

Money Talks and Walks

Jessica Dempsey

(based upon a late night talk over tabouli with other civil society representatives here at the WGRI)

Underlying the two financial documents for this meeting - WGRI/2/4 on new resource mobilization options and WGRI/2/5 on the streamlining of guidance to the GEF - are a set of critical questions: How many resources are necessary to implement the Convention? What will be prioritized in resource allocation, and what process will be used to make those priorities? Who will be eligible to receive those resources? And, ultimately, who will govern those resources? These are the *political* questions we will grapple with over the next few of days. A few comments on these issues.

Additional (not simply adequate) support is necessary

It is clear that biodiversity, biodiversity cultivators and biodiversity protectors need more support on the ground. As a first step, so-called developed countries need to make good on their existing commitments. This means developed countries must actually contribute 0.7% of GDP (rather than just saying so), and ensure that biodiversity is an integral part of that contribution. Secondly, it would be a HUGE boost to biodiversity funding if the US, and all other countries, actually paid their bill to the GEF! If the GEF is using 'good governance' and the capacity of receiving countries as criteria for resource allocation (under the RAF), then perhaps the GEF should also consider the ability of donor countries to pay bills on time as criteria for participating in GEF council.

Priority-setting for resource allocation

Priority setting within the GEF and any 'resource options' must reflect all three objectives of the Convention, but also the various of programmes of work, cross-cutting issues, and emerging issues found under the Convention and within Parties NBSAPs. These priorities should not emerge out of a corporate 'streamlining' process. Despite the rhetoric in yesterday's lunchtime meeting with GEF CEO Monique Barbut, shopping lists are not always bad! On the contrary, they can be good when they emerge out of collective processes (like the COP), because they reflect the complexity of biodiversity loss, policy approaches and the diverse contexts of Parties. Priorities should be made, no doubt, although they may not necessarily fit into four sharp and snappy statements. Improved (and straightforward) guidance to the GEF is a good idea, but this guidance may not necessarily be simple.

For example, at COP 8 (Decision VIII/22), Parties asked the GEF to "review and revise its protected areas' policies in relation to Indigenous and local communities and to support community conserved areas, ensuring the immediate, full and effective participation of Indigenous peoples and local communities in the development of relevant activities". A single, simplified priority to 'improve the protected areas system' does not necessarily transmit this more detailed and nuanced understanding of protected areas found in the programme of work, an understanding must be used to direct GEF funds, particularly the medium and large projects.

Supporting Indigenous Peoples, local communities and civil society in any scheme

Within the GEF, the small grants program (SGP) should be supported (itself not perfect, but better than the medium and large ones!). Any 'new innovative mechanism' considered by the CBD should learn from the SGP and the larger projects, and also support Indigenous Peoples, local communities and community-based non governmental organizations, particularly those who integrate

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Today's ECO

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money talks, continued from p. 1... biodiversity conservation, sustainable use local community livelihoods (those actually implementing the Convention, while also contributing to global environmental benefits one step at a time).

On this note, Parties should consider creating initiatives such as the one by the Swedish government. Through 'Swedbio', the Swedish government provides funds to civil society organizations implementing the Biodiversity Convention. For example, they have funded an Indigenous Peoples' Capacity-Building Project for CBD Implementation focused on Asia and Africa. International, regional and national workshops have been carried out with Indigenous organisations, leading to the publication of educational resources on Indigenous Peoples and the CBD.

How to govern the funds?

Governance of any funding mechanism must be transparent and public with ample room for participation by Indigenous Peoples, local communities and civil society in the decision-making process. On this, the GEF has a long way to go (see statement from Lucy Mulenkei in box below). Perhaps the CBD may wish to transmit its expertise on this matter to the GEF?

Any draft strategy on resource mobilization or innovative financial mechanisms must be based upon sound research and analysis of existing resource availability, the terms and conditions of those resources, including the compatibility with all three objectives of the Convention and the Biosafety Protocol. *'Public' control of any 'innovative fund' is critical.*

Private Sector partnerships and market-based mechanisms

Another buzzword around the CBD these days: mainstreaming biodiversity into economic development and production/consumption systems (indeed, this is one of Ms. Barbut's 4 priorities). Of course this must be a priority so we do not simply cordon off species into seed banks and isolated protected areas. But for some reason this priority is consistently meshed with a need for private sector "partnerships". The increasing focus on private sector 'partnerships' within GEF documents (and the CBD) is alarming. The private sector has not proven itself as a credible partner in implementing all three objectives of the Convention! We need to ask - why do private sector companies want to be 'partners'? What are these enterprises hoping to gain from partnerships? Indeed, the industries in most need of a green image (think Rio Tinto, Shell) are often the ones with the dirtiest businesses. The CBD and its funding mechanism must not contribute to the greenwashing of corporate actions damaging to biodiversity through "partnerships"

On partnerships, it is our understanding that public GEF biodiversity funds, the scarce resources that they are, are being used to subsidize private sector 'investments'. One 2006 GEF Council Meeting document (GEF/C.28/14), notes:

Influencing the investment climate pertinent to the global environment in recipient countries can increase the willingness of the private sector to venture into risky markets for environmentally beneficial products and services. By strategically removing market barriers and creating sustainable market conditions, the GEF also paves the way for entrepreneurs to scale up and transform existing markets. (i)

It is scandalous to think that funds that could go to community based non-profit work are instead 'seed money' for the private sector, even if those private sector investments are things (wrongly) considered benign like ecotourism or ecosystem 'markets'. The irony is staggering! Current neoliberal thinking emphasizes the importance of the private sector and enterprises because they are 'risk takers' and 'efficient' (hence, not using taxpayer funds) – but here we have the GEF working to minimize the risks to the private sector! Instead of adding subsidies to subsidies, governments should first eliminate perverse subsidies - reducing the profitability of some biodiversity-harmful enterprises - rather than letting the scarce GEF biodiversity resources attempt to 'transform market conditions' (a laughable prospect, really). Both Developing and Developed Parties could also simply strengthen – dare I say it - their *regulations* for environmental impact assessment to forbid private companies from undertaking biodiversity-adverse developments in their own countries, and abroad. More debate on this issue is necessary within the CBD; the GEF documents paint private sector partnerships and involvement as a 'fact' and necessity, but Parties should not blindly accept their guidance on this matter.

Finally, market-based mechanisms for biodiversity conservation (such as biodiversity offsets, carbon trading, ecotourism and payment for ecosystem services) are all the rage these days. But we need clear, independent and critical assessments to ensure they are suitable for implementing the CBD. Such assessments are necessary because these mechanisms have consequences for the most marginalized communities and do not necessarily result in biodiversity benefits. Water or resources stemming from protected areas should promote the well-being of local people, not be subject to purchase by the highest bidder. Money talks and walks. Parties, it is your responsibility to ensure it is in the right direction.

The statement below, made by Lucy Mulenkei, Indigenous Peoples' Focal Point, at the NGO Forum for the 3rd GEF Assembly, repeats calls from previous statements to both the Council and the Assembly. Neither the Assembly nor the Council have responded directly to the recommendations of Indigenous Peoples.

We urge the GEF and all partners to take the lead in making a difference in your work by involving Indigenous Peoples in the planning, implementation and monitoring of the environmental project and activities.

Recommendation 8/24 COP 8 called on GEF to review its projected areas policy to assist communities to ensure full and effective participation of Indigenous Peoples and local communities, and this recommendation should be taken up and implemented.

Before undertaking any project or associated activities affecting indigenous peoples, free, prior and informed consent is essential. Yet many times Indigenous Peoples and local communities are not involved at all stages, leading to the question asked of the GEF and other agencies by indigenous peoples - whose land do you consider indigenous lands to be? Whose needs

'RAF' and implications for the CBD 'priorities' and the Small Grants Program

Samuel Dotse, HATOF Foundation, Member of GEF NGO Network, Ghana

In July 2006 the GEF governing body make a radical change in its framework from "Performance-based" to 'Resource Allocation'— known as the RAF. These two have the face but different mind, character and lifestyle. This article reflects on this shift and the implications for the implementation of the CBD.

Question: GEF why RAF?

GEF says: Firstly, the performance based framework (PBF) did not represent the right philosophy for allocation. Secondly, it did not allow ownership of the projects at the country level. Thirdly, under the PBF there was no disclosure of funds awarded to countries. So an NGO working in, say, Ghana, could not find out finally how much their country received from GEF for biodiversity projects.

Some RAF Positives

The RAF is an improvement in the following areas:

1. Transparency: Now funds received by countries are disclosed publicly. The GEF receives a grade of 100% for doing this!
2. Theoretical equity: Under the PBF, among eligible countries resources were not provided on a country basis, but rather the emphasis was on projects with an expected positive impact on the global environment. Also the implementing agencies were responsible and accountable for assign performance, whereas under the RAF, funds are allocated to individual countries to apply for with projects that have the potential to generate global environmental benefits.
3. Under the RAF, countries will be ranked according to their performance on macro, sectoral and 'good governance' performance indicators. Those who score well will be eligible for more funds. This, in theory, helps to ensure that funds dedicated to biodiversity are actually dedicated to biodiversity conservation, sustainable use and equitable benefit sharing (and not say, building a road).

The Small Grants program and the RAF

While there are some positive elements in RAF, one major problem is that the oft-lauded small grants program has suffered reduced funding. While we have heard differently from Madame Barbut this week, I can say with confidence that the SGP in my country less funding than before. The reduction of the small grants program severely impacts the ability for Indigenous Peoples, local communities and other civil society groups to contribute effectively to the implementation of the Convention.

In order for GEF to be able to uphold the of the small grant community, a new formula is being proposed 'First in First Out' (FIFO). Under this scheme, countries admitted to the small grants program since 1992 will be 'promoted' out of the program. In other words, countries like, say, Ghana, will soon be ineligible for small grants funding, in order to 'make room' for other countries now applying to be part of the

SGP. Ghana, and 24 other countries will be issued with a certification of completion and discharged from the program, as if all community-based biodiversity work was successfully finished! 15 more countries will 'graduate' from the program in the next 2 years.

GEF, if it were not for the small grants program most communities would not have known your existence. The SGP is one of the most successful programmes, as echoed in several GEF meetings, generating not only global environmental benefits but also assisting poor communities. A word to the wise is: enough! Do not undo the most important contribution your credibility! All southern countries should be eligible for SGP funding.

CBD COP Guidance to GEF not going in the right direction

I shall not attempt to write the details about guidance as it is found in document WGRI/2/5. But I would like to point to specific guidance from the COP that highlights the importance of additional funds for LDCs and SIDs (for example Decision 8/18 and Decision 7/30). These priorities by COP are particularly important because LDCs and SIDs are not priorities for bilateral funding.

But if the COP decided to prioritize LDCs and SIDs within GEF allocations, then the Parties should be aware of the sad reality: the existing biodiversity criteria used by the GEF are not leading to that outcome.

This is because the RAF and the GEF biodiversity index privileges countries with "biodiversity hotspots" – conservation hotspots – not "integration hotspots for all three objectives of the convention" (hum, perhaps advised by certain large environmental organizations, perhaps, US-based ones, with buckets of cash?). This focus on 'high biodiversity' tends to lower allocations to LCDs and SIDs. For example, the highest ranked countries (and thus receiving the highest funds) are: Brazil, Indonesia, China, India, and Madagascar. On the lower scale are countries like Angola, Eritrea, Kiribati, Tuvalu, Bangladesh, and Somalia.

Of course the biodiversity index is also shaped by World Bank 'good governance' rankings, which tend to lead to lower rankings for LCDs.

A focus on transparency and accountability are welcome, but we would also like to note that these 'rankings' do not necessarily correspond with the guidance given by the COP. If LCDs and SIDs are to be prioritized, then the RAF and the biodiversity index must be re-considered.

UNESCO: environmental bandit?

ECO wonders how UNESCO gets away with being such a terrible environmental steward in their building. No recycling for either paper or cans... yikes!

Implementation Pop Quiz

1. Has your government promoted the effective participation of Indigenous Peoples and local communities?

The following 'quiz' (and proposed indicators) stemmed out of an International expert seminar on indicators relevant to Indigenous Peoples, The Convention on Biological Diversity (CBD) and the Millennium Development Goals (MDGs). The seminar was convened the IIFB working group on indicators - March 5-9 in Banaue, Philippines. These indicators will be considered at the upcoming Working Group on Article 8(j) and related provisions in October.

<i>Effective participation of indigenous and local communities in processes of the Convention (Strategic Plan)</i>		<i>Parties: Fill in the blanks</i>
Goal 4: There is a better understanding of the importance of biodiversity and of the Convention, and this has led to broader engagement across society in implementation		
Target 4.3 Indigenous and local communities are effectively involved in implementation and in the processes of the Convention, at national, regional and international levels	Proposed indicators <ul style="list-style-type: none"> • Numbers of indigenous and local community representatives participating in official meetings of the Convention, disaggregated by region and country • Number of partnerships with and initiatives of indigenous and local communities in implementation of programs of the Convention at national regional and international levels • Finances spent to support effective participation of indigenous and local communities in the implementation of the Convention at all levels 	 _____ _____ _____

2. Has your government implemented communication, education, and public awareness strategies?

The following quiz stems out of Decision VIII/15/Annex 1 - Framework for monitoring implementation of the achievement of the 2010 target and integration of targets into the thematic programmes of work and focuses on indicators related to communication, education and public awareness.

<i>Strategic goals and objectives</i>	<i>Possible indicators</i>	<i>Parties: Fill in the Blanks</i>
4.1 All Parties are implementing a communication, education, and public awareness strategy and promoting public participation in support of the Convention.	<ul style="list-style-type: none"> • Number of Parties implementing a communication, education and public awareness strategy and promoting public participation • Percentage of public awareness programmes/projects about the importance of biodiversity • Percentage of Parties with biodiversity on their public school curricula 	 _____ _____ _____
4.3 Indigenous and local communities are effectively involved in implementation and in the processes of the Convention, at national, regional and international levels.	To be developed by the Ad Hoc Open-ended Working Group on Article 8(j) (Proposed Indicators By Indigenous Peoples): <ul style="list-style-type: none"> • Numbers of indigenous and local community representatives participating in official meetings of the Convention, disaggregated by region and country • Number of partnerships with and initiatives of indigenous and local communities in implementation of programs of the Convention at national regional and international levels • Finances spent to support effective participation of indigenous and local communities in the 	 _____ _____ _____

	implementation of the Convention at all levels	
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