

## In this edition

1. Engagements with Private Sector
2. IIFB on everything!
3. The GDM

*ECO is currently being published at the 3<sup>rd</sup> meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the on Biological Diversity in Nairobi, Kenya coordinated by the CBD Alliance. The opinions, commentaries, and articles printed in ECO are the sole opinion of the individual authors or organisations, unless otherwise expressed.*

*SUBMISSIONS: Welcome from all civil society groups. Email to [jdempsey@interchange.ubc.ca](mailto:jdempsey@interchange.ubc.ca)*

## Engagement with Private Sector? On Whose Terms?

*Helena Paul, Econexus (Intervention read on behalf of Ecoropa and etc group)*

**In Decision 8/17 the Conference of Parties recognized “that the daily activities of business and industry have major impacts on biodiversity.”**

**Biodiversity and its sustainable use rely on Parties to regulate business, rather than, as stated in the current text (WG-RI/3/2/Add.2) to: “promote a public-policy environment that enables private-sector and mainstreaming of biodiversity into corporate strategies and decision-making” or “to provide an enabling framework for business to profit from biodiversity”.**

In the context of this discussion point, it is crucial to recognise that value has different meanings and should not be narrowed down to economic. This runs counter to the first preambular statement of the Convention that reads:

*Conscious of the intrinsic value of biological diversity and of the ecological, genetic, social, economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components.*

We regard it as essential that the Working Group embrace the broadest definition of value inherent in biodiversity.

We therefore recommend to exchange the current first preambular sentence of document 3/2/Add.2 “noting the economic value of biodiversity and ecosystem services” with:

*Noting that biodiversity underpins all ecosystem functions and services*

This leads to our second recommendation, which is throughout the text of all current recommendations to replace the phrase *ecosystem services* with the phrase *ecosystem functions*, as ecosystem functions are a prerequisite to any ecosystem services, and maintaining ecosystem functions is at the heart of the work of the CBD (preambular text paragraphs 1 and 8).

Regarding the mention of the Jakarta Charter in point 2b, there should not be an endorsement or a singling out of any one initiative to engage with, but rather seeking the engagement of a diversity.

Chair, the pre-requisite for any partnership including business is commitment and adherence to the three objectives of the CBD. Thus, to be included as a partner in work on implementation of the CBD, we recommend that the Working Group may consider a number of conditions that should be fulfilled by Private Sector actors, for example:

- Clear and binding, not voluntary, commitments
- Transparent reporting against which to assess implementation.
- Independent assessments, rather than, as currently suggested in the text: “promotion of business opportunities offered by biodiversity”
- Clear criteria for engagement
- Mechanisms to exclude businesses that breach criteria for engagement
- Clear rules and criteria for participation and also for the termination of partnerships with business.

We also regard it as important for the working group to consider that biodiversity might not be best served by (as currently suggested) seeking a “**balance among ethical, scientific and economic approaches for tackling biodiversity challenges**”.

It is not a matter of **balance** of approaches but of seeking the **right approaches**, which should also include cultural and socio-economic aspects. It also requires close collaboration with indigenous peoples and local communities as well as with civil society.

Finally, we recommend public policy environments based on *clear transparent regulation and binding commitments and monitoring*. Ensuring the text reflects this is a critical task for the working group to deliberate.

# On the Implementation of the Convention, Poverty and Biodiversity, and the new Strategic Plan

*International Indigenous Forum on Biodiversity (IIFB) – excerpts from Interventions*

## Implementation of the Convention

... We note that there has been increased engagement with indigenous peoples and local communities in Convention processes, but this has been less so at national and local levels.

The challenge as ever, is translating this engagement into concrete outcomes on the ground: in terms of land and resource security, respect and support for customary resource management and sustainable use practices or the implementation of Article 10c, protection and promotion of TK, innovations and practices, and strengthening local environmental governance and participatory decision-making at all levels.

---

The document UNEP/CBD/WG-RI/3/2 contains no recommendations to strengthen mechanisms for full and effective engagement of society in post-2010 implementation of the CBD. **Indigenous Peoples, local communities and civil society need to be embraced as a political constituency for furthering the objectives of the CBD.** A society-policy interface is as much needed as a science-policy interface for the CBD.

---

Indigenous Peoples know that imbalances in social relations underpin and foster imbalances in the relations between humans and nature. The huge imbalance in social relations and inequality in decision-making power, is transmitted and reproduced in decisions made about land use, property rights, biodiversity conservation, sustainable use, that could benefit, or harm the poor, including indigenous peoples and local communities.

Under Agenda Item (WG-RI/3/2), the IIFB wishes to make the following proposal:

### Recommendation 2 (bis)

*Invites Parties to establish participatory mechanisms at all levels to foster the full and effective contributions of indigenous peoples, local communities, civil society organizations and all stakeholders in the full implementation of the CBD objectives, the 2011-2020 Strategy and Biodiversity Targets.*

## Integration of Biodiversity in Poverty Reduction and Development

The IIFB considers the integration of Biodiversity in Poverty Reduction and Development as extremely important. This requires more than efforts to mainstream biodiversity in National Sustainable Development Plans and Poverty Reduction Strategies. *It also requires embracing the human rights approach*

*of the MDG's, to complement the CBD's ecosystem approach.*

The report of the UN Secretary-General: *Keeping the promise: a forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015 (A/64/665)* contains a number of highly relevant statements to our deliberations:

*The norms and values embedded in the Millennium Declaration and international human rights instruments must continue to provide the foundation for engagement, in particular the key human rights principles of non-discrimination, meaningful participation and accountability.*

The UN Secretary General underlines that the Millennium Declaration represents the most important collective promise ever made to the world's most vulnerable people. This promise is not based on pity or charity, **but on solidarity, justice and the recognition that we are increasingly dependent on one another for our shared prosperity and security.**

The UN Secretary General's Report, in reviewing MDG implementation states:

*... We are faced with daunting challenges in reaching the most disadvantaged groups and those in the rural areas, and in ensuring environmental sustainability. Achieving MDGs is not an easy undertaking. But it is especially hard for the most vulnerable groups.*

What this underlines, is that Poverty hotspots and biodiversity hotspots overlap – and that the successful implementation of the MDGs and the CBD Strategic Plan need a holistic and integrated approach at all levels.

Capacity-building efforts should focus on experiences that combine an ecosystem-based approach, building on customary resource management and sustainable use.

The IIFB believes that a strong focus of the implementation of Article 10c – customary sustainable use, will make a strong contribution to addressing both the MDGs and the post 2010 CBD Strategic Plan and Biodiversity Targets.

The IIFB also has successful experiences, in terms of fostering exchange of experiences at regional and national levels, and will work Parties in future capacity-building work.

Targeted financial contributions for initiatives and strategies of Indigenous Peoples and Local

Communities have been very much necessary, and should be increased in the future.

## **Post 2010 Strategic Plan and multi-year programme of work of the Convention.**

Under this Agenda Item, the International Indigenous Forum on Biodiversity (IIFB) has three focused observations and corresponding recommendations:

1. The IIFB considers that the current draft recommendations in document WGRI 3/3 and the draft Strategic Plan **do not sufficiently reflect the need to engage society in the implementation of the convention.** We therefore propose the addition of the following paragraph as 3(d) bis:

*Establish participatory mechanisms at all levels to foster the full and effective contributions of indigenous peoples, local communities, civil society organizations and all stakeholders in the full implementation of the CBD objectives, the 2011-2020 Strategy and Biodiversity Targets.*

2. Accordingly, the IIFB also proposes the inclusion of participatory approaches in the Strategic Plan, in Strategic Goal E and Target 16:

Strategic Goal E: Enhance implementation through **PARTICIPATORY** planning, knowledge

management and capacity development, and the fair and equitable sharing of benefits arising from the use of genetic resources.

Target 16: By 2020, each Party has implemented a **PARTICIPATORY and** effective national biodiversity strategy, contributing to the achievement of the mission, goals and targets of the Strategic Plan.

Participatory approaches are also very relevant to Section V of WGRI 3/3 on Implementation, Monitoring, Review and Implementation.

3. In the light of increased emphasis on of Article 10: sustainable use in the implementation of the Convention, the IIFB notes that Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use, does not include any targets on customary sustainable use: Article 10 (c).

To address this gap, IIFB proposes that this be included in Target 18 to read:

By 2020, traditional knowledge, innovations and practices, **and customary sustainable use** are protected **and encouraged** and their contribution to the conservation and sustainable use management of biodiversity is recognized and enhanced

# **The Green Development Mechanism: Learning from an Extremely Bad Example**

*By Simone Lovera, Global Forest Coalition, Paraguay*

The SBSTTA has often been accused for being too political, but some awareness of the actual situation in international politics is sometimes helpful when developing new ideas, especially if these ideas are supposed to be “innovative”. The proposal for a Green Development Mechanism (GDM)<sup>1</sup> that will be launched at the WGRI is a classical example of an idea that was developed by some young academics with little clue about the latest developments in international environmental policy-making.

## **No Money, but lots of Innovations**

First and foremost, the GDM proposal totally ignores the controversies around the concept of innovative financial mechanisms, which are rightfully seen by many developing countries as a way for developed countries to duck their financial commitments under the Biodiversity Convention. It is no wonder that innovative financial mechanisms are championed by donor Governments that have just radically cut their budget for international biodiversity funding: “Sorry, we will not give you money anymore, but we have something more innovative.” For this reason these “innovations” were met with rightful skepticism at the 9<sup>th</sup> Conference of the Parties of the CBD, which only agreed to study them a

bit more, not to launch concrete proposals for adoption at COP10.

## **Trade without Caps: Trading in Hot Air**

Of the different innovative ideas on the table, the Green Development Mechanism is arguably one of the most innovative – in terms of building on unsubstantiated assumptions and hot air, that is. The Green Development Mechanism is modeled after the Clean Development Mechanism (CDM), the highly controversial flexible mechanism that was incorporated in the Kyoto Protocol to make it cheaper and easier for developed countries to reach their legally binding emission reduction targets. The CDM is part of a so-called cap and trade system, it owes its mere existence to the fact that the Kyoto Protocol has capped CO<sub>2</sub> emissions in the form of a legally binding emission reduction target of, on average, 5.2% by 2012 compared to 1990 levels. It is this cap that forms the basis of the market, as it creates a demand for cheap ways to reach this cap. Trade without a cap would be a classical example of trading in hot air.

However, as there are no targets in the biodiversity regime, there is no ground for trade. The suggestion in the GDM proposal that the top 500 private companies would be willing to voluntarily donate 1% of their annual revenues to “buy” biodiversity protected areas is just

naïve. If there were so much willingness to voluntarily contribute to biodiversity conservation, there would not be a problem with biodiversity financing anyway.

### Offsets: a Zero Result Option for Biodiversity

It is often argued that the “success” of the voluntary carbon offset has proven that trade is also possible without caps. It should first and foremost be highlighted that this “success” is not a success from an environmental perspective as the benefits of offsets are, per definition, zero. Trade only makes it (arguably) *cheaper* to meet certain environmental commitments, which benefits the actors buying such offsets, not the environment. The suggestion that those actors would thus be willing to reduce more has proven to be unsubstantiated by 18 sad years of postponed climate action. Similarly, biodiversity offsets will, per definition, not contribute anything to biodiversity conservation, as projects in one location are financed as compensation for biodiversity destruction in another location. So the net biodiversity conservation result is zero, which is a policy option the world can hardly afford considering today’s dramatic rates of biodiversity loss.

### Market-based Funding: Unstable, unreliable...

However, it is also crystal clear that the voluntary offset market is built on the speculation that carbon markets will be expanded in a future climate regime – no wonder the price of carbon collapsed dramatically after the failed Copenhagen Summit. It is unlikely this market will continue to bloom if formal carbon markets will be discontinued – an option that seems more and more likely now that a large number of Latin American countries have embraced the Cochabamba People’s Accord, which strongly rejects any carbon markets. Meanwhile, the US is still actively trying to kill the Kyoto Protocol, the only existing climate regime that includes a formal carbon market. As a result, the European Commission made it clear in its latest climate policy paper that it fears carbon markets will not be included in a post-2012 climate regime, and it is thus opting for exploring markets outside the FCCC framework. However, such markets would not be linked to a legally binding global cap, and the credits would

thus be relatively worthless. Especially from a climate perspective, as trade without a cap does not contribute anything to mitigating climate change.

### And Inequitable....

Experience with carbon markets has not only demonstrated that markets are a very unstable and unreliable source of funding, it has also clearly demonstrated that markets are a very inequitable source of funding. 80% of funding provided by the CDM goes to 3 countries only, and the entire continent of Africa has received less than 1% of CDM funding only. Applying a similar system to biodiversity financing would not only be highly inequitable, it would also be highly damaging for biodiversity. Theoretically it does not matter for the climate whether CO<sub>2</sub> emission reductions take place in China, Ghana or the US, but it is an offense to science to suggest that it would not matter in which country biodiversity is conserved.

### A Land Grabbing Mechanism?

But these are not even the main problems with the GDM. The main problem is that the GDM has been developed for a planet where biodiversity is carefully separated from people. The entire design document for the GDM<sup>2</sup> does not include ANY reference to the rights and needs of Indigenous peoples, women, farmers, or local communities. Such exclusions leave these people and their lands open to land grabbing and dispossession.

With land grabbing in developing countries having already reached epidemic proportions, the GDM is more than a proposal based on bad examples, false assumptions and fairy-tales that will not contribute anything to biodiversity conservation. It is yet another attempt to use Southern lands to facilitate Northern consumption and biodiversity destruction, a process underway since Columbus planted his flag in the Americas.

<sup>1</sup> See <http://cdn.www.cbd.int/financial/doc/wgri-03-inf-GDM-en.pdf>

<sup>2</sup> <http://gdm.earthmind.net/2010-02-bali/gdm-bali-doc-feb10.pdf>

### Keep an eye on the UndercoverCOP

Share and gather insider information, news and views from CBD negotiations at:

**[www.undercovercop.org](http://www.undercovercop.org)**

Find announcements, instant news and analysis of working group discussions. Add your views and share your information in anonymous forums.



See what civil society groups are demanding. Follow civil society analysis of CBD negotiations. Brought to you by the CBD Alliance

## [square brackets]

CBD Newsletter for Civil Society

Available now in paper form at the SCBD documents table, or anytime at:

<http://www.cbd.int/doc/newsletters/square-brackets/square-brackets-2010-05.pdf>

**! Thank you – Asante !**

This issue of ECO has been published via the direct support of etc group  
The CBD Alliance thanks Swedbio and the Christensen Fund for their support.