry Gardiner:** When the UK returns to 0.7% of GNP being given over to ODA—at the moment we have dropped down to 0.5%—would you expect that as we are currently giving 0.8% of that 0.5% that there should be an uplift at that point, when we revert?

Carlos Manuel Rodríguez: We hope so, for many reasons. One reason is that the GEF programming priorities are very much aligned with the UK environmental policies with regards to the many different topics, in terms of protecting and restoring natural ecosystems, the marine realm, addressing issues related to trade and wildlife trafficking, which has always been a big priority for the UK. How do we bring nature and climate action together? Topics related to rights, indigenous and local communities. We are very much aligned with that.

Also, I do not have any doubt that by the GEF-9 replenishment the UK will be very excited and happy with the outcomes of our GEF-8 and how we frame it, particularly on the fact that our approaches to help countries mobilise domestic resources more efficiently will produce good projects. The topics of political consistency and policy coherence will be there embedded in the core of work that we do and, of course, the specific emphasis that we have given to vulnerable nations will be something that will attract the UK's interest. We know very well that 70% of the UK ODA goes through bilateral mechanisms and we complement that. That is another element that I would like to explain, how we as a multilateral mechanism complement and add value to what the UK already invests through their bilateral mechanism, but because of all these reasons I strongly believe that—

Barry Gardiner: My colleague will be coming on to that quite soon. Thank you very much, Chair. You have been generous in my time.

Chair: Thank you very much indeed. Can we have punchy questions and punchy answers in the interests of time? I was trying to find out which Minister they were going to send, given your comments about the Departments for Foreign Affairs engaging. As it is a UN organisation, maybe it should be Environment Ministers who should be engaging.

Barry Gardiner: Minister Goldsmith straddles the two. He is the Minister for both Departments.

Chair: Yes. Jack of all trades. I wish I had not said that now.

Q22 **Dr Neil Hudson:** Thank you to both of you for being before us today. I want to explore quickly the way that member countries interact with the Global Environment Facility and how they work together collaboratively. If I could start with Mr Fonseca, how does the Global Environment Facility ensure that its work does not duplicate or work against bilateral work of member countries; for instance, the UK's Biodiverse Landscapes Fund? How do the two work together without competing?

Gustavo Alberto Fonseca: As we discussed here today, resources are still very small to tackle the challenge that we have ahead of us. In a sense there is space for a lot of work done by multilaterals like the GEF, bilateral funding that comes from donor countries, other climate funds like the Green Climate Fund. We have, for example, joined together with the Green Climate Fund to start looking at the complementarity and synergies. It is not only avoiding duplication. It is also building on one another's investments.

Much of what the Green Climate Fund does now comes from early investments of the GEF. They come with investment money, private money, to scale up. We have a process by which we understand the work that is being done bilaterally by our donors and we engage with them regularly. They know, because they are all in the council, what projects come for approval and in many instances they call them to our attention and say, "By the way, AFD in France has some funds going in this direction in West Africa. Can you see if you can align these things?" so we map what is flowing in terms of resources and not only avoid duplication but try to build on one another.

Dr Neil Hudson: If there is overlap you try to work together rather than repeat so things can fan out together?

Gustavo Alberto Fonseca: Absolutely.

Dr Neil Hudson: That is helpful. Do you have anything to add?

Carlos Manuel Rodríguez: We need to see the side on behalf of the Governments. On the other side of the line we have very clever Governments understanding how they should maximise the possibilities of financial support. If a bilateral corporation is already working, most probably when they designed the GEF project it is designed based on that ongoing effort or the other way around. As a matter of fact, as a former Minister a few times I used my bilateral resources for core finance and to do leverage with a GEF project. We need to also see that on the side of the Government there is a lot of consistency.

Q23 **Dr Neil Hudson:** Leverage and co-financing is possible but if you were a country, why would a country want to fund a project through your organisation rather than going it alone and doing it themselves?

Carlos Manuel Rodríguez: Let us talk about nature conservation. Every single country, thanks to the support that the GEF gave them, has a national biodiversity strategy. They have their hands full with responsibilities and tasks. Whatever conversation they have at the bilateral level and whatever they do at the multilateral level is a response to these national biodiversity plans. This is what normally happens in the context where we bring all the aid into a country.

Gustavo Alberto Fonseca: To add to my earlier point, by investing the GEF, that money works harder because we have multiple layers of leveraging found along the way from the GEF funding all the way to the impact level. As I mentioned earlier, every dollar or pound that the UK Government put into the GEF is leveraged nine times, eight times at the end of the line. You cannot do that with bilateral—

Q24 **Dr Neil Hudson:** It is the strength of the effort, but I guess a country must justify its spending to the people in their country, so how can they tell the people in their own country that their impact is happening in this huge organisation, that money from, say, the UK or wherever is having that impact? Is it not going to get swallowed up in the messaging?

Gustavo Alberto Fonseca: It could, but at the end of the day—

Dr Neil Hudson: We all want the right thing and we all want good outcomes, but the people need to find out where their money is going.

Gustavo Alberto Fonseca: Absolutely, but at the end of the day what happens there comes back over here. It comes back to the air we breathe, the weather that we all experience. It comes back by destabilising local economies, destabilising and creating civil strife, creating conflicts over shared water resources and all that has enormous economic, social and political consequences.

This gives me a hook to talk about how the GEF not only works through the trust fund that has been replenished, but we also have two other funds that serve the agreement on climate adaptation. They are the only two funds that exist that are dedicated to the least developed countries, the ones that are the most fragile, the ones that have taken the brunt of what is happening already in climate change today. The other ones are working now with the Small Island Developing States, the SIDS, because for those countries, although some of them have graduated to a higher economic level, every new storm that comes, every new hurricane, resets that whole development pathway. We have now a debt crisis in a lot of these islands, and we need to do something that is customised to them. That is another investment that the UK has done in the past that we hope will be done in the future so if there are increases we can absorb resources for these.

Dr Neil Hudson: That is helpful, and I think it shows the benefits of the countries pooling resources and working together globally for the global good. Thank you for that.

Chair: Thank you, Neil. Rosie wants to ask about some of the practical and political issues on the ground.

Q25 **Rosie Duffield:** Hello, both of you. Thanks, Barry, for bringing you here, because I cannot believe we do not know more about what you do over here and it is important work.

You have both touched on this a little bit, but what are the practical and political challenges that you face when delivering a project and how do you deal with those?

Carlos Manuel Rodríguez: We have one very big specific challenge, which I will simplify by calling it good governance. The list of good governance elements may be very long, but let me go through mine. Democracy, respect of human rights, independence of powers, independence of courts, private property, intellectual property rights, free press, just to name a few. If you can see these things in the context of the countries that we work with, and of course corruption is in the top three of the big challenges, these are the things that we deal with and are confronted with. Political instability is another element. It is not just a matter of working in political consistency. What is political consistency? You create a national park today, 20 years later they find oil and gas in that same place and what happens? We need a country that sticks to its commitment to do that.

Probably 30% or 40% of the countries are very fragile in terms of good governance, so these elements are key. We contribute to increasing the good governance elements by taking care of the natural capital of those countries. Without that, they will be more prone to social unrest, migration and conflict. Even though we are not a development fund and our indicators are very much environmentally orientated, nevertheless we track on the social and economic impacts that we generate and we strongly believe that we are contributing in those elements. At the end of the day, these are big challenges in many of the countries that we work with.

Gustavo Alberto Fonseca: The other element that we make sure embeds every project is enhancing institutional capacity and creating and contributing to a vibrant civil society structure that can take these efforts forward at the end of a project. We built several institutions in the developing world that today are moving hundreds of millions of dollars themselves without any support from the GEF. They are generating it internally. They are serving private sector needs, they are self-financing, so they exist and they create that drive and that political call for environmental management to be well done. In creating that we learned also that civil society must play a big role in that, because they are the ones who carry the actions forward when things inevitably go wrong. No Government stays for ever and those situations persist in the same way that we saw when a project ended. Building institutional and civil society capacity is very important.

Carlos Manuel Rodríguez: That is very important in the context of another element that I want to share with you all, which is we say that we work with countries, but at the end of the day that is not true. We just work with the executive branch in a country. We do not work with the Congress, we do not work with civil society as we should, because even though we have a small grants programme it has continued to be a small grant-making mechanism, and there should be in the mainstream non-state actors in the mainstream of what we do. But because of our tradition in our model we are very much capturing in that very narrow political space because this is what comes to us in our council, this is what comes to us in our assembly. We want to expand towards non-state actors and, of course, the whole structure of the Governments. At the end of the day, if you have an enlightened minister of environment here and there he needs to go to the Parliament and Congress to promote and we need to facilitate those political dialogues.

Chair, I will be very happy, if you think it is a good idea, we can organise some field visits to the Members of this Parliament to see what we are doing on the ground. If you are travelling to some of the regions, we work in every single country, but in your travelling keep us in mind. If you are travelling to some of these countries, we can easily organise a half-day or one-day field visit to see what the GEF is doing or we can design something that fits what you want to see. You choose the country, and we will go there. If you choose the topics, we can take you over there. There can be some other means by which we support you to understand much better what we do and what you do, so you can respond better to your taxpayers in your constituency.

Q26 **Chair:** Thank you for that offer. We will certainly bear it in mind, although we are very conscious of our carbon footprint as a Committee and we need to be careful about that. Going back to governance, are there countries in Africa or in Afghanistan or Iran where you would just not operate because of the lack of any semblance of good governance?

Carlos Manuel Rodríguez: We work in many countries, as I said, that are fragile or in conflict and these are the countries where we need to be there regardless of worth. Otherwise, we will be renouncing our core mandate. Even though I hope that there is no bad news in the newspaper on a weekly basis in terms of Governments, civil unrest and things like that, we work in every single country. We are very sad that what happened in Ukraine has affected strongly what we have been doing in Ukraine, what the GEF has done in Ukraine. Let me tell you, Ukraine and Poland were some of the first countries where the GEF began working and we have been able to help those countries create a system of protected areas where the regional wildlife in Europe is very well represented. We are very sad for what happened there, as in many other countries that we have been working with. The problems that we have in Yemen, in Myanmar, in Afghanistan, in South Sudan are high, complex, but we need to be there. Thank God we work with these implementing agencies, and they are committed to be there regardless of the situations and circumstances, but in some countries we are holding our operations because of the political and civil circumstances.

Q27 **Robbie Moore:** You have touched on this a little bit before, but this is to do with project delivery. How do you ensure that GEF projects empower local communities?

Carlos Manuel Rodríguez: This is something that we have been doing since the early days of the GEF. To be very frank, it has been a learning by doing process. The impact that we generate with non-state actors, civil society, also depends a lot on the political culture of the countries that we work in. There are countries where it is easy and we flow very easily in terms of working with civil society, and other countries are very complex. There is no trust or any relationship within the executive branch and civil society. Sometimes the GEF resource is so precious to a country because these are the only flexible resources that they may have, and sometimes the challenge is that they do not have enough resources for their own priorities so they do not want to share with any other stakeholders. That is a normal challenge that we are confronted with.

I would say that up to 70% of the countries that we work with we do it easily in terms of our engagement with civil society, not just with the small grants programme, which is a very successful and very well-tailored programme to work with civil society, but also civil society elements in terms of participation and engagement. This is not just consultation. It is very well mainstreamed in the core of the GEF project, so we have it very clearly and without that we will not be able to give the sustainability elements that we want out of the GEF outcomes in terms of projects, but also and very importantly this is a good way by which we contribute in terms of human development.

Q28 **Robbie Moore:** To push you on that, the 30% that is not going so well, is that due to lack of capacity at a local community level or how do you deal with getting—

Carlos Manuel Rodríguez: It is a combination. You find lack of capacity at the community level everywhere, even the most developed country in the higher income developing countries, particularly if you see the subnational realities. You have countries with high global GDP but at the subnational level you have a lot of asymmetries. It is more a political issue. Countries that have political opposition to civil society—we work in countries where civil society is being persecuted and is limited in their fundamental human and civil rights. At the end of the day, we have to confront a lot of issues associated with civil rights, where common citizens are unable to organise themselves in creating an organisation that has an aspiration to preserve the environment, it is as simple as that.

Gustavo Alberto Fonseca: We try to do our best on that front with the limitations that Carlos Manuel brought up. The council has adopted a policy on stakeholder engagement for every project that we have. We have to go through the motions in engaging the proper stakeholders, the relevant stakeholders in the design of the project as well as the implementation.

The same goes for the development of gender action plans to make sure we are not leaving behind women and girls from the benefits of the project. We have these tools that help, not in 100% of the cases because of the limitations that were pointed out before, but we are improving over time and making sure that these elements are built in.

Carlos Manuel Rodríguez: We have a conflict resolution mechanism as well within grievance cases. When I read some of the grievance cases that have been brought to our attention, I would say that a big percentage of that is because there is an ongoing conflict with Government and citizens incidents, and we are caught up in that conflict.

Just to give you an example of what I mean, we were financing a project in an Indian Ocean island where we are creating this very important protected area. The Government decided to chop a little bit of the protected area and give it as a licence to a tourist developer because this is how you react with your economy and the civil society was very much against that. Even though the Government complied with the safeguards, the conflict within the Government and civil society because of that decision came to us because we have this conflict resolution project or process and this was something we were promoting in the creation of this protected area. This is the kind of normal conflicts that we see between Governments and civil society.

Of course, the extreme cases are those I just mentioned regarding the lack of recognition of our civil rights. My neighbouring country, Nicaragua, recently passed laws that no conservation organisation can operate or can be considered at this point so that is a good example of the things that we are confronted with.

Q29 **Chair:** Mr Fonseca, you talked about how you can leverage private sector money in, whether that be from businesses, charities or philanthropic sources. The British Government have stated they want to get about £1 billion, which is about US$1.2 billion, going into nature recovery. What advice could you give us as to how we can get that leveraging effect working and deliver on that?

Gustavo Alberto Fonseca: Let me put it this way, for the private sector there is no free money. For the private sector the trick is to involve a particular company or a particular sector, let's say the food industry, in something that they would like to do themselves but they do not have the means to do, not the financial means but the political means or the proper techniques or tools that are required because it is not in the mainstream of the business. For example, we have cleaning supply chains and major commodities; it is something that the UK has also provided support over the years. We started a programme for dealing with the commodities that had the largest footprint on deforestation, which is beef, soy, oil, palm in particular. We worked with the soy products that do not want to get a bad name or they need to up their standards in order to compete in Europe, in particular where the EU has stricter policies now against importation of commodities that have a footprint on deforestation.

There you can find a lot of partners because they are in the same boat but they do not have the traceability or the tools designed to invest in those. They do not have the presence in the field to understand what the distortions are that you see in the supply chain. Sometimes people will try to greenwash a particular volume of produce by falsifying and so on. We can provide all those elements that suddenly if you had to pay for all that you would not be able to without the private sector.

The second one, the philanthropic foundations, we are partnering more and more with philanthropists because they are becoming much more well-endowed than they were in the past. We touched upon a few already but we have ongoing engagements with the Bezos Earth Fund that put in $10 million for climate change over the next few years. We work with the Gordon Betty Moore Foundation in the US that was founded by the founder of Intel, the chip maker. We have several projects that they provide financing alongside.

One of the things that helps us and may help your bilateral funding line to attract these philanthropic partnerships is the fact that you deal directly with the Government. These philanthropists, they have money but they do not have the political penetration. We help to open up that space because they want something to be left after the investment. You want Governments to change, to create the enabling environment that the private sector needs to move forward. There are ample opportunities now of bringing philanthropic money into the mix.

One last example, because I know you do not have a lot of time. We joined with three philanthropists and two international NGOs and we brought $125 million to expand the extension of marine protected areas globally by 5%, which is a big chunk of surface, each one providing $25 million and pooling their resources and also pooling their contacts, their penetration in different regions and the influence that they have individually into alliances. That is happening quite a lot and that is what I think would also work with the bilateral programmes that you have.

Q30 **Chair:** One tool that some Governments use—Germany has been using it for a while and we are looking at in the UK—is offset. You do build that development but you have to put 10 times as much land into a nature recovery scheme. Is that something you would ever get involved in partnering up or is that something that would be a national government policy that would not necessarily pair up with you?

Gustavo Alberto Fonseca: Offsets exist and have for years. For example, we worked with the private arm of the World Bank, the IFC, on some of these but what we found in most cases, particularly working in the tropics, is that there is never a perfect offset because even if you get 10 times as much land over here in exchange for a smaller piece of land, that piece of land might be unique. You are not going to be able to replace its biodiversity, the ecosystems service it might be providing—

Chair: We have ancient woodland here where you can plant some trees but it will not become ancient woodland very quickly.

Gustavo Alberto Fonseca: Exactly the point, yes. It is a good tool, it may work in certain circumstances, but I do not think scalability is something that is in the books.

Carlos Manuel Rodríguez: At the end of the day the offset is based on cost-benefit analysis where not all the economic elements are being provided in a clear manner. At the end of the day, this is what may happen. If Governments are able to level the economic playing field, the private sector will be—because the private sector is where the money is. At this moment the private sector is not in the decarbonisation or nature restoration because there is no money associated to that. It will not be until the Governments—and this is what I said previously, the alignment of those private and public investments—level the economic playing field.

What do I mean by this? You destroy a forest, you pollute a river and GDP grows. That is the whole point. You tax everything positive you do in our society. They tax your salary, your income, your transactions, your properties, but not pollution, biodiversity loss. Yes, we have a market failure we need to address and this is the Dasgupta report. The bottom line of the Dasgupta report is how do we do that?

Chair: People buying petrol and diesel in this country might not agree with every aspect of that, but I take the point very much. Barry, I know you like the last word. I am going to give you the last word.

Q31 **Barry Gardiner:** I want to explore with you what you said about the people—in fact, it was Dr Hudson who said that people need to find out where their money is going and this whole business of accountability, to explore the systems you have in place by which you are held to account by the UK Government for the money that they have committed. What interaction does the UK council member, because I understand it is one member, have in between the annual monitoring reports and the IAO's performance report each year? Is there a series of iterative e-mails, questions, answers, how is this going, how is that going, or does it rely on that end of the year review where suddenly somebody in the UK—I think up in Scotland—gets galvanised into action to have a look and see what has been going on?

Gustavo Alberto Fonseca: There are decision-making points in which a closer and more frequent engagement is more useful. The replenishment is one example. For the major donors in general, including the UK, our engagement is constant, it is almost weekly I would say in many instances, either phone calls or e-mails or questions. We have our council meetings twice a year that are also an opportunity to direct engagement. Then we have the COPs because they tend to also participate in the COPs, and there are matters that get raised during the COPs that are directly relevant to the GEF and, therefore, also of interest to the UK Government. I would say it is a very intense engagement.

Q32 **Barry Gardiner:** The UK measures the GEF against its set of core indicators and they are the ones that are used to evaluate all international climate finance projects. For the GEF-7 period it was expected to deliver results against those indicators and 140 million metric tonnes of CO_2, 17 million hectares under sustainable land management practices, 9 million people supported to cope with the effects of climate change, 391 million of public-private finance mobilised for climate change. It seems very climate change heavy and the indicators that the FCDO advised us it was using—for example, species abundance, soil health, water quality, air quality—those did not feature in the ones that are in our briefing here. Do you think that the indicators are too climate heavy? Should there be a wider scope to get down to the fundamentals within biodiversity of species abundance, soil health, water quality and so on?

Carlos Manuel Rodríguez: I would say no because of the following. In the Global South climate change means basically resilience and adaptation. Yes, of course, the transition in the transportation sector is important and the reality in the electricity sector is not as complicated as probably in neutralised nations. It is very much related to climate adaptation. Climate adaptation means using nature to become more resilient.

We are breaking silos in terms of how we look at the GEF action. How do we respond to their conventions, and this is where the combination of more flexibility—let me just take 15 seconds to explain flexibility.

Since we respond to six or seven conventions the projects that were done by the countries responded to each one of the conventions, but through our time we have been evolving from having multi convention focused projects all the way to more integrated approaches today. We are allowing countries to use full flexibility in the GEF resources. This means that in a project you can name to multiple conventions at the same time without breaking that sector or silo situation.

We are surpassing this issue of if it is heavy on climate or not, because we have understood that most of the climate investments in developing countries are nature relevant and the other way around. This was a very interesting discussion that we had in the GEF replenishment. 60% of the biodiversity investments are climate relevant and a similar impact the other way around because a lot has to do with climate mitigation. Of course, we are not losing track of our responsibility to engage with developing countries in climate mitigation, particularly on the electric and transportation sector, but I feel we have reached a balance in terms of GEF-8 based on the different competitive priorities coming from countries. It was very interesting to see some countries bringing their resources from a climate account into the GEF and looking for the biodiversity-related impacts.

I see the same circumstances happening at the country level where they are trying to define how we generate a good balance with all the aid that goes through climate, all the aid that goes to nature, and the conclusion that I see in most of our donor nations is that they come very close together, one with the other.

Gustavo Alberto Fonseca: If I could complement that, we have had a history of dealing with different indicators. Now we have settled over the past two cycles on 11 core indicators that you have mentioned, with some sub-indicators. That was the result of a lot of work done to reduce—I tell you we had at some points 63 different indicators. What was the consequence of that? We were not getting good data. We were getting unreliable data. The cost of monitoring these projects on the ground for these parameters was becoming prohibitive. In some cases you are spending half of your budget just monitoring these parameters.

We decided to look into how these core indicators were good proxies of other things. If you look into the proxy of, let's say, biodiversity richness and uniqueness, you can see that protected areas are a good proxy, the extent of protected areas, for that aspect of it. It will not tell what species exactly and so on, but it is good enough for us to measure whether the process is succeeding or not. That came as a result of quite a lot of that experience that has accumulated.

Q33 **Barry Gardiner:** I have moved more into evaluation and monitoring than strict accountability, but let me go back to accountability. At the moment the GEF does not provide a report for national Parliaments. Mr Rodríguez, you said you would like to expand into the non-state sector and to other aspects of government. Do you think there would be merit in having greater engagement with national Parliaments? Again, if we were formulating recommendations from this Committee, would it be that certainly at replenishment there should at least be a debate in Parliament about that, initiated by Government, or there should be ministerial statements brought to Parliament about the progress that GEF is making either on an annual or bi-annual basis? Are these ways in which you would like to see the work of the GEF more—in my colleague's words—so that the public can find out where their money is going?

Carlos Manuel Rodríguez: Definitely, yes, without any doubt. Not just because of the obvious reasons of political control of the Executive but also, going a little bit further, it would be great—and this is a conversation that I had had with ICCF—that since we provide funding to the countries—and when I say that I do not see just the Executive as the sole beneficiary more than other powers—there is an interest of the GEF in facilitating dialogue within the Executive and the Parliament in how some of those powers can help the Parliament move ahead.

Barry Gardiner: Can I stop you for a second because I am not sure that everybody will be aware that when you refer to the ICCF we are talking about the International Conservation Caucus Foundation, which is based in Washington but which has chapters in many countries around the world, including in the UK.

Chair: I did not know that, thank you.

Barry Gardiner: Just for clarity, but I chair it in the UK so I should declare an interest.

Carlos Manuel Rodríguez: My point here is that the political task, responsibilities and environmental challenges are not the sole responsibility of the Executive branch at the Parliament level. This is where the GEF will be pretty much open. At the end of the day, it is a country decision, a political decision, but I strongly believe that in terms of mainstreaming our projects we need to be able to provide support, whatever that may look like, to the Parliaments of the countries. At the end of the day this is where the political decisions are being taken and this where we have the big challenges in every single country.

Chair: Thank you, Barry, and thank you for bringing this subject to the Committee. I thank our witnesses. We are much better informed now about the work of your organisation, the GEF. Sadly, not every pound of ODA is spent effectively and our newspapers and media tend to concentrate on where it is misspent or where corrupt Governments are misappropriating funds, so it is important that we do show that through international organisations like this we can make a difference internationally with problems of climate change, nature recovery, diversification and so on. I really appreciate you giving the time to come in. As a former environment Minister myself, I am pleased that there is life after politics for environment Ministers. Thank you very much indeed.