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# Global environmental facility: cornucopia or kiss of death for biodiversity?

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## ABSTRACT

In 1991, the World Bank announced a billion dollar (US) fund to support conservation work via the Global Environment Facility (GEF) of the United Nations.

The funding process is criticised.

It is argued that criteria for choosing "projects", including a short-term, capital-intensive focus without enough consideration of the most effective use of the funding resource, may do little to redress the causes of the depletion of biodiversity.

A number of measures are suggested to improve the effectiveness of the fund.

## INTRODUCTION

In October 1991, when the World Bank announced the launching of a billion-dollar "green fund" to support conservation work, I was reminded of the ancient Chinese curse: "May your wishes be granted".

For all of us have fantasised about hundreds of millions of dollars to support national parks, better research, information, and training.

And here, launched upon an astonished world, grown weary of complaints about insufficient funds for conservation, came the answer! The Global Environment Facility (GEF), which is managed by the World Bank on behalf of the United Nations Environment Programme and the United Nations Development Programme, promises to provide as much as \$US500 million for biodiversity over the coming three years. Similar amounts would be available for dealing with pollution, and with problems of the oceans. All our prayers for funding were answered!

But wait a minute. A few details remain to be sorted out. And these details may turn this silk purse into a pig's extremity. Indeed, some people fear that this funding could instead result in tremendous setbacks for the cause of conservation.

Why? The answer says much about the ways international funds for development are being spent. The GEF is a typical top-down, throwing-money-at-the-problem, dealing-with-symptoms-rather-than-causes solution to a very complex set of issues.

## HOW TOO MUCH MONEY TOO QUICKLY CAN HARM BIODIVERSITY

First, no criteria have yet been established for selection of the projects. While UNEP has set up a Scientific and Technical Panel to formulate these criteria, the Bank seems determined to commit as much money as it can without waiting for such guidance. The resulting unseemly scramble has been likened to a shark-feeding frenzy, as developing country governments, scientists,

conservation NGOs, World Bank staffers, and everybody else jockey for a place at the copiously bleeding carcass.

Second, as perhaps another consequence of its urgency, the Bank has argued that only by adding elements to projects already being processed can the investments be made in time to show results within the three-year pilot phase of the facility. The Bank is therefore favouring supplements to ongoing or planned Bank investments; indeed, the "topping up" of projects through GEF might make them more attractive to Governments, and therefore help accelerate the approval process. But these easily-processed projects are often far from the priorities many conservationists would like to see addressed. In other words, we risk getting business as usual, only more so.

Third, the World Bank – like other development institutions – tends to think in terms of "projects" which have schedules, deadlines, products, foreign consultants, internal rates of returns, discount rates, and so forth. The GEF projects are in danger of suddenly injecting large sums of money to support fairly short-term, visible activities, often involving the development of infrastructure which then needs to be maintained from shrinking government budgets; such over-capitalisation has often proven highly counter-productive. Many biodiversity conservation problems require solutions that are less capital-intensive, but which are implemented over many years (or even decades); solutions need to be site-specific, and modified to adapt to changing conditions; and they need to build on a reflection of local needs and perceptions, and human relationships among the interested parties. None of this adaptive process is well served by a "project approach".

Fourth, what happens to a fragile conservation institution in a developing country when its budget is tripled overnight? For the Bank is interested only in spending large amounts of money, in the multiple-millions, because anything less is likely to impose too much cost on its own administration. But most national parks departments, universities, and research centres in developing countries have small budgets, with insufficient and poorly-trained staff. So a sudden injection of five or ten million dollars will seriously skew the shape of the institution, pulling people off existing activities and putting them to work on priorities the World Bank has considered important. The sudden arrival of substantial funding in a country could divert time and attention from other, less fundable, issues that are central to the development of national capacity to conserve biodiversity in the long term. And the indications to date are that the GEF will not support normal running costs, nor hire additional permanent staff, nor encourage the development of local NGOs that can have real impact on the ground. Like a giant cowbird, the GEF is laying a huge egg in an already skimpy nest, which harried third-world government officials must adopt, ready or not. Their own offspring may well find themselves pushed out of their nest.

Fifth, most on-the-ground conservation problems are caused more by inappropriate policies at higher levels of government than by lack of local investments, so pouring more money into

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site-specific actions, while critical to safeguard these areas, is insufficient to lead to long-term solutions. And the presence of the GEF may well reduce the pressure to redress the fundamental causes of the depletion of biodiversity. The GEF is providing plenty of funds, so what further concerns could conservationists possibly have?

And sixth, it is apparent that biodiversity conservation needs an appropriate balance between international, national, and local activities. If previous World Bank projects are indicators of how the GEF will be run, the international source of funding will strengthen central bureaucracies at the expense of the local institutions, thereby overturning years of efforts to build effective local institutions.

### WHAT TO DO?

It might not be too late to modify our prayers, or at least have some influence on how they are answered. The problems suggested above are no secret – and indeed, many thoughtful World Bank staff share the concerns conservationists have expressed. They too would like to see the GEF funds address the real issues, and avoid the pitfalls that await the unwary gift receiver. Rather than acting as a surrogate for action to conserve biodiversity as part of regular development assistance programmes, the GEF should be used to help ensure that regular development assistance programmes contribute to the objectives of biodiversity conservation, or at least do not work against them. The following measures should be considered:

- Establish public consultation processes to give the Fund credibility with the widest range of institutions.
- Delay commitment of funds until the guiding criteria are agreed. This should be popular with the donor Governments

who, we may assume, do not wish to waste their money.

- Invest in analysing the root causes and institutional deficiencies that lead to the loss of biodiversity, with a view to identifying the kinds of interventions that can address these (such as policy dialogue, economic incentives, interest rates, commodities prices, civil service structures, training, research, and so forth).
- Ensure that the proposed GEF projects are subject to the same environmental impact assessment procedures as are other projects.
- Establish a “small grants fund” which would respond to specific requests from Governments for technical assistance, training, equipment, and other short-term needs for foreign exchange; this would avoid the problems of over-capitalisation.
- Work with developing countries to assess their real needs in biodiversity at national and regional levels, based on existing information and work carried out by local experts in these countries.
- Develop mechanisms for setting priorities for investment in conserving biodiversity, at the levels of species, natural systems, and critical areas.
- Support the capacity of Governments to assess and monitor their own biodiversity, bringing the latest (and expensive) technology to bear on the problem.

### CONCLUSION

None of the above suggestions will assuage the trepidation that many will feel about having hundreds of millions of dollars being dumped on unsuspecting conservation institutions whose budgets have tended to be in the hundreds of thousands. A sudden

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and short-term flow could do far more harm than good, leading the developers to conclude that investing in conservation was a poor idea.

It would be far better for Governments to recognise that even these relatively vast amounts of money are mere drops in the bucket when compared with the funds being spent in ways that serve to deplete biodiversity. Biodiversity would be best served if all development expenditures gave full consideration to biodiversity concerns, and biodiversity conservation elements were built into all relevant projects. Only through a patient, long-term, and adaptive strategy is biodiversity likely to be conserved. A more cautious policy than is being taken by GEF should save money – and get better value for that which is spent.

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