



**Forest Peoples
Programme**

Indigenous Peoples and the Global Environment Facility (GEF)

**Indigenous Peoples' experiences of GEF-funded
Biodiversity Conservation
– A critical study**



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Executive Summary

The Global Environment Facility (GEF) is the main intergovernmental mechanism for addressing “global” environmental problems, including the loss of biodiversity. It is the main vehicle for international funding for the Convention on Biological Diversity (CBD). The “cornerstone” of GEF biodiversity projects are those that promote protected areas – many or most of which overlay the lands and territories of indigenous peoples. Yet indigenous peoples have repeatedly claimed that these conservation schemes ignore their rights and undermine their livelihoods. This critical study sets out to examine these problems.

Part I of the study briefly reviews the history of the GEF, before examining indigenous peoples’ perspectives on GEF-funded conservation projects. Drawing on a series of past, recent and ongoing case studies of GEF full-size conservation and sustainable use projects, interviews with indigenous organisations and support NGOs and field visits, this review has found serious problems in the preparation and implementation of some GEF projects. Key findings are that these GEF projects:

- Treat indigenous peoples as “beneficiaries” rather than rights holders
- Seek to mitigate rather than avoid the negative social impacts of protected area projects
- Fail to identify and tackle the direct and indirect causes of biodiversity loss (extractive industries, industrial plantations, corruption etc)
- Lack field baseline studies or only carry out such studies after a project has started
- Fail to pinpoint critical legal, rights and cultural issues in social assessments
- Leave out or overlook critical land tenure and other rights issues in project design
- Finance the legal establishment of protected areas without first ensuring fully transparent and consultative mechanisms are in place to secure the free, prior and informed consent and negotiated agreement of affected indigenous peoples
- Result in increased enforcement of anti-people laws and exclusionary conservation policies
- Do not ensure meaningful consultation with affected communities, and in the worst cases do not enable participation until a project has already started

The study has also found that:

- Some GEF projects still take place where there is curtailment of livelihoods and forced relocation causing violation of fundamental human rights, severe suffering and impoverishment of affected communities
- Funds for livelihood components are inadequate or disbursements are partial or late: benefits received at the community level are minimal
- Flawed “alternative” livelihood interventions sometimes leave affected families and communities worse off, less secure and more dependent on the market and wage labour
- Full-size and medium-sized grants are still often experienced as top down interventions by government agencies or big international conservation NGOs
- Indigenous peoples do not enjoy effective participation in decision-making in GEF projects, even in some projects targeting indigenous peoples
- Indigenous communities are not always aware of GEF involvement in projects that affect them
- Some projects targeting indigenous peoples do not implement progressive components set out in grant agreements or project plans e.g., protection of land rights, protection of and respect for traditional knowledge
- Projects often introduce new project-level institutions that fail to build on or may even undermine local traditional institutions and decision-making structures

- NGOs implementing larger GEF projects sometimes lack close links with communities and their activities may undermine the initiatives of indigenous peoples

Why are these problems occurring? A review of GEF governance, policies and implementation mechanisms in Part II finds that the GEF has serious gaps in its policies and monitoring framework and still suffers from accountability problems.

It is argued that many of the ongoing problems with GEF projects can be partly traced to the defective and sometimes contradictory framework for GEF policy standards and rules and to faults in implementation and monitoring mechanisms. The review finds:

- The GEF has no specific overall policy on indigenous peoples
- Involuntary resettlement is not formally prohibited in GEF policies
- Most GEF policies and Operational Programs (OPs) have not been updated since their adoption (1995-6)
- Some policies still apply an exclusionary model of conservation e.g., OP3 on Forests
- GEF policies are out of date and do not square with existing international standards and best practice on indigenous peoples and conservation e.g., CBD decisions and work programmes, IUCN Guidelines, Durban Action Plan and Durban Recommendations
- The GEF does not have performance-based indicators to assess the quality of participation in the projects it finances
- Indicators for poverty and livelihood impacts are absent or inadequate
- Monitoring data and project databases do not distinguish between indigenous peoples and local communities
- There is a serious lack of independent evaluations of how GEF biodiversity projects and operations affect indigenous peoples and their territories
- Independent information is especially lacking on GEF-assisted Conservation Trust Funds, Enabling Activities, Medium-sized projects and programmes run by NGOs
- The GEF has no dedicated accountability mechanism for project-affected communities
- There remains confusion over how different standards apply in specific GEF projects e.g., in relation to resettlement
- The limitation of GEF funding to global objectives still hinders straightforward treatment of local benefits in GEF projects (incremental costs principle)
- A disconnect between project screening and review by the GEF biodiversity team and project implementation which is left largely to Implementing agencies

The GEF is seeking to respond to some of these criticisms above. For example, GEF monitoring capacity is being strengthened and it has launched a review of local benefits in GEF projects and now plans to develop social and participation indicators. In Latin America, the GEF is starting to support community conservation areas and a few medium-sized projects are beginning to be prepared and implemented by indigenous peoples. In addition, indigenous communities and organisations generally praise the GEF-UNDP Small Grants Programme – especially current efforts to improve indigenous peoples' access to GEF grants.

Notwithstanding the GEF's current positive efforts to address shortcomings, this study and review finds that many of the specific problems in policies and practice notes above are not being addressed by the GEF. At the same time, there are indications that while the new generation of GEF biodiversity projects is rightly paying greater attention to community-based natural resources management, these projects are still struggling to learn lessons based on past problems with project design and implementation. The study finds that though there is an emerging sub-set of more progressive projects in more recent GEF projects, these positive and innovative approaches are not institutionalised across the GEF portfolio.

Given that the GEF's expanded funding priorities for conservation both inside and outside protected areas have major implications for indigenous peoples, the final section recommends that the GEF take timely action to address the serious problems noted above through:

1. Adopting a rights-based approach to development and conservation
2. Making its policies consistent with international standards and best practice
3. Adopting a mandatory policy on indigenous peoples which secures their rights to their lands and territories, livelihoods and to free prior and informed consent
4. Formally prohibiting forced resettlement
5. Adopting policies for mandatory baseline studies and application of social, cultural, human rights and poverty risk impact assessments to inform GEF project design
6. Developing a public policy on accountability and appeals standards for GEF operations
7. Inviting indigenous peoples' representatives to take part in the development of new GEF policies and indicators on participation, social and equity impacts
8. Introducing incentives to ensure existing and new policies are properly implemented
9. Initiating, as soon as possible, a genuinely participatory specific assessment of the impacts of the GEF Biodiversity portfolio on indigenous peoples
10. Using the findings of this evaluation to complement current evaluations and to inform policy updates and reform of the GEF
11. Improving GEF oversight and compliance mechanisms to ensure that existing and new standards and rules are properly applied in GEF biodiversity projects

Preface

Information in this critical study has been obtained from independent case studies of GEF projects commissioned by the Forest Peoples Programme (FPP) and work undertaken as part of FPP field programmes in Central Africa and Latin America, as well as from studies carried out by other organisations and individuals (Annex II). It has also been compiled through a desk-based literature review, internet research and an Email survey of indigenous organisations and support NGOs familiar with GEF biodiversity projects and portfolios.

The study involved extensive communications by Email and telephone with the GEF Secretariat*, including staff and consultants attached to its Biodiversity Program and Monitoring and Evaluation Unit, and the Local Benefits evaluation.

While care has been taken to compile accurate and up-to-date information based on available primary and secondary sources used during the study, some observations on GEF projects are based on indirect information and grey literature. If a reader finds errors or serious oversights in the current report, they are invited to contact the author at: tom@forestpeoples.org

Section 1.1 notes the limits of the scope of this present report and emphasises that this critical study is part of ongoing work on the GEF being undertaken by the Forest Peoples Programme and its partners. In particular, more work is planned on exploring best practice in GEF projects, including the GEF/UNDP Small grants Programme and medium and full-size UNDP biodiversity projects that have been identified as potential examples of best practice (Sections 5.2. and Section 7).

While ongoing reviews of specific GEF projects by indigenous organisations and support NGOs like the FPP are likely to yield further important findings and make legitimate recommendations to the GEF, resource constraints will inevitably limit the scope of the work.

For this reason, one main conclusion of this study is that there is a pressing need for a comprehensive and well-resourced official GEF evaluation to assess how the GEF biodiversity portfolio has affected the rights and welfare of indigenous peoples. Such a review would involve indigenous peoples' nominated experts and cover the whole range of Biodiversity Program activities and Operational Programmes (Section 8).

The findings of such a focused evaluation would complement those of the Local Benefits Study and the other ongoing evaluations of the GEF, including the Third Overall GEF Performance Study (OPS3) and the forthcoming third independent review of the effectiveness of the CBD financing mechanism (COP 7 Decision VII/22).

Tom Griffiths

Moreton-in-Marsh, 19 January 2005

* The GEF Biodiversity Team leader requested that their response to the November 2004 draft of this study be made public. In fulfilling this request, the GEF response is to be duly posted on the web site of the Forest Peoples Programme alongside this report at: <http://www.forestpeoples.org>

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Acronyms

ABWG	Africa Biodiversity Working Group	MF	Multi-focal
ADB	Asian Development Bank	MSP	Medium-sized project
BD	Biodiversity	MTE	Mid-term evaluation
BP	Biodiversity Program	NBSAP	National biodiversity strategies and action plans
BPS2001	First Biodiversity Program Study	NCSA	National Capacity Self-Assessments
BPS2004	Second Biodiversity Program Study	NEPAD	New Partnership for Africa's Development
CBD	Convention on Biological Diversity	NFP	National focal points
CBO	Community-based organisation	NGO	Non-governmental organisations
CCA	Community Conservation Area	NPAS	National Protected Areas System
CDI	Capacity Development Initiative (GEF-UNDP)	NRM	Natural Resource Management
CDW	Country Dialogue Workshop (GEF-UNDP)	NSC	National Steering Committee (Small Grants Programme)
CEPF	Critical Ecosystem Partnership Fund	NTFP	Non-timber forest product
CI	Conservation International	OPS1	First Overall Performance Study
COP	Conferences of the Parties	OPS2	Second Overall Performance Study
EA	Executing agency	PA	Protected Area
EDC	Ecodevelopment Committee	PDF	Project Development and Preparation Facility
ESD	Economic and sustainable development	PIMA	Indigenous Management of Protected Areas in the Amazon Project (Peru)
FAO	Food and Agriculture Organisation	PIR	Project Implementation Review
FPIC	Free prior and informed consent	SGP	Small Grants Program
GEF	Global Environment Facility	SME	Small and medium-sized enterprises
GEFOP	GEF Operations Committee	STAP	Scientific and Technical Advisory Panel (of GEF)
GEFSEC	GEF Secretariat	STRM	Short-term response measure
GEF1	First operational phase (1995-98)	TE	Terminal Evaluation
GEF2	Second operational phase (1999-2002)	TK	Traditional Knowledge
GEF3	Third operational phase (2003-2006)	TNC	Nature Conservancy
GTI	Global Taxonomic Initiative	UNCCD	United Nations Convention to Combat Desertification
OP	Operational programme	UNDP	United Nations Development Programme
IA	Implementing agency	UNEP	United Nations Environment Programme
IBRD	International Bank for Reconstruction and Development (World Bank)	UNOPS	UN Office for Project Services
ICDP	Integrated Conservation and Development Planning		
IDA	International Development Agency (World Bank)		
ICR	Implementation Completion Report		
IFAD	International Fund for Agricultural Development		
IFC	International Finance Corporation		
IPO	Indigenous Peoples' Organisation		

Part I Introduction and Summary of Indigenous Peoples' Experiences

1 Introduction

The Global Environment Facility (GEF) is an international financial mechanism that provides grants and concessional funding to recipient governments for activities that aim to protect the *global* environment in **six focal areas**:

- Biodiversity
- climate change
- international waters
- ozone layer depletion
- land degradation
- persistent organic pollutants (POPs).

The Global Environment Facility is the financing mechanism for the United Nations Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Convention to Combat Desertification (UNCCD) and the Stockholm Convention on Persistent Organic Pollutants. It also provides support to Cartagena Protocol on Biosafety, the Montreal Protocol of the Vienna Convention on Ozone Layer Depleting Substances, and various agreements on the protection of international waters.

The Third Replenishment for the third phase of the GEF (GEF3) amounted to \$3 billion for the period July 2002-June 2006 – making the GEF the single largest international funder of global environmental and conservation projects. GEF finance for biodiversity projects between 1991 and 2003 totalled \$1.7 billion dollars. Much of these GEF funds have been used to support biodiversity conservation projects in forests, mountains, wetlands, dry lands and agricultural ecosystems. More than half of these funds have been channelled towards protected area projects which the GEF and its implementing agencies consider the “cornerstone” of biological conservation. Between 1991 and 2001, for example, the GEF had spent \$960 million on protected areas (average of \$96 million per year) making it one of the key international mechanisms for funding national parks, biosphere reserves and other conservation areas [section 1.2.3].

Given that many of the traditional territories of indigenous peoples worldwide have been designated as protected areas and that much of their ancestral lands contain biodiversity and biological corridors of global importance, it follows that GEF policies, projects and programs have major implications for indigenous peoples.

1.1 Purpose, scope and methodology

The aim of this study is to summarise indigenous peoples' experiences with GEF conservation projects and to review GEF policies, projects and programs as they relate to biodiversity conservation and indigenous peoples. One major purpose of the report is to try and assess the way the GEF deals with indigenous peoples affected by its biodiversity projects and pinpoint associated weaknesses in GEF policy and practice that require attention. The methodologies used for evaluating indigenous peoples' experiences and assessing GEF policies and practice are described in Annex II. The remit of the study is confined to the GEF biodiversity program and does not extend to other GEF focal areas.

While an effort has been made to review all relevant GEF policies and standards, the study does not claim to be exhaustive. Its scope is limited in a number of ways. First, the project case studies mainly involve full-size protected area projects in which the World Bank is the implementing agency. Other than the TRIDOM project (Box 1), in-depth field studies of full-size projects managed by UNDP or UNEP have *not* been undertaken. Second, government and operational GEF focal points have not been surveyed. Third, communications with some of the implementing agencies have not been comprehensive i.e., no direct communication with UNEP, and only limited Email communication with the World Bank. The current study is therefore a *preliminary* one and is part of ongoing work being undertaken by the FPP.

Notwithstanding the ongoing nature of this work, it is hoped that the findings of this focused study and the associated review of GEF policies can provide useful information for indigenous peoples' organisations, communities and campaigners seeking reforms and improvements in GEF policy and practice so that this global agency better respects the rights and priorities of indigenous peoples. It is also intended that the study informs the following processes:

- GEF Local Benefits Study (Phase II) (2002 – ongoing)
- 3rd Overall Performance Study (OPS3) of the GEF (to be completed in 2005)
- 3rd Review of effectiveness of the financial mechanism for the CBD (2005)
- Conference of the Parties to the Convention on Biological Diversity (COP 8, 2006)
- UNDP evaluation of GEF/UNDP biodiversity projects (2005)

Part I of this report provides a brief background and history of the formation and mandate of the GEF and outlines past and present criticisms of the agency, before examining indigenous peoples' experiences of GEF biodiversity projects.

Part II then traces these problems with GEF projects to gaps and deficiencies in the policies and rules of the GEF and its implementing agencies. The final section of Part II seeks to assess to what extent the GEF and IAs are learning lessons about shortcomings in their biodiversity projects, before setting out a series of recommendations for GEF reform, better performance and greater accountability to indigenous peoples affected by or involved in GEF biodiversity projects.

1.2 Background to the GEF

Throughout the decade of the 1980s a growing global environmental movement pressed governments and the international community to do something about rampant deforestation, pollution, growing poverty and the loss of ecosystems and biological diversity which was being witnessed across the globe, especially in developing countries. In 1987, the World Commission on Environment and Development (WCED) emphasised that such widespread environmental damage in the developing world was a matter of global concern and responsibility.¹ The Brundtland Commission picked up on the idea and proposed a multilateral environmental fund or "international banking" facility.² In 1989, the German and French governments offered large sums of money to help establish a new environmental fund at the World Bank. Southern governments and civil society organisations were sceptical about any fund run by the Bank given its appalling environmental record, and they argued for an independent international funding agency supported by donor governments.³

¹ Sjöberg, H (1994). See also Colchester, M (2003) at page 99.

² Young, Z (2002) at page 50.

³ Chasek, P S (2001) at page 128-129.

1.2.1 History

Despite this opposition, the World Bank was quick to respond to donor government proposals and in March 1991 its Board officially established the GEF as a three-year (1991-1994) \$1.2 billion pilot initiative housed within Bank Headquarters in Washington DC. The World Bank invited the UNDP and UNEP to act as implementing agencies in GEF projects. During this pilot phase, a prior contribution of \$1 million was required to become a member country eligible for grant aid through the GEF. During preparatory negotiations for the Earth Summit in Rio de Janeiro in 1992, donor governments pushed for the adoption of the GEF as the financing mechanism for the new Rio conventions. Developing country governments rejected this proposal. Deadlock in negotiations followed and the disagreements over the GEF at one stage even risked derailing the adoption of the Convention on Biological Diversity.

A compromise was finally reached as the GEF was adopted as the *interim* mechanism for financing the CBD, and would be subject to an independent review at the end of the pilot phase that would possibly require reforms. Despite this compromise, many Southern governments remained unhappy about governance and membership issues, while civil society groups accused the Bank of using the GEF as greenwash to cover up and mitigate its destructive policies and loan operations. They also maintained that the GEF housed within the Bank was top down, unaccountable, secretive and did not allow for genuine public participation.⁴

Evaluations of the pilot phase and restructuring

The promised Independent Evaluation of the GEF Pilot Phase (IEPP) submitted its report in late 1993. This evaluation, together with other independent third party evaluations, upheld many civil society criticisms and contained damning findings that reaffirmed the need for serious reforms of the GEF. The evaluation found that in the pilot phase GEF operations and investments had generally:

- Applied a top-down approach
- Been overly reliant on international consultants
- Lacked public participation and lacked transparency in decision-making
- Failed to properly involve indigenous peoples and local communities
- Not dealt with the needs of local communities affected by its projects
- Not coordinated the activities of implementing agencies
- Invested in haphazard and contradictory operations
- Given inadequate consideration to sustainable use of biological resources
- Not addressed the underlying causes of environmental degradation
- Applied complex and incoherent criteria for determining the eligibility of projects for funding⁵

After difficult negotiations, agreements on the restructuring of the GEF were concluded in March 1994 along with a four-year replenishment from donors of \$2 billion. The reformed structure of the GEF was set out in the *Instrument for the Establishment of the Restructured GEF*, which established a modified structure, governance and mode of operation based on:

- Universal membership by interested governments
- Independent GEF secretariat
- Balanced representation of donor and recipient governments on the GEF Council

⁴ Young (2002) *op. cit.* at pages 64-66.

⁵ GEF (1994a)

- GEF accountable to relevant international conventions
- Implementing agencies accountable to GEF Council
- General Assembly meetings of all governmental members every four years
- Twice-yearly GEF Council meetings with NGO observers
- CEO of the GEF to co-chair GEF Council and chair GEF Assembly
- Three Implementing Agencies with equal roles in carrying out GEF projects

This restructuring did address some of the criticisms of both Southern governments and NGOs, and set relatively progressive standards for transparency and public participation in the governance and high-level decision-making of an international financial institution (section 3).

Since 1994, NGOs and indigenous organisations have broken open more space for participation on the margins of GEF Council Meetings (see section 3.2.1) and have managed to increase the number of medium and small-sized projects accessible to NGOs. In 1999, a variety of UN agencies have also become eligible for implementing GEF projects (section 5.4).

Several full-size GEF conservation projects (particularly in Africa and Asia) continued to have negative impacts on indigenous peoples and local communities throughout the 1990s. Some of the worst GEF problem projects linked to forced displacement have attracted international condemnation and two cases have been brought to the World Bank's complaints mechanism.⁶ Despite the operationally independent status of the GEF Secretariat and GEF Council, the GEF still does *not* have a separate legal personality (the need for legal independence was recommended in 2002 by the Second Overall Performance Study of the GEF – OPS2). At the same time, the Bank still administers the GEF Trust Fund. This study has found that for many people in the South and North, GEF biodiversity projects are still often equated with the World Bank.

In response to external criticisms, the GEF has adopted new policies on participation and monitoring and assessment (Section 6). Today the GEF claims to be “a learning institution” geared towards correcting problems, promoting “country ownership” and meeting the priorities of recipient government members.⁷ The GEF has also shown a new interest in targets and indicators to support goals of the CBD, such as the 2010 Target to reduce global biodiversity loss. It has established its own semi-independent monitoring and evaluation unit and claims to be responsive to changing priorities of GEF “participants” (recipient governments and donor governments).⁸ Despite these reforms, after fourteen years the GEF has been unable to eliminate problems and contradictions in its policies and operations (Sections 2, 5 and 6). An independent NGO evaluation presented to the World Summit on Sustainable Development (WSSD) in 2002 summed up the GEF as follows:

In spite of ongoing efforts ... the GEF remains a flawed mechanism for transferring resources North to South to protect the global environment. Problems including: competition between implementing agencies, the failure to mainstream environmental sustainability throughout the implementing agencies, the weakness of the Secretariat, the lack of comprehensive public participation ... weak monitoring and evaluation unit, flawed costs concepts, and a failure to learn lessons continue to undermine the effective functioning of the mechanism⁹.

⁶ GRAIN (1996). See also Griffiths, T and Colchester, M (2000)

⁷ El-Ashry, M (2002)

⁸ GEF (2003a)

⁹ Horta, K *et al* (2002) *op. cit.* at page 25.

Much of this critical assessment by NGOs drew directly from the findings of the GEF's 2002 Second Overall Performance Study (OPS2), which made a whole series of recommendations for improved GEF performance in the biodiversity focal area.¹⁰

1.2.2 Types of GEF project finance

There are five types of GEF grants that may finance global, regional or national projects:

- Full-size Project [over \$1 million]
- Medium-size Project [up to \$1 million]
- Enabling Activity
- National Capacity Self-Assessments
- Short-term response measures
- Project Preparation Grants [up to \$1 million]
- Small Grants [up to \$50,000]

Full-size projects (FSPs)

Full-size projects take on average three and a half years to be prepared and approved and are subject to the requirements and procedures of the full GEF Project Cycle [Annex IV]. The project must also meet the requirements of the GEF Project review Criteria (section 6.5) and satisfy the requirements of a GEF Strategic Priority and at least one relevant GEF Operational Program (section 6.3). Full size projects are approved by the GEF Council in one of its meetings, or by written communication among members of the Council between meetings. The average size of full size grants is \$3 to \$8 million, though grants of \$10 to \$20 million are not uncommon.

Medium-sized projects (MSPs)

Medium sized projects were introduced in 1996 and are subject to more “timely” processing. On average, MSPs take around two years to be processed from identification to approval. Approval for these projects under \$750,000 has been delegated by the GEF Council to the Chief Executive Officer – CEO (Annex V). However, all MSP projects must fulfil the GEF Project review Criteria, or be consistent with a GEF Operational Programme or a GEF Strategic Priority or constitute a short-term response measure.

Enabling activities

Enabling activity projects fund the preparation of a strategy, plan or country report to fulfil national commitments under a global environmental treaty e.g., Article 6 of the CBD, which requires States Parties to develop national plans and strategies for the conservation and sustainable use of biological diversity. Proposals for enabling activities are presented direct to the GEF Secretariat and maybe processed by the Secretariat and approved by the CEO without Council Approval. However, for enabling activities seeking more than \$450,000 the proposal must be processed through the GEF project cycle for full-sized projects (Annex IV).¹¹

National Capacity Self-Assessments (NCSAs)

The purpose of national capacity assessment activities is to enable recipient governments to evaluate their needs and priorities to address “global” environmental issues and improve capacity development related to the implementation of the three Rio conventions in the thematic areas of biodiversity, climate change and desertification/land degradation. Proposals

¹⁰ GEF (2002c). For a useful summary of recommendations made by OPS2 and also by the 2001 Biodiversity Program Study (BPS 2001), see Dublin, H and Volonte, C (2004) *op. cit.* at Table 6.1, pages 53-54.

¹¹ GEF (2003e) at page 16.

of up to \$200,000 may be processed under the same fast-track procedures as for Enabling Activities, while bigger proposals must enter the GEF project cycle.

Project preparation grants

Funds are available through the Project Development Facility (PDF) of the GEF for covering the costs of preparing medium and full-sized projects. Three types of grant are available.

Block A PDF Grants – up to \$25,000

Block B PDF Grants – up to \$350,000 (up to \$700,000 for regional/global projects)

Block C PDF Grants – up to \$1 million

Block A Grants are available for preparing a medium-sized project. Requests for PDF-A grants must be endorsed by government GEF focal points. Block B grants are available for the preparation of full-size projects once the project has entered the GEF “pipeline” i.e. the Project Concept Document has been reviewed and approved by the GEF Secretariat. Processing of Block B-grants may take up to 12 months.

Block B grants are supposed to cover the preparation of detailed appraisal documents and legal contracts by the Implementing Agency. *Both Block A and Block B grants may be used to cover the costs of public consultations, stakeholder analysis and local participation.*¹² Larger PDF-C grants are available for large projects that have been approved by the GEF Council, but require additional preparatory work.

Small Grants Programme

The GEF Small Grants Programme (SGP) was established in 1992 to provide support for community-based initiatives that aim to contribute to conserving global biodiversity, mitigating climate change and protecting international waters (section 5.2.1).

Short-term response measures

These are projects that are expected to result in benefits in the short term. They are processed and approved on a case by case basis. In the GEF Biodiversity Focal Area, the Short-term-Response Measure (STRM) was mainly applied in the GEF pilot phase (1991-94) and seems to have been used by the World Bank to speed GEF financing for conservation projects. Today, most STRM projects relate to the GEF’s climate change focal area or Multi-focal Area (MF). One example of such a grant under the GEF Biodiversity Program is the 2001 *Strategic Planning and Design for the Environmental Protection and Sustainable Development of Mexico*, which supplied \$635,000 to government for undertaking planning workshops for rapid “take off” of a national planning process to address environmental issues including watershed and forest management.

1.2.3 Portfolio and activities

Full size projects make up the vast majority of GEF grants to recipient countries and nearly all are proposed and implemented by government agencies.¹³ Between 1991 and 2002, for example, 94% of funding for biodiversity projects was channelled through the GEF’s full-sized project window.¹⁴ Although the portfolio share of medium-sized projects is increasing, full size projects

¹² Ibid. at page 18.

¹³ The GEF Secretariat reports that some of these full-size projects do sub-contract some aspects of project implementation and supervision work to international and national NGOs, though no statistics are available on the scale of NGO involvement (GEFSEC, pers. Comm. December 2004).

¹⁴ GEF (2003b) at page 11

still accounted for 72% of all GEF funding for biodiversity projects in 2002. In terms of focal area, between 1991 and 2002 most GEF funds were almost equally allocated to biodiversity projects (\$1.49 billion, equivalent to 39% of all funding) and climate change (\$1.4 billion, 37% of all funding) [see Figure 1]. Today, the balance of funding in GEF focal areas is undergoing a modest transformation as Climate Change is now receiving the largest proportion of GEF funds and the other focal areas are gradually receiving greater shares. In 2002, for example, Climate Change projects received 34.6% of GEF funds, biodiversity projects accounted for 27.5% of the total portfolio, while international waters increased to 20.3% of total budget allocations [Figure 2].¹⁵

1.2.3.1 GEF biodiversity portfolio

Within the Biodiversity focal area, most early GEF projects co-financed full size projects, particularly for the establishment and financing of protected areas. Of the 93 regular GEF grants for protected area projects undertaken between 1988 and 2003, 23 (25%) formed components of larger World Bank loans to developing countries.¹⁶ In recent years, particularly between 1996 and 1998, a significant proportion of the GEF Biodiversity budget has been allocated to Enabling Activities and capacity-building projects managed by the UNDP (Figure 3). Since 1996, the GEF has supported 133 grants worth a total of \$26.7 million for the development of National Biodiversity Strategies and Action Plans (NBSAPs). One major objective of the current GEF biodiversity portfolio in GEF-3 (2003-06) overseen by its Biodiversity Program is to support the goals of the 2010 Biodiversity Target adopted at COPVI of the CBD in 2002 under which parties to the Convention aim:

... to achieve by 2010 a significant reduction of the current rate of biodiversity loss at the global, regional and national level as a contribution to poverty alleviation and to the benefit of all life on earth (CBD Decision VI/26)

Major support for protected areas

Overall, it is estimated that 75% of the GEF biodiversity projects have directly or indirectly provided support for, or at least involved, 1,232 protected areas covering 256.7 million hectares.¹⁷ Although the biodiversity portfolio is undergoing changes, GEF funding of protected areas remains a major part of its financing. In 2001, for example, total GEF financing (including co-financing) for protected areas reached a total of \$410 million dollars. In 2002 and 2003 this had averaged at \$204 million annually. Of the 50 MSP and FSP approved in 2003, only one did not affect a protected area.¹⁸ The majority of protected area projects involving the GEF and World Bank have been undertaken in Latin America (45%) and Africa (26%).

In 2002, the GEF reaffirmed that protected areas form one pillar or “cornerstone” of its biodiversity portfolio for the period of the third replenishment (GEF3: 2002-2006). The GEF now plans to focus its support for *protected area systems* or *networks* rather than individual conservation sites.¹⁹ In 2003, the GEF funded the creation of 40 new protected areas covering more than 320,000 hectares.²⁰ It is expected that GEF support for the number and area covered

¹⁵ Ibid. [at](#) page 14.

¹⁶ World Bank (2003b) [at](#) page 6.

¹⁷ Dublin, H and Volonte, C (2004) [at](#) pages 33 and 58-65.

¹⁸ Ibid.

¹⁹ GEF (2003e) [at](#) paragraph 24(a), page 8.

²⁰ Dublin, H and Volonte, C (2004) [at](#) page 59.

by protected areas will continue to increase in coming years.²¹ Previous studies have shown that many, even most, protected areas fall within or overlap territories owned or claimed by indigenous peoples²² (Colchester 2003).

Moreover, is noted below and in the first part of section 2, the GEF now aims to promote biodiversity projects in the wider landscape outside protected areas, which may have even greater implications for indigenous peoples and local communities (sections 2 and 6).

Focus on forests

A great deal of GEF financing for biodiversity conservation has also been directed at forest ecosystems since 1991. By June 2003, the GEF had allocated \$778 million for nearly 150 forest conservation projects, and forest-related projects accounted for 50% of the GEF's biodiversity portfolio. Taking into account co-financing, these 150 forest projects amounted to a total expenditure of \$2.8 billion. A recent GEF report affirms that these GEF forest projects have supported more than 741 protected areas.²³

1.3 Past and present criticisms of the GEF

Civil society organisations have been critical of many aspects of the GEF since its inception. Criticism of GEF governance was strong during the GEF Pilot Phase (1991-1994), though these problems were partly resolved by the Restructuring in 1994 (section 3.) Nonetheless, since then civil society criticisms of the GEF have related to:

- Competition between implementing agencies (IAs)
- Failure of IAs, especially World Bank, to mainstream environmental sustainability into their own policies and operations
- Under-staffed Secretariat
- Low level of effective public participation
- Seriously deficient participation of indigenous peoples and local communities
- Application of outdated exclusionary approaches to conservation
- No definition of "global environmental benefits"
- Lack of consensus on the meaning of global environmental sustainability

²¹ GEF (2003e)

²² Colchester (2003)

²³ GEF (2004a) at page 9

Figure 1: GEF Budget Allocation by Focal Area 1991-2002 [millions of dollars]

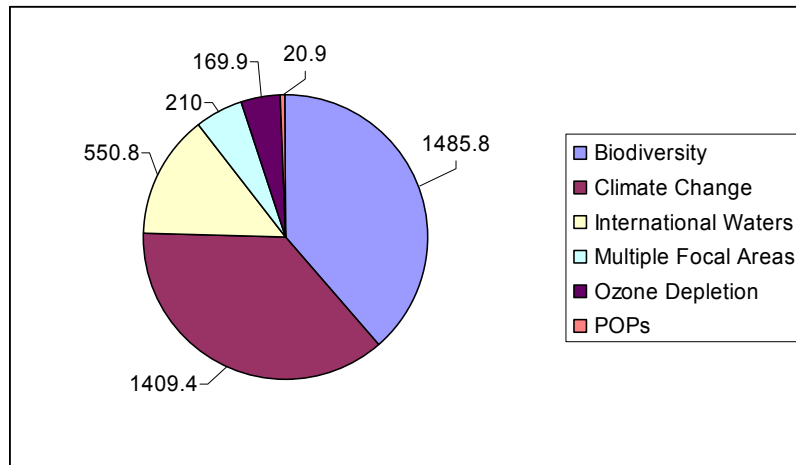


Figure 2: GEF Budget Allocation by Focal Area in FY 2002 [millions of dollars]

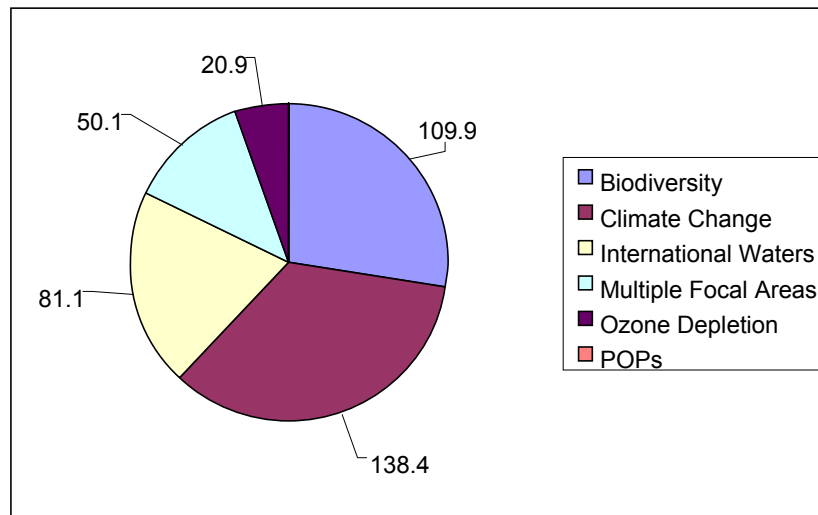
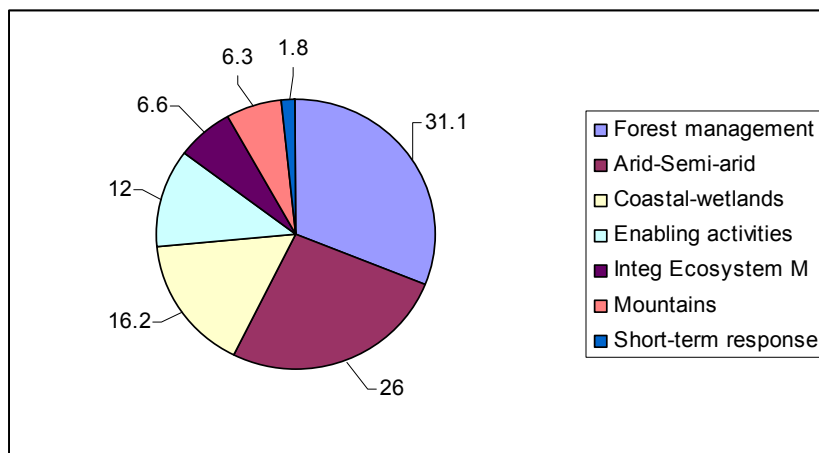


Figure 3: GEF Biodiversity Portfolio in FY 2002 [millions of dollars]



- Application of a narrow concept of sustainability based on “financial sustainability”
- Dependence on technological and management solutions to environmental problems, that sidestep political and macroeconomic issues
- Weak monitoring and evaluation
- Serious problems with funding rules, including the “incremental costs criterion”
- Failure to learn lessons
- Undue influence of World Bank Group and Bank staff
- Relatively weak Assembly
- Problems with some Implementing Agency policies e.g., World Bank will not implement GEF projects that do not conform to its own Country Assistance Strategies
- Contradictions within and between GEF portfolios and violations of the GEF Operational Strategy
- Failure to address destructive macroeconomic and trade policies that are key structural cause of environmental crisis
- GEF Council support for Washington consensus that does not challenge the destructive policies of World Bank, IMF and WTO
- Use of GEF money to benefit Northern companies through procurement contracts
- GEF “inheritance” of the weaknesses of the implementing agencies. e.g., approval culture and mega-projects of World Bank operations.²⁴

Many of the aforementioned weaknesses continue to plague the GEF – as confirmed in the recent 2004 Biodiversity Program Study (BPS 2004). This recent evaluation found, for example, that the GEF still suffers from inability to learn lessons, weak monitoring and evaluation, understaffed biodiversity team in GEF Secretariat, limited means to measure of global impacts and a failure to properly tackle the underlying causes of biodiversity loss, among other problems (see, for example, Boxes 7 and 10, section 2).

A careful examination of all the above criticisms of the GEF made by NGOs is beyond the scope of this particular study. However, several of the aforementioned issues linked to flawed conservation concepts, defective standards and shortcomings in GEF accountability will be discussed in this report. One current aspect of the GEF that is raising concern among NGOs is the apparent increase in the role of corporations and big business in its conservation portfolio.

Growing role of the private sector in GEF projects

Young (2002:76) reports that early in the history of the GEF the private sector was not much involved in GEF projects, as companies considered the GEF’s procedures for approval of funding too cumbersome. However, in recent years the GEF has sought to involve private companies in biodiversity conservation and experimentation with the private funding of national parks and protected areas – as for example in the *Indonesia-Komodo National Park Collaborative Management Initiative* [implemented by the private sector arm of the World Bank – the International Finance Corporation (IFC)]. The IFC is also preparing a significant number of projects for GEF co-financing, which aim to promote “private sector investments in biodiversity-related businesses”.²⁵

In his speech to the second GEF Assembly in 2002, its former Chief Executive Officer (CEO) urged the GEF to support more public-private partnerships and foreign direct investment, and facilitate the involvement of the business community – “from individual entrepreneurs to the

²⁴ See for example, GRAIN (1996) Chatterjee, K (2001); Young, Z (2002); Horta, K, Round R and Young Z (2002). See also Burgiel, S W and Cohen, S (1997) at pages 16-17, 20, 23,25,30-31

²⁵ International Finance Corporation (2002) at page 9.

biggest corporations” in conservation and sustainable use projects.²⁶ The Assembly responded by calling for greater GEF emphasis on “market-orientated strategies” and better engagement with the private sector (Beijing Declaration: paragraph 15).

In a GEF-sponsored roundtable on the conservation of natural forests held in 2002, indigenous and NGO participants were alarmed to see that background papers for the conference centred almost entirely on the commercial and market-based solutions to the ongoing global forest crisis.²⁷ At the same time, GEF evaluation teams have repeatedly urged the GEF to seek more collaboration with the private sector to meet the perceived funding gap for global conservation.²⁸

Indigenous organisations and smaller NGOs are sceptical of partnerships with big business and the application of purely market-based approaches to the global environmental crisis and view the growing role of corporations in conservation with deep suspicion.²⁹ They point out that it is often these same big companies now championing conservation that are linked to the degradation and loss of biodiversity and the violation of the rights of indigenous peoples and local communities. Rather than providing any genuine benefit to conservation, such partnerships with big business provide green-wash to cover up the damaging activities of private companies and perpetuate the increasing commodification of the natural environment.³⁰

Most indigenous and civil society organisations are not opposed to any use of market-based approaches. Rather they stress that international agencies like the GEF must give a more balanced treatment to environmental conservation that properly addresses the non-monetary aspects of peoples’ livelihoods and welfare and the role of cultural, spiritual, social and non-market subsistence values and practices in conserving biodiversity and promoting sustainable use of biological resources. Many of the findings in this critical study point to the need for greater attention to the crucial social and cultural aspects of conservation and sustainable development in GEF-assisted projects and programmes.

Nor do civil society organisations reject all partnerships with the private sector. What they emphasise is that the rules of engagement and standards for partnerships with the private sector must include mandatory regulation, binding commitments on rights and entitlement issues and effective accountability mechanisms.³¹ The basic questions are: on what terms and conditions will the GEF and its implementing and executing agencies get involved with the commercial sector? What are minimum standards for such engagement?

²⁶ El-Ashry, M (2002) *at* page 11.

²⁷ E.g., White, A, Molnar A, Martin A and Contreras-Hermosilla, A (2002)

²⁸ GEF (2002c) *at* page ix and Dublin and Volonte (2004) *at* pages 5 and 82

²⁹ See, for example, Siegel, S (2003)

³⁰ Ecologist Magazine (2004) See also Choudry, A (2003)

³¹ Colchester, M (2004)

2 Indigenous and local experiences of GEF-assisted biodiversity projects

Given that many of the traditional territories of indigenous peoples worldwide have been designated as protected areas and that much of their ancestral lands contain biodiversity and biological corridors of global importance, it follows that GEF policies, projects and programs have major implications for indigenous peoples. GEF funds are used to support government and other conservation agencies to establish protected areas, to *strengthen* national legal frameworks for protected areas systems and to *enforce* protected areas laws.³² The potential impacts of GEF projects on indigenous peoples is likely to increase in the coming years as the current “Business Plan” affirms that the agency intends to expand grant aid to large-scale conservation and sustainable use projects in the wider landscape (Section 3.2). This new landscape-level conservation focus beyond protected areas is already shaping the GEF portfolio (e.g., Box 1). Despite serious and unresolved controversies over the GEF-assisted Ecodevelopment project (see below and Box 2), the government of India is seeking GEF assistance for a *Biodiversity Conservation and Rural Livelihood Project* which proposes to:

Focus on five or six sites of global and national biodiversity importance...These sites would not be protected areas, but larger landscape (or seascape) units, each of which might contain one or more protected areas (of critical conservation areas)...³³

The GEF’s own figures, report that 92 of its biodiversity projects (full size and medium size) have involved or included specific components on indigenous peoples (Annex III).³⁴ It is likely that the total number of GEF biodiversity projects that have affected indigenous peoples is actually higher. However, there is little official information on how many and in what ways GEF projects have directly or indirectly influenced the welfare and rights of indigenous peoples over the last ten years. This review has found that existing GEF monitoring systems do not systematically assess the impacts of its projects on indigenous peoples, and that GEF social impact indicators are limited or non-existent in many GEF projects – a finding also noted in 2002 by the second overall performance study of the GEF (see also Section 6.6).³⁵

While the recent GEF Local Benefit study has already revealed a significant amount of very useful information on the impacts of GEF projects on local people (section 2.7.1.1), the analysis does not distinguish between indigenous peoples and local communities. For their part, indigenous communities and their organisations have undertaken a limited number of independent and critical evaluations of full-size GEF projects and in two cases have launched complaints to the accountability mechanism of the World Bank. However, this review has only uncovered a handful of studies of UNDP-GEF projects and none of GEF biodiversity projects implemented by UNEP. Other information gaps are noted below and in the conclusion to this report. The few independent reviews and formal complaints that do exist reveal that many of the concerns of indigenous peoples relate to a lack of effective participation in project conception and design and to negative impacts of GEF projects on their customary land and resource rights and their *subsistence* livelihoods. Criticisms also relate to inadequate unwanted and unsustainable “alternative” livelihoods promoted under GEF projects. Many of these grievances of indigenous peoples are in fact confirmed in recent GEF and other official evaluation reports (Section 2.7 below).

³² Dublin, H and Volonte C (2004) at page 69

³³ GEF (2004g)

³⁴ Dublin, H and Volonte C (2004) at page 33

³⁵ GEF (2002c) at paragraph 332, page 90.

This section constitutes a preliminary review of indigenous experiences of some GEF full-size, medium-size and small grants projects with the aim of pinpointing problems in GEF policies and project design and implementation, as well as gaps in information. The findings in this section are then used to generate a series of recommendations in Section 8.

Box 1: Conservation of Trans-boundary Biodiversity in the Minkebe-Odzala-Dja Interzone in Gabon, Congo, and Cameroon (TRIDOM)³⁶

In May 2004, the GEF Council approved a \$10.5 million grant to help strengthen a transnational park that spreads over Gabon, Congo-Brazzaville and Cameroon and covers 7.5% (147,000 Km²) of the Congo Basin. This trans-boundary conservation initiative between Cameroon, the Republic of Congo and Gabon joins together a tri-national “interzone” bordered by Minkébé, Boumba-Bek, Nki and Odzala National Parks and the Dja Wildlife Reserve. The project is co-financed by the European Union ECOFAC programme (\$13.2 million), the International Tropical Timber Organisation (ITTO) (\$1.2 million), Conservation International (\$1.9 million), the Wildland Conservation Society (\$1.85 million) and WWF (\$4.85 million). TRIDOM has been selected as one of the 11 priority areas that form the basis of the *Congo Basin Forest Partnership* (CBFP). Lessons learned in TRIDOM in coordinated management, control of hunting and law enforcement, land-use planning, “partnering with the private sector” and catalyzing sustainable financing will be used as a model for replication in at least three other conservation areas in the Congo Basin.

TRIDOM is to be implemented by the UNDP and WWF over seven years, during which time the project plans to establish a trans-boundary land-use plan incorporating biodiversity conservation, biological corridors and resource management plans. Work will include the zoning of the entire TRIDOM area and the legal endorsement and implementation of three land-use plans at national levels.

At the same time, the project intends to ensure enforcement of protected area legislation, reduce commercial bush-meat hunting and establish a “pragmatic legal framework for community hunting”, including proposals for community hunting zones for the benefit of “indigenous populations”. At the same time, the intervention will support “the development and adoption of strict regulations on hunting in logging concessions and will support mobile teams, based outside of concessions and with law enforcement authority that will carry out surveillance and control (of hunting) operations”. The project aims to promote poverty reduction for the estimated 20 million people who depend directly on the region’s forests through increased ecotourism and “integrated, sustainable and participatory management in the inter-zone between the protected areas” where planning will promote a matrix of production and conservation (set-aside) forests.

The GEF reports that the preparation phase for the project involved community leaders in three national workshops, while “project teams” have consulted in the field with local communities about TRIDOM. Project documents commit to application of the UNDP’s 2001 Indigenous Peoples Policy. To this end, the project aims to (i) encourage increased participation of “Pygmies” in the decision-making process regarding their natural resources, in particular during the land-use planning exercise, and (ii) ensure the recognition and protection of their rights, systems and knowledge, especially in terms of natural resources management, in the development and implementation of policies and activities catalyzed by the project, including in particular, poverty reduction initiatives.

³⁶ GEF (2004j); Nelson, J (2004)

Although the GEF maintains people have been consulted about the project, civil society organisations and indigenous Pygmy communities in Cameroon report that they were not properly involved in project design. In addition, while language on rights and benefit sharing in the project document is positive, human rights and social justice campaigners are very concerned that the project includes large expenditure on wildlife protection, particularly through the employment of “ecoguards”, and a special “flying squad” that will help target poachers and other “illegal” forest users. There are also indications that land use plans will still prohibit customary resource use in the core zones of protected areas and restrict forest access to buffer or “inter-zones”.

Talk of TRIDOM Master Plans and land use zoning also raises concerns that despite participatory components, without stringent safeguards the project risks becoming a large-scale and top-down project that will apply the discredited and unjust “guns and guards” model of conservation. As the project begins implementation in late 2004, NGOs and community-based organisations will need to carefully monitor its impact on indigenous peoples and local communities as well as its potential impact on conservation laws and policies across Central Africa and beyond.

A field visit by FPP to some TRIDOM project sites in December 2004 found that local knowledge of the TRIDOM project is non-existent or sketchy, even among protected area managers, suggesting that the first phase of the project is still a long way from achieving any meaningful participation of affected communities.

Box 2: India: Ecodevelopment Project (IEP)³⁷

This seven-year project ran from 1996 until 2003 with finance provided by a GEF grant of \$20 million and a World Bank (IDA) loan of \$28 million. The project was intended to support biodiversity conservation by implementing an “ecodevelopment” strategy for seven critical protected areas (PAs) enabling collaboration between PA managers and local people living in and around PAs. The project affected a total of 427,000 villagers (89,000 living within protected areas) in and around Periyar Tiger Reserve (Kerala), Buxa Tiger Reserve (West Bengal), Palamau (Bihar), Gir National Park (Gujarat), Pench Tiger Reserve (Madhya Pradesh), Ranthambore National Park (Rajasthan) and Nagarhole National Park (Karnataka). Central to the conservation strategy was to be the “voluntary” relocation of people living within PAs to “buffer zones” and the provision of support for alternative (i.e., non-forest-based) livelihoods. Participation was to be assured through village-level ecodevelopment committees (EDCs) that were charged with overseeing the preparation of “micro-plans” for village development.

From its outset, the India Ecodevelopment Project (IEP) generated public criticisms and controversy. Critics noted that national policy towards Adivasi peoples diverged significantly from the World Bank’s Indigenous Peoples Policy (OD4.20) and, notionally, promotes ‘integration’ rather than ‘participation’. They also pointed out that despite talk of participation, the project would primarily finance an exclusionary model of conservation that aimed to separate local people from their environment with little or no recognition of their customary resource rights. People also protested that the project design had not been derived from baseline field studies in each of the seven protected areas. They pointed out that the project lacked scientific legitimacy because there were no studies to assess to what extent existing resource use was beneficial or detrimental to biodiversity conservation. Adivasi groups complained that their own plans for protection and sustainable use of biological diversity were disregarded by the project. Another criticism was that the project separated protected area management from “Ecodevelopment”, which was to occur mainly in buffer zones outside protected areas. In response to this latter criticism, the World Bank inserted in the loan agreement a requirement that development benefits should *not* be conditional on relocation to areas outside parks.

Once project implementation began, however, affected communities in several sites including Nagarhole, Buxa, Gir and Pench suffered severe negative impacts. In Nagarhole, the project served to strengthen the forest department who forcibly relocated Adivasi communities and blatantly violated the project agreement by restricting “development” benefits only to those people willing to move out of the park. Local protests at Nagarhole were met with fierce oppression by the park authorities who intimidated and imprisoned Adivasi leaders. In 1998, complaints about the Ecodevelopment project made by Adivasis at the GEF Assembly in Delhi were publicly dismissed as unfounded by World Bank officials. At the same Assembly, GEF officials were criticised for failing to respect grassroots calls for suspension of the entire Ecodevelopment project. The same year, Nagarhole communities requested an Inspection Panel investigation. The initial Panel report upheld the complaint that the Bank’s Indigenous Peoples Policy had been violated. To the dismay of the communities, however, the Government of India blocked a full field investigation by the Inspection Panel. Ecodevelopment Committees were belatedly set up inside the Park, but they lacked funding and were often dominated by Forest Department agendas. Other than in the Periyar site, villagers complain that they did not receive appropriate or viable benefits under the IEP.

³⁷ World Bank 1998; Inspection Panel 1998; Kothari (1998); Karlsson (1999); Janata Budakattu Hakka Staphana Samithi (2000); Conscious Cinema Productions (2000); Ramu et al (2000) Young (2002:247-258); Woodman (2002); Young (2004); Samata (2004).

In Gir and Pench National Parks, for example, affected villagers assert that the IEP has undermined traditional livelihoods, increased unjust restrictions on resource use and has often resulted in the *impoverishment* of Adivasi and other forest-dependent families who have been forced to become more dependent on the market economy and migrant labour. Villagers complain that micro-plans were written by the forest department, while villagers' proposals were ignored and traditional knowledge disregarded. Micro-planning interventions frequently introduced unwanted and unsustainable activities that have not compensated for loss of traditional resource rights. After the close of the project, villagers in Pench and Gir feel they are worse off, less secure and that the project has primarily benefited park authorities, which have increased their control over the protected areas and further marginalised local people. In marked contrast, some reports suggest that the IEP in Periyar was more successful as Ecodevelopment committees paid greater attention to gender, land rights and forest access. Overall, however, the IEP is judged by most affected communities to have been detrimental to the rights and interests of Adivasi communities.

2.1 Full-size GEF projects

In its early years, the GEF came under severe public criticism for top-down and ill-conceived large-scale conservation projects that resulted in severe negative impacts affecting indigenous peoples. In Ecuador, for example, a GEF project financing the cutting of tropical timber and establishment of industrial plantations on the lands of the Chachi people was widely criticised by indigenous organisations and national and international NGOs. These organisations condemned the GEF and the World Bank (implementing agency) for failing to respect indigenous peoples' rights and supporting a project that would damage biodiversity and undermine global conservation efforts.³⁸ In Laos, the *Forest Management and Conservation Project* used a \$6 million GEF grant to establish protected areas which placed strict controls on forest access by indigenous communities. Many of these problem projects were flawed as environmental and social assessments were not carried out and the policies of implementing agencies, such as the World Bank's Indigenous Peoples Policy were not applied, or application was seriously deficient.³⁹

Although the GEF has since introduced some of its own policies (section 4), there are problems in the application of these GEF policies (see below). This compliance problem is compounded by the fact that GEF implementing agencies like the World Bank still struggle to mainstream environmental and social concerns in their projects.⁴⁰ Communities and NGOs report that in some countries, such as Papua New Guinea, large-scale GEF projects implemented by the UNDP likewise suffer serious organisational and implementation problems that have hindered local conservation efforts and **disempowered** indigenous and local communities.⁴¹

Based on past and ongoing independent project evaluations of several full-size GEF projects (Annex II), and on interviews with indigenous organisations, communities and support NGOs, this review finds GEF full-size conservation projects still suffer from: defective participation, lack of proper baseline studies, flawed social assessments, failure to deal with rights issues, application of unjust and outdated conservation policies, inappropriate treatment of traditional knowledge and inadequate arrangements for benefit sharing.

³⁸ Umana, A (1993)

³⁹ Colchester (2003) at pages 101-104

⁴⁰ OED (2003a) Washington, DC. See also OED (2002).

⁴¹ Van Helden (2001) and Van Helden and Scheemann (2000)

Box 3: Conservation of Priority Protected Areas System Project (CPPAP), Bataan, Philippines⁴²

In 1994 the World Bank awarded a US\$20 million GEF grant to the Philippines for a seven-year project to conserve the country's "megadiversity" of flora and fauna. The project aimed to promote partnerships between non-governmental organisations (NGOs) and government agencies for the management of protected areas (PAs), confirm the tenure of indigenous communities, establish a permanent funding mechanism for PA management and develop "sustainable" livelihoods consistent with biodiversity protection. The grant was shared between networks of environmental NGOs in the Philippines and the state Department of Environment and Natural Resources (DENR). The main project goals were to provide support for the conservation, management and development of ten priority protected areas under the government's new National Integrated Protected Areas System (NIPAS); and to empower local and indigenous communities by involving them in the management of PAs. The initiative featured four components: resource management, sustainable livelihoods, site development and co-ordination and monitoring. The mechanism for indigenous participation in PA management involved the inclusion of indigenous representatives on Protected Area Management Boards (PAMBs). These boards are relatively powerful local decision-making bodies responsible for PA administration and resource use regulation. The project closed in June 2002.

In 2000, an independent assessment of the CPPAP was carried out through a collaborative case study with Aeta communities (a forest-dwelling "Negrito" people) settled within the buffer zone of Bataan National Park (cf. Rovillos *et al* 2000). The study explored indigenous perspectives on the project and found that indigenous communities had not been involved during project planning. In fact, the project had originated from local NGOs and so was primarily designed "for" rather than "with" indigenous peoples. However, some degree of indigenous participation had taken place during implementation. First, two indigenous representatives sat on the PAMB. Second, the two indigenous board members were successful in mobilising their communities to volunteer for patrolling the protected area, fire-fighting and helping with conservation. This voluntary work has helped decrease illegal activities in the park and also reinvigorated a sense of ethnic pride.

However, these positive aspects were undermined by the fact that the Aeta people were becoming frustrated and disillusioned with delays in receiving funds for the livelihood component, which had still not been implemented in 2000. Indigenous peoples also complained that the project restricted their traditional use of forest resources without providing adequate compensation and viable alternatives. They felt that restrictions imposed on their customary resource use were unjust as they consider that their traditional livelihood activities are sustainable. According to the Aeta, it is non-native colonists and outsiders who undertake destructive activities like dynamite fishing. Implementing NGOs consequently lost previous support for PA management as indigenous communities became dissatisfied. Under the CPPAP project, Aeta people reported that they felt abused by NGOs who they see as using them to "attract" funds from donors without ensuring that indigenous families receive concrete benefits or viable incomes. Another criticism of the project at that time was that although the project did feature components for "tenure delineation", it did not contain adequate measures to resolve certain Aeta claims to their ancestral territories. The experience of this project made Aeta "beneficiaries" question seriously whether biodiversity conservation is for their benefit or for the sole benefit of outsiders.

⁴² Rovillos, Cadiogan and Alanguai (2000); Gadgil (2001); World Bank (2004).

In 2001, a STAP review of the project undertaken for the GEF confirmed many of the problems found in the 2000 independent study: late and deficient indigenous participation during project preparation, delays in delivery of local benefits and a failure to deal with land tenure issues (Gadgil 2001). After the project closed in 2002, a number of problems were still not resolved. The World Bank Investment Completion Report (ICR) completed in mid-2004 found that CPPAP support to indigenous participation on PA management boards and “community-based forest management agreements” had been quite effective, but that support for tenurial security for indigenous peoples had not been achieved due to “legal action and administrative changes”. With regard to local livelihoods, the ICR reports that implementation had been “highly unsatisfactory” and “little impact can be expected” from the grant. It is hoped that the 2000 independent study can be followed up in the near future to compile the indigenous perspectives on this large-scale conservation project and each of its specific components and outcomes.

Defective participation

In the worst cases, indigenous peoples complain that they are often not even advised of GEF projects until they have already been approved and implementation has begun – when the major decisions about project design and budget allocations have already been taken by government officials and consultants and staff of the implementing agencies like the World Bank. An example of late participation is the *Philippines: Conservation of Priority Protected Areas Project (CPPAP)*, which did not involve local indigenous communities until the project had already begun (Box 3). In other full size GEF projects, indigenous involvement has sometimes been restricted to passive “functional participation” during project implementation in the role of forest guards or as sources of local information for the preparation of *micro plans* for community development – where basic aims and assumptions have already been set in stone upstream by project authorities and subsequent micro plans are written by government officials. One example is the *Meso-American Biological Corridor Project* in Panama where the Kuna General Congress was not effectively involved in project design, despite the fact that much of the project would affect traditional Kuna Comarcas. In this case, the absence of proper involvement in project preparation meant implementation of the project was delayed by several years until formal agreements between indigenous organisations and the project authorities could finally be agreed (Box 4).

Independent field studies also reveal that many indigenous peoples and local communities are often completely unaware of the GEF and its involvement in projects that affect their lives. People are first and foremost aware of the Implementing Agencies and Executing Agencies. In India, for example, communities affected by the GEF-assisted Ecodevelopment Project primarily associated the project with the World Bank. In other cases, local communities are not even aware of implementing agency involvement. In Cameroon, Bagyéli and Baka communities impacted by the *Biodiversity Conservation and Management Project* blame the restrictions on their livelihood activities on WWF and the local park authorities (Box 5).

People are unaware of the GEF in many cases because information about the agency is not readily accessible to local people. GEF documents are rarely translated into the main UN languages, let alone local languages. Though there are reportedly English, Spanish and French versions of the GEF’s 1996 policy on Public Involvement, it is only available on-line in English. At the local level, communities affected by GEF projects are largely unaware that such policies exist.

Another criticism of large GEF projects is that basic information is not disseminated to affected or participating communities and their organisations. Key documents that rarely get beyond government and implementing agency files include: Social Assessments, Indigenous Peoples Development Plans, loan and grant agreements, Annual Operational Plans, Annual Progress Reports and budget Audits (e.g., Box 7).

Budget allocations for local participation are also often relatively small in GEF projects. Budgets for local workshops and community meetings are typically less than 10% of the total project budget. It is also noteworthy that these “participation” costs include the fees of international consultants who may receive more than three quarters of the total project budget for “public participation” – one example being the GEF-assisted project for *Support to National Forest and Environment Sector Development-Cameroon*.⁴³

Even where projects intend to promote the participation of indigenous peoples in protected area planning and management it is clear that ensuring *effective* and empowering participation is far from straightforward. For example, in Peru, indigenous peoples so far feel they have been unable to shape the implementation, priorities and governance of the GEF-assisted *Indigenous Management of Protected Areas in the Amazon (PIMA)* project (Box 7).

The PIMA case is typical of other GEF projects where local communities and their organisations maintain they have not enjoyed effective participation in project design and preparation, while implementing agencies and recipient governments assert that widespread consultation has taken place. In other words, though projects may have a paper trail affirming that “public participation” has been ensured as required by GEF rules, it is often the case that communities and their representative organisations do not feel they have been properly consulted (e.g., Boxes 1 and 4). Even if consultations do take place, there are criticisms that GEF and IA staff do not listen to indigenous priorities and concerns and consultations are skewed towards the goals of the government and conservation organisations.

These lessons confirm that there is a need for the GEF and IAs to pay much closer attention to the design of prior consultation, participation and consent procedures that are acceptable to, and culturally appropriate to, affected or participating communities prior to the commencement of detailed project preparation.

For these reasons, indigenous organisations stress that there is a cultural disconnect between Implementing Agency staff and indigenous communities regarding the meaning of “effective participation.” In those cases where participation has been effective in the preparation stage, once a project begins key decisions may still sometimes be taken – without adequate consultation or prior agreement of indigenous organisations and representatives. Indigenous organisations also complain that even though a project concept may stem from their own grassroots proposals, the final design, scope and rules of the project may be changed by government agencies and large NGOs (e.g., Boxes 7 and 8). As Gil Inoach, former president of the AIDSESEP in Peru notes with regard to the PIMA project:

The idea of the project emerged in 1998 and after much negotiation the project presented by AIDSESEP was approved with a million dollar budget with support from the National Environment Council (CONAM). After the budget and terms of agreement had been already set, we were then asked to consider the expansion of the project as the GEF had shown interest in the proposal... AIDSESEP consented, but did not foresee that they would lose the chance of developing and controlling a project run for and by indigenous peoples in their own territories. In the end, the project was approved for more than 10 million dollars and its control is in the hands of INRENA (government environment agency).⁴⁴

⁴³ Caruso, E (2004)

⁴⁴ Cited in Gutiérrez (2004) at page 16.

Box 4: Panama – Atlantic Mesoamerican Biological Corridor Project⁴⁵

The \$12.8 million Panama – Atlantic Mesoamerican Biological Corridor Project (1998-2005) was approved in 1998 and is financed by a \$8.4 million GEF grant and \$2.3 million loan from the World Bank (IBRD). The global environment objective of the project is to support the long-term conservation and sustainable use of the Panamanian portion of the Mesoamerican Biological Corridor. 47% of the corridor area is protected areas, while much of the remaining area of the project covers indigenous territories known in Panama as *Comarcas*. The project objectives are to (i) integrate the biological corridor concept into sectoral strategies, local and regional planning and public investments (ii) increase information on the status of biodiversity along Panama's Atlantic slope (iii) increase awareness of the importance of conservation in the Panamanian Mesoamerican Biological Corridor (PAMBC) (iv) implement pilot natural resource management projects in priority areas and (v) reduce pressure on protected areas and indigenous *Comarcas* within the PAMBC.

In the original proposals, the project intended to support (a) education and training among national, regional, local and community "stakeholders" (b) participatory planning to identify opportunities for sustainable use (c) land security, including assistance for the demarcation and titling of the indigenous *Teribe Comarca* (d) environmentally sustainable sub-projects (including agroforestry, ecotourism and fisheries) (e) pilot cases for conflict resolution in buffer zones and protected areas within indigenous territories (f) incentives for biodiversity conservation and (g) joint monitoring.

Project preparation involved 19 separate meetings and "consultations" with indigenous peoples in 1997 and 1998 (Project Document, Annex 9) and a series of field investigations carried out by consultants for the preparation of an Indigenous Peoples Development Plan (IPDP). The project also drew on baseline studies carried out by indigenous consultants and indigenous NGOs. However, despite the fact that key issues about project design had not been resolved with indigenous peoples, the project went ahead in 1998. Indigenous organisations including the Kuna General Congress and its technical unit IDIKY reported in 2000 that they felt they had not been properly involved in key decisions on the project design and budget. The failure to reach agreement prior to project approval meant that project agreements were stalled for several years. After a series of further meetings, letters of agreement were finally signed with indigenous communities and their organisations in late 1999 and mid-late 2000: with Naso Teribe in August 1999; with the Kuna of Madungandi in February 2000; with Ngobe-Buglé in June 2000 and with the Kuna Yala General Congress in October 2000. The late conclusion of these agreements caused the planned closure of the project to be extended by one year until mid-2005.

Disagreements over project design focused on the inclusion of certain components such as those related to mining and arrangements for the budget rules, design and implementation of community sub-projects to be prepared through micro plans. It was finally agreed that the project would not address territorial issues as indigenous leaders held the view that the project had not been properly prepared to tackle this complex issue and there were concerns that government agencies might use this element to further strengthen protected areas without adequately addressing land rights conflicts. For these reasons, the demarcation and titling for the Naso Teribe *Comarca* was dropped from the project and deferred to the World Bank-assisted National Land Administration Programme (PRONAT).

⁴⁵ GEF (1998c), FPP Field report 2000; IDIKY pers. comm.. 2004

After four years, the project has implemented 100 sub-projects across the PAMBC region. The impact of these projects on indigenous livelihoods is, so far, difficult to assess and many involve long-term investments in agriculture and agroforestry. Project staff report that communities have broadly welcomed these interventions. At this stage, however, the initial reaction of indigenous leaders is that the project was primarily a top-down intervention conceived and secured by the government. They also complain that, in some cases, poor micro planning overseen by outside NGOs has generated conflicts within and between communities and obstacles in budget design and management have been “a headache” for those indigenous organisations involved in implementation. At the same time, there is a view that the project has not resolved pressures on indigenous *Comarcas* and has primarily been used by government as a “sweetner” to weaken indigenous criticism of protected areas. Indigenous organisations involved in the PAMBC are now assessing the impact of the project and lessons learned. They were due to present their preliminary project evaluation in the Kuna General Congress in late November 2004.

Box 5: Cameroon: Biodiversity & Conservation Management Project (Campo Ma'an Reserve)

Campo Ma'an Reserve was first created in 1932, and by government decree grew by 990 km² in 1980. In 1995 the \$12.4 million Biodiversity Conservation and Management (BCM) project was initiated with funding from the GEF (48%), along with contributions from the governments of Cameroon, the Netherlands, Germany, France, the UK, and the European Union.⁴⁶ In the same year stronger legal controls on the access and use of protected areas in Cameroon were instituted through the government Wildlife Decree, whose enactment was one of the conditions of the 1995 GEF grant to Cameroon. The BCM project aimed to consolidate and upgrade the management of protected areas in Cameroon, and this included definition of core conservation zones and external boundaries of the six Priority Project Sites. Campo Ma'an was one of the Priority Sites, and another condition of the GEF grant was the assurance that no permanent private dwellings (would) be established within the corridor area or within the core conservation zones of Campo Ma'an Reserve.

Over the next 4 years in and around what would eventually become the 250,000 ha Campo Ma'an National Park (PNCM), the GEF/BCM-Campo project invested in surveillance and control of hunting, biological and socioeconomic surveys, and basic ecological research, and eventually this led to the development of a series of draft land use plans for the Campo Ma'an project area. This period also coincided with the development of construction plans for the Chad-Cameroon Oil Pipeline, which was part-funded by the International Finance Corporation (IFC) of The World Bank. The IFC Loan Agreement with the government of Cameroon for the Chad-Cameroon Pipeline Project stipulated that the project establish the newly-demarcated PNCM, which the government duly carried out. In 2000 the PNCM was then named as the environmental offset to mitigate the environmental impacts of the Chad-Cameroon oil-pipeline, thereby enabling the oil pipeline project to comply with the World Bank policy on natural habitats. The PNCM is now being managed by WWF with partial funding support from the Foundation for Environment and Development in Cameroon (FEDEC), using the earnings from an endowment from the oil company. FEDEC is also supposed to fund development and implementation of an Indigenous Peoples Plan (IPP) targeting Bakola and Bagyéli affected by the pipeline project.

Indigenous Bagyéli hunting and gathering communities' traditional lands overlay many areas in the BCM-Campo project zone, including extensive areas now covered by the PNCM. Bagyéli were never adequately consulted about the establishment of this park, the pipeline project IPP, or the new management plan that was validated in 2004 by MINEF, the government agency officially responsible for the PNCM and logging in the Campo UTO.⁴⁷ Comments from a Bagyéli from Campo Ma'an epitomize what happened: "*When they were setting up the park, no one came to consult with us, the Bagyéli. Maybe they went to talk to the Bantu, but me I don't know anything about this. They do not know us. We only heard people talk about the World Bank, the World Bank; what is the World Bank?*"⁴⁸

⁴⁶ GEF (1995)

⁴⁷ Owono, J C (2003). See also Projet Promo Bagyeli (January 2004) *Cartographie participative dans la partie nord du parc national de Campo Maan*. Centre for Environment and Development, and Forest Peoples Project, Yaounde and Moreton-in-Marsh

⁴⁸ Nelson, J and S Morgan (2003)

Before the arrival of the BCM project Bagyéli communities' livelihoods had been affected by logging activities, and pressures on their communities intensified as the GEF-funded BCM-Campo activities took hold between 1995 and 1999. For example, one Bagyéli settlement was burned down by forest guards, and all their possessions were destroyed. Recent land use maps prepared by Bagyéli with local and international NGOs show conclusively that over 80% of this indigenous community's hunting and gathering activities were carried out within the new PNCM boundaries. Bagyéli hunting and gathering activities across the BCM-Campo project zone are now being targeted by the 2004 PNCM management plan, so continuing persecution of Bagyéli communities' subsistence hunting and gathering is highly likely, only now this is due to be carried out by a larger and better-funded ecoguard service. The PNCM is set to receive new funding as part of the GEF Forest and Environment Sector Adjustment Credit for 2004-2009.

Lack of adequate baseline studies

One of the most serious and persistent problems in implementation, in past GEF projects, has been the failure of Implementing Agencies to carry out proper social, cultural and biological baseline studies *prior* to project approval and implementation. Even if components identified by social impact studies are properly included in the project plan, they are sometimes not implemented – as evidenced by the case of the *Campo Ma'an* Protected Area in Cameroon financed under the Biodiversity Conservation and Management Project (Box 5). In other cases, such studies are carried out only after a project is already well underway (Box 9).

Under current project cycle rules and its review criteria, the GEF requires social assessments for projects likely to affect communities, and summaries of these assessments are included in project appraisal documents sent to the GEF Council and governing bodies of the IAs. However, this review has found that such social assessments are often somewhat descriptive and tend to rely on government statistics and information and so overlook key issues relating to land and resource rights and equitable benefit sharing – or conclude that these issues are not problematic (e.g., Boxes 2 and 7). The failure to carry out careful baseline assessments means that indigenous knowledge systems, land tenure regimes and their customary resource-use practices are disregarded or poorly understood in GEF projects.

Violation of indigenous peoples' rights and failure to address rights issues

Inadequate baseline studies and flawed social assessments mean that GEF projects do not include actionable measures to address critical land rights and resource security issues, although these issues may sometimes be mentioned in project documents and in grant agreements. In the CPPAP case, the project did not contain adequate measures to resolve Aeta claims to their ancestral territories (Box 3). In the worst cases, the GEF has financed projects where there is forcible eviction and forced restrictions on indigenous access to natural resources coupled with brutal oppression of indigenous communities (Box 2, Box 5). In 2004, the GEF continues to finance large conservation projects in Africa and Asia where such unjust behaviour remains prevalent among protected area and forest authorities – even if it is not financed under the project (e.g., Box 1). Even where indigenous rights are properly addressed and protected on paper in project plans or agreements with recipient governments, these safeguards are still not implemented in practice. This grave implementation problem is confirmed by the case of Campo Ma'an National Park, which received some GEF finance under the Conservation and Management Project. The original project document affirmed:

Regulations for management of such (protected) areas will be designed to protect the rights of indigenous peoples to maintain traditional harvest and usage rights within the project zones.

In practice, however, affected local Bagyéli communities in and around Campo Ma'an have suffered forced relocation and seen access and hunting rights restricted by park authorities financed under the project (Box 5). In the case of the current PIMA project in Peru, which targets indigenous peoples as key project “beneficiaries”, although the grant agreement contains generic safeguards for indigenous land claims, project implementation has so far failed to address such claims in two planned protected areas (Box 7).

Support for unjust and flawed conservation models

GEF full-size conservation projects systematically apply a mitigation focus rather than an *avoidance* approach. In other words, projects tend to assume protected areas will prohibit or apply restrictions on local resource use instead of establishing first whether or not such restrictions are just and valid. Indigenous communities and their supporters complain that problematic restrictions on local resource use are often not based on good science (Box 6). In the India Ecodevelopment Project (IEP), for example, field baseline ecological, economic and anthropological studies were weak in project preparation and design as the “social assessment”

used a rapid Participatory Rural Appraisal (PRA) approach in only a sample of villages. While PRA studies sought to estimate the scale of resource use,⁴⁹ they did not measure the *sustainability* of existing customary resource practices within protected areas, which is beyond the scope of such rapid field methodologies. Pre-project studies for the IEP did not determine whether project plans to restrict or extinguish resource rights under the IEP at specific sites were justified on conservation grounds or not.

Problematic “alternative” livelihood approach

Indigenous and civil society organisations stress that conservation projects should seek to *avoid* negative impacts in the first place by carrying out prior participatory rights, risks and poverty assessments. At the project level, social issues are routinely dealt with under an “ecodevelopment model”, which aims to reduce “human pressure” on biodiversity by providing “alternative” money-based livelihoods for indigenous and local communities. This so-called “alternative livelihood” approach is dominant in GEF project design (Box 6), and may involve the “voluntary” relocation of communities to sites outside conservation areas (even if such relocation might be officially supported by another agency like the World Bank). These projects typically offer compensation support for “income generation” activities in return for the elimination or reduction of access and resource rights. In practice, however, indigenous peoples complain that relocation has been forced and that access and use rights have *not* been surrendered voluntarily.

Desk-based scrutiny carried out by the FPP of documents relating to twelve GEF conservation projects in Central Africa (10 active and 2 recently closed), has found that nine of them built restrictions on indigenous and local resource use into project design and objectives, while three involve resettlement components.⁵⁰ Scrutiny of the first report of the Local Benefit Study GEF Biodiversity projects finds that of 72 projects, at least 43 (59%) employed an “alternative-livelihood” approach or included “alternative income generating activities”, which suggests restrictions on local resource-use probably formed part of the project design. It is noteworthy that these exclusionary approaches tend to be more prevalent in (but are not confined to) GEF conservation projects in the African and Asian regions.⁵¹ In a sample of 336 full-size medium size projects, the 2004 Biodiversity Program Study found that 110 (33%) had involved specific components on “alternative livelihoods”.

⁴⁹ Cruz, M and Davis, S (1997) at pages 12-15.

⁵⁰ Caruso, E (2004)

⁵¹ Risby, L (2003) at pages 101-129

Box 6: GEF “Alternative” livelihoods approach⁵²

GEF biodiversity operational programs and a significant number of corresponding GEF protected area and sustainable use projects apply the “alternative livelihoods” (AL) approach as a way of dealing with socio-economic, benefit-sharing, mitigation and compensation issues (see Part II).

Purpose and rationale

The term “alternative livelihood activities” is often used by the GEF and by its Implementing Agencies to describe interventions which aim to *replace* existing land and natural resources-based livelihood practices with economic activities that are not dependent on the use, transformation and consumption of natural resources. The approach is therefore about *changing* peoples’ livelihoods and making them *less dependent* on resources within protected areas or buffer zones. Such changes are supposed help to reduce perceived human “pressure” on the environment, which has been identified by project planners as a threat to biodiversity conservation. Provision of alternative means of subsistence and income is also considered necessary to *mitigate* the social “costs” of exclusionary protected areas that involve physical relocation of people to areas outside parks and/or involuntary restrictions on their customary resource uses.

Examples

Examples of alternative livelihoods in GEF projects include support for a land purchase and farming package to help dispossessed Batwa hunter gatherers expelled from the Bwindi and Mgahinga National Parks to become subsistence farmers on lands outside the protected area (see Box 9). Under the India Ecodevelopment Project (IEP), forest dwellers were provided with biogas plants, liquid petroleum gas services and pressure cookers to compensate for loss of access to forest areas to gather fuel wood (see Box 2). In many cases, GEF-assisted projects involve new ecotourism activities that are intended to generate income and employment for local people and offset benefits foregone through restrictions on previous livelihood activities that depended on the use or extraction of natural resources within protected areas.

Key criticisms of the approach

Indigenous communities maintain that rather than new money-based interventions of unproven reliability, what they require is increased security for their customary access to subsistence and cultural resources and support for their own innovative livelihood initiatives. In addition, they maintain that dependence on land and biodiversity is not just economic and monetary: it is spiritual, cultural and social. To break or weaken this dependence undermines cultural integrity, causes loss of traditional knowledge and undermines livelihood security – all impacts that contravene intergovernmental commitments under the CBD (Articles 8j and 10c). Time and again, such interventions are accused of failing to understand the complexity of existing society-ecosystem interactions and their role in local sustainable livelihoods strategies and biodiversity conservation. Likewise, AL interventions are criticised for being economically or socially **un**-sustainable. This is because they are technically flawed or have never been requested or endorsed by the so-called “beneficiaries”. Many have criticised the approach for being used as a “sweetener” to push local communities into accepting the external agendas of the government and conservationists. In the worst cases, such interventions leave people worse off as they lose non-monetary subsistence benefits and are forced to purchase resources or buy external

⁵² Van Helden, F (2001); Anderson, T (2004); Campbell, J (2004); Dublin *et al* (2004) at pages 62-63, 66; Risby, L (2003) at pages 101-129; Wells and McShane (2004)

expertise, credit and technologies to sustain their new livelihood. The scientific basis for alternative livelihood interventions is also questioned: where is the science to show that a specific local resource use practice is damaging to biodiversity conservation? In many cases, restrictions on resource use and new livelihoods are introduced without first establishing what the most genuine threats to biodiversity are. Indigenous and local communities point out that often they are blamed for environmental degradation, while major industrial and commercial interests from outside the area are disregarded by the “alternative livelihood” interventions of conservation managers (India-Ecodevelopment; Sundarbans BCP etc). More generally, an increasing number of commentators stress that as well as being ethically questionable, it is also practically very difficult to change hunter gatherers into farmers or shifting cultivators into bicycle repair men.

Critics of the concept maintain that the way forward is to undertake culturally appropriate baseline studies of resource use and sustainability before proposing any modifications to livelihoods. Interventions should aim to support local conservation agendas (not impose external ones) and work with people’s dependence on the land and biodiversity, build on (not replace) their sustainable traditional livelihoods and generate income based on local skills, resources and cultural knowledge.

Failure to respect traditional knowledge

GEF-funded projects that seek to move people out of protected areas and/or replace traditional practices with non-land-based activities risk weakening the practical and cultural foundations of traditional knowledge. Projects that fail to deal with tenure issues likewise risk undermining the land base of traditional livelihood and associated knowledge systems. In trying to persuade indigenous and local communities to give up traditional livelihoods as part of GEF projects in return for income-based employment, it could be argued that without credible scientific evidence to show that a specific form of traditional use is unsustainable, the GEF risks violating Article 10c of the CBD. This article requires government parties, as appropriate, to “*protect and encourage customary use of biological resources in accordance with traditional cultural practices ...*” More generally, such projects risk being in contravention of the CBD’s ecosystem approach to conservation under which the rights of indigenous and local communities should be “recognised and respected.”

The treatment of traditional knowledge in GEF conservation projects is variable. In some cases, such knowledge is largely disregarded in project design and implementation. One such case is the GEF-assisted *Sundarbans Biodiversity Conservation Project* in Bangladesh, where local people complain that traditional cultural wisdom regarding wetlands management has been almost totally disregarded by the project. Local opposition eventually caused the Executing Agency (the Asian Development Bank) to suspend the project half way through implementation until a thorough review of social, cultural and livelihood issues has been undertaken (Box 10). Out of the same sample of 12 GEF grants for biodiversity projects in Central Africa, just two contained explicit components on traditional knowledge (TK).⁵³

In more recent GEF projects, TK is sometimes addressed in project objectives and design, but it is not clear how implementing agencies have applied the principle of free, prior and informed consent in relation to the use of traditional knowledge. Some agencies, including the UNDP, are currently formulating guidelines for their staff on how to address this issue (section 6.4).

⁵³ Caruso, E (2004)

It is noteworthy that once again, as with other rights issues, traditional knowledge may be identified in project preparation and objectives, but lost during project implementation. One example is the COINBIO project in Mexico which aims to build on local traditions (Box 8). Under this project, communities have welcomed support for territorial ordering and land regulation, but complain that consultants carrying out field surveys and demarcations have disregarded traditional knowledge and local expertise.⁵⁴

Poverty impacts and problems with benefit sharing

As already noted, there is a lack of information on the poverty impacts of GEF biodiversity projects. However, communities which have been affected by these projects complain that flawed and unjust “alternative” livelihood options and deficient rehabilitation after relocation do not compensate them for their loss of customary resource rights and subsistence benefits (e.g., Boxes 2 and 3). They argue that the “alternative livelihood” approach violates their inherent rights to own, occupy and use their traditional lands, and is anyway often based on faulty assumptions that are not backed up by scientific data, usually because detailed baseline studies of local resource use have not been carried out prior to designing a project.

The case studies included in this review indicate that protected area projects and projects that apply the so-called “alternative” livelihood approach result in the impoverishment of indigenous families and communities. In the Ecodevelopment project in India, for example, poor households in communities adjoining Gir and Pench National Parks complain that project interventions have actually made them worse off (Box 2).

In this latter case, following restrictions on access to the forest imposed as part of micro-planning, villagers are increasingly obliged to purchase fodder, fuel wood and kerosene with cash, or must obtain such resources in exchange for their labour. At the same time, material benefits provided by the project have been shoddy and sub-standard. In some villages, between 50% and 100% of biogas plants constructed under the project did not function at all after installation. Moreover, these and other micro planning interventions were frequently unwanted, unsolicited and unsustainable and have not compensated for loss of traditional resource rights.⁵⁵

Another frequent criticism of communities affected by or involved in GEF conservation projects is that disbursements for community development are often delayed, incomplete or very late in the project cycle causing project agencies to rush implementation, exacerbating the problem of shoddy and unwanted interventions. In some cases, budget allocation for local livelihood issues only forms a miniscule part of the total project budget. In the *Biodiversity Conservation and Management Project* in Cameroon during the grant period (1995-2000), just 3% (\$162,000) of the total \$6 million GEF grant was allocated to “financing small economic and social activities in the multipurpose zones surrounding protected areas”.⁵⁶ Even if grant aid for conservation has livelihood goals as a primary component, full-size GEF projects have found it hard to ensure that benefits reach communities.⁵⁷

Indigenous communities complain that procedures and criteria for accessing GEF project funds for livelihood benefits are often cumbersome at best, and narrow, unjust or non-sensical in the worst cases. Again, the PIMA project is a case in point. While funds are available to indigenous

⁵⁴ Melo, F pers. comm.. November, 2004

⁵⁵ Samata (2004)

⁵⁶ World Bank (1995) at page 22.

⁵⁷ See, for example, Young, Z, Makoni, G and Boehmer-Christiansen, S (2001)

students for capacity building and training in conservation activities, project authorities have steadfastly refused to fund courses in financial management and auditing skills. This refusal is made despite the fact that under the legal arrangements for the management of the communal reserves covered by the project, indigenous peoples are required to administer financial resources for protected area management.⁵⁸ In other cases, indigenous peoples point out that while so-called micro-projects applied in GEF projects may benefit individual families or sections of a community, budget rules that place unrealistic limits on the amount of funds available for each proposal impede investments that would benefit a whole community and have a long lasting impact on collective security and welfare (Box 4).

2.2 Medium-sized projects

This review has not identified any independent indigenous, NGO or community-based evaluations of Medium-sized projects. The GEF web site does provide some documents for Medium-sized projects, although useful background documentation is not always available on-line.⁵⁹ General enquiries about these projects have, however, yielded basic observations and criticisms from indigenous peoples' organisations, communities and local and support NGOs contacted as part of this review. One of the main criticisms of these projects is that GEF funds for this project category have so far largely been captured by big international conservation NGOs, while indigenous and smaller NGO applicants still find it difficult to access these relatively large grants. As Vicky Corpuz of the Tebtebba Foundation of the Philippines explains:

The problem is that the big international conservation NGOs and consultants get the biggest slice of the GEF cake, while indigenous and community-based organisations just get the crumbs. These large NGOs are preoccupied with establishing protected areas. They pay lip service to indigenous peoples, but they are not sensitive to their concerns. They are closer to governments and big corporations who have a different vision of conservation. Their projects still primarily benefit BINGO staff, consultants, government and big business.

Support NGOs have similar views. As one local activist familiar with PNG observes:

GEF medium and large-scale grant processes are incompetently managed and genuine local NGOs who want to do larger conservation work are ignored and disrupted ... no GEF medium scale grants have been made to PNG local NGOs.⁶⁰

A community representative from Indonesia comments:

Look! The problem is that funds rarely get to the communities that need them because the GEF and other agencies suffer from a Devil's circle of bureaucracy. GEF medium-sized projects are far too complicated to submit. Even if a community's proposals are approved, most funds and benefits go to intermediary national and international NGOs.⁶¹

The criticisms that medium-sized GEF conservation grants managed by international conservation NGOs may undermine local conservation initiatives is borne out by the case of *Vilcabamba Participatory Conservation and Sustainable Development with Indigenous Communities* project in the Central Selva Region in Peru. In this case, indigenous organisations complain that many years of careful work with communities on fundamental issues such as land

⁵⁸ Gutiérrez (2004) at pages 17-18.

⁵⁹ The GEF did undertake its own a review of MSPs in 2001, but this report was not found readily available on-line.

⁶⁰ Brunton, B pers. Comm. October (2004)

⁶¹ FPP (2004)

rights, territorial ordering, land use planning and conservation was weakened once implementation of a GEF project by Conservation International began. Indigenous organisations complain that key field workshops on protected areas run by CI with communities were held without representative organisations being present and with little or no account being taken of previous community decisions and agreements on the issue.⁶²

At the beginning of 2005, local indigenous leaders report that in response to complaints GEF project managers and CI have promised more effective coordination with representative organisations. However, so far little has changed on the ground in the Vilcabamba project.

In other cases, there are signs that GEF medium-size grants do have potential to build on local priorities and grassroots conservation strategies where indigenous organisations are able to receive funds directly and secure decision-making powers through binding project agreements with the implementing agency. One such case is the *Conservation and Sustainable use of Biodiversity in Amarakaeri Comunal Reserve in Madre de Dios (Peru)* supported by a GEF grant of \$960,000, which became active in September 2003.⁶³ This project was conceived, proposed and fully designed by indigenous communities surrounding the Communal Reserve. It consequently has a series of components that directly address their priorities for developing sustainable livelihoods based on their traditional knowledge and resource use.

⁶² ARPI (2002)

⁶³ UNDP (2003b),

Box 7: Indigenous Management of Protected Areas in the Amazon – PIMA (Peru) ⁶⁴

This project (2001-06) aims to increase the sustainability of biodiversity conservation in the Peruvian Amazon region by supporting the participation of indigenous peoples in the management of protected areas. Donors for the project include the GEF (US\$10 million grant) and IBRD (US\$5 million loan) with counterpart funding worth US\$4.15 million from the Peruvian government and local communities. The project targets five protected areas including three *Zonas reservadas*: “reserved zones” (ZR) awaiting legal definition (**Alto Purus** – Madre de Dios, **Santiago Comaina** – Western Loreto and **Güeppy** – Northern Loreto), one national reserve (**Pacaya Samiria** – Loreto-Ucayali border) and one communal reserve (**El Sira**). The project affects a total area of more than seven million ha and at least 90,000 people belonging to 16 ethno-linguistic groups spread across more than 300 separate communities. Specific goals of the project are to legally establish protected areas in Santiago Comaina, Gueppy and the Alto Purus and set up institutions for the co-management of the GEF project and all five PAs, including establishment of: a) 5 PA Management Committees (CGs) involving government and civil society; b) 5 Zonal Coordination Committees (CCZs) involving Native Communities, indigenous organisations and INRENA staff; c) 1 National Project Directorate (CDN) – with representative members of indigenous organisations and civil society; d) 1 Central Technical Unit (UTC) and 5 regional technical units (UTZs) e) Community environmental vigilance systems involving collaboration between indigenous communities, local people and managers and staff of INRENA. The project also aims to support: (i) participatory and intercultural environmental planning (ii) capacity building (iii) development of models and frameworks for the design of participatory management of protected areas. Activities under objective (i) include the compilation of five “Master Plans”, management plans and zoning plans based on “participatory, decentralised, consensus, intercultural” planning that incorporates “indigenous cosmovisions”.

Since becoming active in 2001, the PIMA project has made limited progress in implementation and has generated severe and multiple criticisms from affected indigenous communities and their representative organisations. Although the President of the indigenous peoples’ organisation AIDSESEP has a seat on the governing body of the project, indigenous leaders complain that their priorities are sidelined by the other non-indigenous members who form the majority of the Directorate. Indigenous organisations protest that they were not meaningfully consulted regarding the design phase of the project. They also point out that initial social assessments undertaken for the project disregarded existing land claims in Güeppy and did not properly address the fact that that ZR Santiago Comaina is superimposed on dozens of Awajun, Wampis and Shapra communities. Affected communities report that few benefits have so far been received under the project, and that eligibility criteria for receipt of project benefits is seriously flawed. In the El Sira Reserve, the indigenous body contracted to jointly administer the protected area complains that PIMA authorities have refused to fund basic activities required to enable indigenous governance of the reserve. Scrutiny of project reports confirms that disbursements for indigenous components have so far been minimal, while funds for consultancies and offices in Lima have been largely spent by the end of each year.

⁶⁴ World Bank (2001), INRENA (2003a,b); Gutiérrez (2004); AIDSESEP (2004c); SERVINDI (2004).

PIMA support for the establishment of the protected areas under the project is proving to be highly controversial. Communities have denounced INRENA and implementing NGOs for holding defective workshops for the categorisation of the three reserved zones. They maintain that such meetings have been flawed in their organisation and have disregarded indigenous proposals for the categorisation and management of the reserves. Indigenous leaders protest that the project is consequently in violation of ILO Convention 169, national protected area legislation and the project agreement, which all require that the government of Peru ensure that indigenous peoples participate in the categorisation of the three reserved zones, and that indigenous land claims and titles be respected in the process of defining protected areas. Indigenous representatives maintain that communities have not been properly consulted and their existing land claims have not been attended to, yet action to legally define protected area limits is moving ahead. At the end of 2004, despite repeated complaints, most of the problems with the project have not been resolved and many complaints have been unjustly dismissed by the project directorate in Lima. IPOs maintain that they will pull out of the project and oppose the creation of protected areas under PIMA that violate their rights. They have called for an immediate suspension of the categorisation of the Santiago Comaina, Güeppy and Alto Purus reserves until a genuinely transparent and legally credible process is first established to ensure compliance with ILO Convention 169 and related national laws. At the same time, indigenous organisations are considering options for formal complaints to the World Bank Inspection Panel, the GEF Council and other international bodies.

Box 8: Mexico: Indigenous and Community Biodiversity Project (COINBIO) [2001-2007]⁶⁵

The COINBIO project aims to conserve areas of high biodiversity by strengthening and promoting community conservation initiatives on communally owned lands in priority ecological zones in the states of Oaxaca, Michoacan and Guerrero in Mexico. The project was reportedly originally conceived by indigenous organisations in Oaxaca, but its scope and budget was later expanded to cover other regions at the request of the government and conservation NGOs. COINBIO intends to build on the cultural values and traditional management practices of indigenous communities. The US\$18.7 million project became active in 2001. It is partly funded by a US\$7.5 million grant from the GEF and a US\$2.8 million loan from the World Bank. Though COINBIO is a distinct project, its GEF grant is formally treated as incremental funding for the separately managed (but inter-linked) World Bank-assisted Community Forestry Project (PROCYMAF). The project covers 1,300 communities and it is expected that 300 communities or *ejidos* will be selected for financing for land use planning and conservation training and investments for community conservation areas.

The project has four components relating to (a) local capacity building (b) community conservation and sustainable use sub-projects (c) biological monitoring and evaluation and (d) national coordination. The first component finances the establishment of one national committee and three state committees and coordinating units that act as the decision-making and oversight bodies for the project. Each State-level committee consists of six members, including three representatives from communities and *ejidos*, one from the national environment agency, one from local government and one from an NGO or academic institution. The annual operation plan and budget for the project are prepared by each state coordination unit and approved by the relevant state committee. Each state operational plan is then integrated into an overall project Annual Operations Plan (POA) approved by the National Committee. Under the second component, COINBIO aims to channel grants to communities. Community eligibility for funding is based on a social assessment undertaken for the project which classified communities according to their financial and organisational capacity. Sub-project funds are available for workshops, land use planning, mapping, demarcation of community conservation areas, preparation of by-laws and communal statutes, training, strengthening of community networks, forest certification studies, market studies, ecotourism, water-bottling plants, resin collection, mushroom cultivation, carbon sequestration, guard towers, fencing, fire control, and the establishment of community conservation funds. State Committees define the selection criteria for sub-project proposals submitted by the communities and *ejidos*. State Committees direct community proposals relating to pine-oak forest areas to PROCYMAF for funding, while GEF resources are to be used to finance proposals in all other forest types (PAD, page 9). State committees are also supposed to resolve conflicts in project implementation.

In January 2004, the Oaxaca State Committee for the COINBIO project submitted a formal complaint to the World Bank's Inspection Panel alleging that the project had violated the Bank's Indigenous Peoples Policy (OD4.20) and its Project Supervision Policy (OP/BP 13.05) as well as the GEF Trust Fund Grant Agreement for the project. The Requesters maintained that Bank staff had been party to efforts to remove indigenous representatives on State Committees and had been developing plans to change project structure and governance without prior consultation with the State Committees. In responding to the request, members of the

⁶⁵ GEF (2000e), Inspection Panel (2004a,b). Melo, F pers comm., November 2004.

Inspection Panel travelled to Mexico in March 2004. The Panel found that participating communities appreciate the potential of the COINBIO project to respect land rights, address local priorities and value traditional knowledge. However, the Panel trip also found that trust between project authorities and the communities has been weakened due to controversy over project governance and there are worries that any benefits originally intended for the communities may now be captured by outsiders. The initial finding of the panel is that the Bank's supervision was deficient in some respects, and notes that an independent evaluation of the project in 2003 found that termination of the contracts of indigenous committee members was "poorly executed and poorly explained". At the end of 2004, problems over project governance have been largely resolved and support NGOs familiar with the project report that some communities have received benefits and welcome the project's land regulation component. However, indigenous communities are disappointed that consultants hired to undertake demarcation and territorial surveys have so far failed to take proper account of traditional knowledge and understanding of land tenure regimes and natural resource use. There are also grievances that the results of the territorial studies are not readily available to participating communities who feel they have not so far been properly involved in the implementation of this crucial land rights work under the project.

Box 9: Conservation of Bwindi and Mgahinga National Parks, Uganda⁶⁶

In May 1991, the World Bank granted a US\$4.89 million endowment under the Global Environment Facility (GEF) for the Bwindi and Mgahinga Forests in SW Uganda to establish a trust fund to pay for resource management and biodiversity conservation in the two national parks. The grant is legally vested with the Mgahinga and Bwindi Impenetrable Forest Trust that began operation in July 1995. Income from the fund has been supplemented by funds from USAID (1995-98) and the Dutch Government (1998-2003). The overall objective is to protect the forest parks. The Trust Management Board is intended to represent local communities, NGOs and government and has the task of allocating the net income to park management (20%), research (20%) and community development (60%).

The two moist tropical forest parks covering 355 km² constitute islands within a densely cultivated region. The Trust's jurisdiction covers the parks themselves and the surrounding area including some 250,000 people, consisting mainly of agricultural communities, and around 2,551 Batwa. The Batwa are former hunter-gatherer "Pygmies" who have "officially" been denied access to their forest resource base since the creation of forest reserves by the British colonial administration in the 1930s. This gazetting of the forests probably served to protect them from complete destruction by cultivators. In practice, the Batwa continued to consider the forests to be theirs and to use the forests as their means of livelihood. However, the establishment of the National Parks in 1991 resulted in the expulsion of the Batwa people from their forest territories. The subsequent input of international funds (including GEF) has strengthened the ability of park authorities to exclude the Batwa, destroying their forest-based economy and leaving them severely impoverished. Today, in fear of the park authorities, Batwa people claim that they no longer enter the forest. The park authorities admit that "Batwa views on compensation were not sought" and that the evictions left them as beggars and landless labourers, dependant on meager food payments from their more powerful neighbours. The Batwa look to the Trust to secure them land and additional compensation for the loss of their territories and traditional way of life.

As part of a "process" approach to implementation, several years after the project had started World Bank and project managers commissioned a socio-economic baseline study as a belated first step in implementing an Indigenous Peoples Development Plan (IPDP). This 1996 report, based on fieldwork with the Batwa, noted that without adequate land redistribution, forest access, capacity-building and compensation, the work of the Trust would simply serve to ensure the elimination of the Batwa from the forest. It would also create community projects from which the Batwa would effectively be excluded through their neighbours' discrimination. As a consequence, the Trust belatedly developed an IPDP that focused on acquiring land for Batwa families and on supporting educational projects. Batwa forest access was supposed to be the concern of CARE.

The Batwa welcomed the report's recommendations. However, subsequently they experienced institutional obstacles to the implementation of the Batwa component. Finally, after several more years, a Batwa officer was appointed, which helped to facilitate the purchase of 28.2 ha of land for 38 Batwa households in December 1999 (about 10% of the area sought). The land component then stalled again for two years and information suggested that money from the Trust fund for this component would only be allocated when surplus income became available. After much pressure by the Batwa and their supporters, by mid-2002 the resettlement and land

⁶⁶ Kenrick (2000); Jackson (2004)

purchase scheme financed by the Mgahinga and Bwindi Impenetrable Forest Conservation Trust (MBIFCT) had provided an average of 0.5 ha per household for less than half of the 400 landless Batwa households.⁶⁷ The Batwa regret that much of this land is of poor agricultural quality. As regards the trust itself, there are indications that in recent years it has suffered from declining levels of funding resulting from poor investment growth of the original GEF endowment. At the same time land prices in the region, especially in areas where Batwa now live, have risen, partly as result of the increased demand generated by Trust purchases. The Trust is therefore now less able to purchase blocks of suitable land for Batwa, and there is great uncertainty over whether the Trust will be able to secure the funds it says it needs to expand the Batwa land purchase scheme.⁶⁸ NGOs and private individuals are now also assisting the Batwa to buy land and the new management plan for the park intends to continue and improve the land purchase scheme.

Additional measures to restore Batwa rights and access to forest resources within the parks are not yet contemplated.

⁶⁷ Mgahinga and Bwindi Impenetrable Forest Conservation Trust (nd)

⁶⁸ Uganda Wildlife Authority (2003)

Box 10: Biodiversity Conservation in the Sundarbans Reserved Forest (SBCP)⁶⁹, Bangladesh

The Sundarbans Reserve Forest (SRF) in Bangladesh covers 6,017 square kilometres and is one of the largest continuous mangrove forests in the world. The ecosystem is designated an internationally important wetland site under the Ramsar Convention and is defined as a World Heritage Site by UNESCO. Millions of people are dependent on the Sundarbans wetland forests for their livelihoods and security. Many thousands of local people are engaged daily in various livelihood activities inside the Sundarbans Reserve Forest. The main user groups are the Bawalis, who enter the forests to harvest timber and *golpata* (*Nipa* palm), and the Mawalis, who are experts in collection of honey, and fisherfolk who enter to fish and collect shells. Due to a variety of destructive activities carried out mainly in the name of 'development', including the building of large-scale embankments and the conversion of large tracts of land bordering the forest into shrimp farms, severe environmental damage and local extinction of wildlife species has occurred within and adjacent to the Sundarbans Reserve.

In 1999, the GEF contributed a US\$12.2 million grant towards a US\$77.5 million dollar conservation project for the Sundarbans Reserve Forest and its hinterlands co-financed by the Asian Development Bank, Nordic Development Fund, Government of the Netherlands, Palli Karma-Sahayak Foundation, the government of Bangladesh and NGOs. The ADB is the executing agency overseeing the GEF-assisted project, while the national implementing agency is the Bangladesh Forest Department Sundarbans Management Agency. The main objectives of this project, originally planned to run over seven years (1999-2006), are to develop "rational" sustainable management and biodiversity conservation plans with the participation of all "key stakeholders".

The project has been controversial and attracted criticism from local people and NGOs since its preparation. During the preparation phase, a baseline survey of rural households undertaken by the Association of Development Agencies in Bangladesh (ADAB) was accused of not properly taking local views into account. Communities and NGOs also vigorously criticised the design of the project for its failure to address the negative environmental impacts of industrial shrimp aquaculture, oil and gas exploration, corrupt extractive activities of the Forest Department, ecotourism plans to establish permanent lodges, and the major ecological implications of adjacent ADB-financed projects such as the *Khulna Jessore Drainage Rehabilitation Project* (KJDRP). Community organisations thus complain that the whole rationale for the project was narrowly centred on the alleged damaging impacts of local people on the forest, while major industrial impacts in the SRF were not addressed by the project design. Project design was also slammed for: (i) failing to acknowledge or build on local traditional knowledge and customary resource use practices (ii) inadequate social and environmental impacts assessments (iii) inappropriate micro-credit and alternative income policy (iv) failure to deal with local needs for fuel wood and housing material (v) lack of effective upstream pollution control measures (vi) absence of a specific measure to address gender and participation issues (vii) emphasis on research with benefits accruing mainly to outsiders and foreign scientists (viii) inadequate accountability mechanisms and a lack of project transparency (ix) violation of ADB Operational Policies and the loan agreement.

⁶⁹ Ashraf-Ul-Alam Tutu (2004) ADB (2003); GEF (nd) Project Fact Sheet: Biodiversity Conservation in the Sundarbans Reserved Forest GEF, Washington, DC

As discontent with the project increased, local organisations formed advocacy networks including the SBCP Watch Group that mobilised criticism in the national and international media and directly campaigned for improvements in the project. After several years, the ADB suspended the project in September 2003 due to violations of the loan covenant and chronic financial mismanagement of the project. The ADB has required that the Government and Forest Department re-design the project in consultation with “stakeholders”. Civil society organisations and campaigners have since presented a comprehensive set of recommendations for the re-design of the project and attended meetings with the Sundarbans Management Agency in May 2004. Nevertheless, NGOs are disappointed that the ADB now maintains there was little wrong with the original project design and that most problems can be traced to implementation failures. Local people and NGOs reject this view. They maintain that the project is conceptually flawed and unjust. They complain that they still have no guarantees that their proposals will be acted on and concerns are increasing that the interests of large commercial interests may again dominate any revised project design. In November 2004, the project is still undergoing revisions and the ADB and GEF funds remain suspended. The future of the project remains uncertain.

Box 11: Guyana Protected Area System Project – GPAS⁷⁰

Since 1994 the Government of Guyana (GoG) has been seeking international support to establish a system of protected areas. It was in this context that the Guyana National Protected Areas System (NPAS) project was initially conceived as a component of a World Bank/IDB Natural Resources Management Project. The NPAS project was approved by the GEF Council in 1997 as a joint project between the World Bank (IBRD) and the GEF. However, serious criticism of the project's failure to protect indigenous peoples' land rights and blatant violations of the World Bank's Indigenous Peoples Policy (OD4.20) delayed the processing of the project, eventually causing the Bank to step back from Board approval. Guyana's National Strategy for the Establishment of System of Protected Areas confirms this, observing that there was an "impasse in 1998 between the GoG and the World Bank over Amerindian concerns about the project design and implementation, including the treatment of Amerindian land claims within the project." These concerns had been repeatedly raised by indigenous peoples between 1995 and 1999 and were initially rejected by Bank staff. However, when the GoG unilaterally enlarged the Kaieteur National Park in 1998, extinguishing indigenous peoples' rights, thereby making it illegal for them to enter the enlarged park and prompting (still pending) litigation by the affected communities. In response to these problems, the World Bank rightly required that additional attention be given in the NPAS to indigenous issues. However, the praiseworthy efforts of the Bank to ensure compliance with its Indigenous Peoples policy (OD4.20) were rejected by the GoG that refused to allow further project modifications and the project stalled.

A few years later, the GoG and the Bank/GEF began talks aimed at reviving the project and the Guyana Protect Area System (GPAS) project was proposed. This is essentially a reworking of the NPAS project and provides for the establishment of at least two new protected areas (Kanuku Mountains and Shell Beach) as well as the development of protected area legislation and institutional capacity building. In total five protected areas are proposed over the course of the GPAS project. Each one falls within traditional indigenous territories, two of which are subject to formal land claims, including pending litigation. In each area, unresolved indigenous land rights threaten to stifle the process of establishing protected areas just as they did during preparations for the previous NPAS project.

Guyana's National Strategy for the Establishment of a System of Protected Areas sets out criteria for addressing indigenous rights and these criteria have been incorporated into the social framework of the GPAS project. It is worrying that these criteria are weaker than those previously employed in the NPAS project. Both projects require that protected areas may only be established on titled indigenous lands with the prior consent of the affected communities. However, the GPAS project states that "Where potential [protected areas] fall within lands claimed by Amerindians, efforts will be made to resolve those claims" whereas NPAS required that "protected areas will not be located in ... areas under prior claim by Amerindian communities without their informed consent." The NPAS project also provided that procedures for the resolution of land claims will be developed before funds are released for protected areas, whereas the GPAS project proposes dealing with these issues in as yet undefined parallel processes. The perception is that the Bank/GEF has again accommodated GoG intransigence on indigenous land rights by both weakening key protections – and by specifically de-linking prior resolution of land rights in areas affected by protected areas to separate and vague parallel processes. There is also no requirement in the GPAS project that the land issues be resolved, but only that unspecified "efforts" be made to resolve them.

⁷⁰ Patamona Community of Chenapou and the Amerindian Peoples Association of Guyana (2000); La Rose (2004), MacKay, F pers. comm.. November 2004

Without transparent and fair procedures to resolve ownership and other rights prior to the establishment of protected areas the potential for GPAS to go the way of NPAS is very real. Focusing only on use rights, as the GPAS project presently does, is insufficient, particularly as the project envisages that these rights will be curtailed or eliminated in certain cases pursuant to protected area management plans. Without a prior resolution of ownership rights, protected areas may constitute illegal takings of traditional indigenous lands in violation of rights guaranteed by Guyana's Constitution and international law and the recent decision on protected areas issued at COP VII of the CBD (section 5.8). Although the current GPAS project proposal recognises that indigenous reserves may be one form of protected area, no provision is made to further elaborate on this idea or for protected areas to be owned by indigenous peoples as a way of resolving conflict and ensuring that the project is consistent with indigenous peoples' rights. This is especially relevant when it is considered that indigenous peoples in Guyana have traditional "protected areas" owned and managed according to their laws and customs.

Under the *Amarakaeri Comunal Reserve* project agreement, the regional indigenous organisation FENAMAD is identified as the maximum authority and representative decision-making body for project implementation and administration. In 2004, this groundbreaking and progressive project has yet to make headway as disagreements over the project budget and governance have emerged between FENAMAD and the UNDP Peru office. If these differences can be resolved, the indigenous communities involved consider that the project has the potential to become a model for a medium-sized GEF project that is genuinely controlled and managed by indigenous peoples (but see also lessons from this case in section 7).

2.3 Small Grants Programme

As with medium-sized projects, this study has not identified any comprehensive independent studies of GEF SGP projects carried out by indigenous peoples or NGOs. UNDP evaluations of specific projects held by the country office of the SGP have not so far been scrutinised under this study. However, this review has found through general interviews with indigenous leaders and activists that overall the SGP is considered the most progressive of the GEF programmes, not least because it strives to provide direct support to local organisations and communities. NGOs have also broadly welcomed the programme's efforts to address the priorities of local communities and have called for its expansion and mainstreaming in GEF operations and agencies.⁷¹ Reports from the field also suggest that some (but not all) SGP projects do focus on the needs of women and indigenous peoples and these objectives are affirmed in country strategy papers.⁷²

While the Small Grants Programme is generally praised in comparison to other GEF operations, it is not without problems. Indigenous peoples and local community organisations complain that the procedures for securing GEF small grants remain complex and may often take months and even years to be approved.⁷³ In the case of the *Ogayo Integrated Conservation and Development Programme of Oro Province* (PNG), communities still await approval of their project after three years. In the recent SGP workshop held in the margins of the UN Permanent

⁷¹ See, for example, Horta, K, Round R and Young Z (2002) at page 25

⁷² Young, Z (2004)

⁷³ GEF (2003b) at:

http://www.gefweb.org/Partners/partners-Nongovernmental_Organ/Compilation_of_NGO_Interventions_-_May_03_-_2003.pdf

Forum on Indigenous Issues in May 2004, indigenous participants complained that their proposals are often disregarded or bounce back from the National Steering Committees, and that in many cases indigenous peoples still find the SGP system “unfriendly” to use.⁷⁴

In other cases, there are indications that SGP have been used to support government agendas even if these pass through NGOs as project executing agencies and grant recipients. In Indonesia, for example, the SGP country strategy paper concedes that: “there have been many cases where government projects not really owned or driven by NGO’s, CBO’s or local communities have been pushed through the system.”⁷⁵ Indigenous peoples point out that even if indigenous organisations are involved or named as “beneficiaries” or “participants”, SGP projects are in some cases conceived, managed and controlled by intermediary NGOs that have weak links to grassroots communities named as the beneficiaries in SGP projects (even if these NGOs may be defined as “local” organisations).

In a number of SGP participating countries, such as Indonesia and Guatemala, there are indications that the SGP is trying to address these problems by taking concrete and innovative steps to ensure more genuine ownership of projects by indigenous communities (Box 14, section 5.2.1).

Current efforts to develop more culturally appropriate and user-friendly procedures for securing SGP funds are positive. However, in the aforementioned SGP consultation held in May 2004, indigenous participants queried how the video and non-written application procedures being piloted in Indonesia will be mainstreamed throughout the SGP. It was stressed that in many countries governments are likely to question the disbursement of GEF funds for indigenous communities who lack legal personality. The issue raises once again the problems and sensitivities of intermediary organisations who would supposedly receive such funds. Precisely how these difficulties and challenges will be overcome remains unclear.⁷⁶

In a few cases, the SGP has encountered difficulties in implementing its decentralised grant-making procedures. In Papua New Guinea, for example, NGOs report that grant applications and project administration are still micro-managed from the SGP central office in New York. Local NGOs criticise the SGP for a lack of transparency as internal reviews of the problems in the PNG programme undertaken by SGP staff have not been made available to the public. Some NGOs report that the SGP in PNG is: “a complete disaster”. In other countries, there are criticisms that representatives on the National Steering Committees do not have strong links to communities or indigenous movements.⁷⁷ There are signs that the UNDP-GEF Small Grants Programme is again making efforts to address these problems and is seeking indigenous inputs on how the SGP can be further improved.⁷⁸ Current initiatives include proposals for rotating representation of indigenous leaders on National Steering Committees.

Scrutiny of SGP country portfolios confirms that a considerable number of projects deal with traditional knowledge issues. While the CBD and the GEF’s own Operational Programmes require that any use of traditional knowledge must be based on the principle of free prior and informed consent and equitable benefit sharing, project documents do not clarify how consent issues have been addressed. In one SGP projects in India, for example, grant recipient NGOs

⁷⁴ Corpuz, V pers. Comm. November 2004

⁷⁵ UNDP-GEF Small Grants Programme (1999) at page 21

⁷⁶ Corpuz, V pers. Comm. November, 2004

⁷⁷ FPP (2004)

⁷⁸ UNDP (2004a)

involved in documenting local knowledge of plants are encouraging Adivasis people to share their traditional knowledge without clear safeguards to prevent its commercialisation by outsiders.⁷⁹

Although SGP projects sometimes include land tenure components in project design (section 3.2.1), country programme documents confirm that grants must still be consistent with some GEF Operational Programs that confine funding for land titling to “buffer zones”. This suggests that, like other GEF projects, the SGP cannot easily deal with the land claims of indigenous peoples inside protected areas. There are also indications that SGP projects are sometimes more about helping communities outside parks and reserves cope with the problems of exclusion from such areas, rather than securing access and customary rights within protected areas. One example is the Echuya Forest Reserve Community Conservation Project in Uganda, where a culturally sensitive project is helping indigenous Batwa families cope with extreme resource scarcity after expulsion from Echuya Forest Reserve (EFR).⁸⁰

Notwithstanding SGP support for “sustainable livelihoods” based on the sale and trade of traditional resources, the problematic GEF policy focus on so-called “alternative” non-forest-based and non-land-based livelihoods, remains embedded in some SGP country programmes.⁸¹ It is not clear to what extent this latter policy has or has not benefited local communities. In addressing poverty impacts of SGP projects it is striking that, as with other GEF interventions, there is little information about the precise impacts of these grant-assisted activities on the welfare and livelihoods of participating communities.

The third review of the SGP observes that: “the SGP continues to both move forward and wrestle with the challenge of reconciling GEF’s global environment goals with the livelihood priorities of local communities” and admits that the SGP experiences in this field “have yet to be fully analyzed”. The review raises questions regarding the sustainability of grants that typically only last one to two years, and may only count on funds that are capped at \$50,000.⁸²

Here too, SGP staff report that steps are being taken to address this latter weakness. To provide continuing support to grant recipients, the SGP is now developing methodologies for “ex-post project follow-up” and the methods are due to be piloted in a number of countries. SGP staff advise that this initiative will aim to help communities “network” and push for recognition of their needs and rights.⁸³ A first phase of this work will involve 144 case studies of individual SGP projects initiated prior to 1999. The case studies will be divided among 36 countries, with an average of four projects per country. Individual case studies are expected to be circulated between participating countries in the SGP in 2005. Examination of the draft terms of reference for this SGP initiative suggests that evaluators will not be required to pay specific attention to impacts on indigenous peoples and rights issues.

⁷⁹ Young (2004)

⁸⁰ UNDP-SGP Project Information Document

⁸¹ See, for example, the SGP country programme strategy for India at:
<http://www.undp.org/sgp/download/document/Asia/India%20CPS.rtf>

⁸² Wells, M P, Hosain, M, Ogunseye, B and Tresierra, J C (2003) at pages 31, 34 and 60.

⁸³ Delfin Ganapin, Global Manager, GEF Small Grants Programme, pers. Comm.. 2003

2.4 Conservation Trust Funds

Other than a past case study undertaken by the FPP and the Organisation for Batwa Development in Uganda, this review has not identified any independent evaluations of GEF-assisted conservation trust funds (Box 9). The GEF and World Bank claim that these projects have been largely successful.⁸⁴ However, there are signs from the case of the Mgahinga and Bwindi Impenetrable Forest Conservation Trust that indigenous peoples may be marginalised from decisions on budget priorities, allocations and disbursements. Questions remain over the transparency of trust fund management: who really benefits from such conservation funds? Who controls the budget? To what ends are funds put? Are these funds genuinely financially sustainable if they depend on the fortune of the world stock market?

Indigenous organisations and NGOs are sceptical about the effectiveness and accountability of funds that are managed by governing bodies dominated by government officials, park authorities and conservation NGOs. They point out that, while an indigenous representative may be invited to join the administrative body of such a trust, a single indigenous member or minority indigenous membership is all too easily sidelined in decision-making by the majority block voting by non-indigenous members (e.g., Box 7).

The 2004 BPS found that trust funds supported by the GEF have encountered:

...some difficulties in the process of transferring financial resources to communities, and trust funds rarely have mechanisms to evaluate the impact of their disbursements to communities of other recipients.⁸⁵

The question of financial sustainability of such funds is also raised by the same GEF evaluation with regard to the Mgahinga and Bwindi Impenetrable Forest Conservation Trust. Specifically, BPS 2004 notes:

...Though the magnitude of initial gains has not been sustained, the conservation trust fund established for Mgahinga and Bwindi National Parks in Uganda was especially successful in the strong global investment climate of the 1990s, but has not performed as successfully under more recent global economic conditions.⁸⁶

2.5 Enabling Activities

As with conservation trusts, this review has found no independent indigenous and NGO evaluations of GEF-sponsored biodiversity conservation enabling activities. Examination of the GEF and UNDP web sites often yields little information for these projects in Latin America, other than that they are “under implementation”.⁸⁷

In the case of Colombia, documentation regarding a project supporting the elaboration of the National Biodiversity Strategy and Action Plan (NBSAP) does note that the policy is to be developed with the participation of indigenous peoples, but does not specify to what extent or how they will be involved in policy formulation. In the case of a project supporting the

⁸⁴ GEF (1999c) See also World Bank (2002) at pages 15-16.

⁸⁵ Dublin, H and Volonte C (2004) at page 80

⁸⁶ Ibid. at page 45.

⁸⁷ There are no project documents or summary information on-line for GEF-UNDP enabling projects in Brazil, Bolivia, Ecuador, Chile, Venezuela, Argentina, Peru, Paraguay, Uruguay, Guyana, Uruguay, Costa Rica, Guatemala, Mexico, Honduras, Belize and El Salvador.

formulation of a NBSAP in Nicaragua, project documents report that indigenous peoples' representatives are to be involved in the project. In Africa, on-line public documents about enabling activity projects likewise reveal only limited information.

More generally, the 2004 Biodiversity Program Study carried out by the GEF Monitoring and Evaluation Office notes that less than half of the NBSAPs financed by the GEF are publicly available on the CBD web site, while 29 GEF-assisted NBSAPs received by the CBD are still viewed as provisional reports or draft documents.⁸⁸

2.6 Implementing NGOs

There is little independent information about the role, influence and operations of NGOs implementing GEF medium and full-sized projects. Nonetheless, this study has confirmed that several projects are implemented by a handful of large international conservation NGOs including WWF, Conservation International and The Nature Conservancy (cf. GEF 2004 Project Status Report). Section 2.2 above reveals that indigenous peoples have deep misgivings about these NGOs and make legitimate criticisms of their large-scale top-down approach, their close links with governments and corporations and their tendency to disregard the priorities and territorial rights of indigenous peoples. Some frequent criticisms of larger NGOs are that they:

- Sometimes advocate and fund a protected area approach that imposes restrictions on indigenous peoples' access to resources and fails to recognise their land and territorial rights
- Disregard indigenous criticisms and/or their rejection of government protected area programmes and extractive industry and resource concession policies
- Collaborate with corrupt governments and destructive corporations that violate indigenous peoples' rights and degrade biodiversity within their territories
- Often employ biologists with limited expertise of working with indigenous peoples and communities
- Capture the majority of international funds for conservation and sideline indigenous organisations from access to funds, or provide only meagre funds through sub-projects geared to their own agendas
- Hold closed policy and planning dialogues with governments and public donors without inviting indigenous peoples' representatives
- Are largely unaccountable and lack transparency⁸⁹

2.7 Findings of official evaluations

The problems with GEF biodiversity projects highlighted by indigenous peoples' organisations and communities are confirmed in recent evaluations undertaken by the GEF, implementing agencies and official evaluations undertaken for the Conference of the Parties of the CBD.

2.7.1 Evaluations of the GEF

The second independent review of the effectiveness of the GEF carried out in 2001 and submitted to COP VI in 2002 found:

⁸⁸ Dublin, H and Volonte C (2004) at page 30.

⁸⁹ See, for example, AIDSEEP (2004b). See also Khare, A and Barton Bray, D (2004) and Chapin, M (2004)

... Several challenges were identified for the GEF in achieving sustainable outcomes, as follows: lack of national and local capacity ... inability to generate biodiversity-friendly, sustainable livelihoods, failure to mainstream biodiversity into other sectors and economic development, insufficient adaptation to local circumstances – including the need to address poverty, promote support by local populations ... the need for better monitoring and evaluation of results ... and the emphasis on global benefits, leading to projects that pay little attention to local benefits ... In many cases, there has been extensive stakeholder *consultation*, but not enough genuine and widespread *participation* (direct involvement)...⁹⁰

The *Second Overall Performance Study* completed in 2002 found similar problems:

The OPS2 team's examination of participation in the second operational phase of the GEF finds that while many projects are indeed addressing participation ... there has yet been no systematic collection of baseline data on participation against which progress can be monitoredGEF projects would benefit from addressing socioeconomic and livelihood issues more systematically and in greater depth, including the application of participatory processes and through the development of appropriate monitoring indicators ... ⁹¹

In a study of 78 GEF-assisted biodiversity projects, the 2001 *Biodiversity Program Study* found that stakeholder participation was defective in at least 45% of projects and that genuine "ownership" of protected area projects by local people had only been achieved in only 20% of Projects. Specifically the study found that the extent of participation was either: *partial* (20%), *poor* (9%), *absent* (12%) or *unknown* (4%) in nearly half of the projects surveyed.⁹²

The same review noted that the lack of local support for GEF interventions was due to insufficient or inadequate attention to social and rights issues:

Part of the problem with project achievements might be due to somewhat less attention being paid in project design and implementation to livelihood and tenure issues and to underlying causes ... Issues relating to tenure, property rights, and access must ... be addressed as part of each initiative⁹³

Problems with the treatment of traditional knowledge were also confirmed in the 2001 evaluation of the GEF biodiversity portfolio:

There is little evidence of such [traditional] knowledge being used in project execution or *in-situ* conservation or sustainable use programs ... Even for projects working with indigenous populations, the reviews noted the lack of documentation of traditional knowledge and practices.⁹⁴

Although the 2001 study did criticise the failure of social assessments (where carried out) to deal with traditional knowledge, it did not address the issue of prior, informed consent at all despite this requirements for GEF projects stipulated in Operational Programs (section 6.3).

With regard to the lack of adequate baseline studies in GEF biodiversity projects, the 2004 Biodiversity Programme Study (BPS 2004) has highlighted:

⁹⁰ CBD (2002) at section 3.6, page 11.

⁹¹ GEF (2002c) at paras 305-306, page 82.

⁹² Singh, S and Volonte, C (2001) at pages xi and 35

⁹³ Ibid. at point 24, page xiii

⁹⁴ Singh, S and Voloente, C (2001) at page 38.

Numerous project reviews, an in-depth study by the World Bank... (and) the 2003 Project Performance Review (PPR) commented that socioeconomic baselines and gender analyses are still spotty and missing from the majority of projects⁹⁵

2.7.1.1 GEF Local Benefits Study

In response to calls from indigenous organisations participating in the GEF Council (section 4.2.1), the GEF launched a review of “Local Benefits and GEF Focal Areas” in 2002. The review has already validated much of the concerns expressed by indigenous peoples regarding the lack of proper treatment of social, rights and poverty issues in GEF projects.

The initial desk review of 84 projects in GEF Biodiversity (BD) focal area found that:

(few) ... projects have yet developed explicit approaches to operationalize poverty – environment linkages at the field level ... (and there is) ... little evidence to suggest projects are considering equity concerns.

The initial stage of the evaluation also reports that:

... projects do not seem to systematically consider possible negative social impacts, either at the design phase or during implementation. Given that many of the projects are creating and/or strengthening protected areas, partly through components which enforce restrictions on community access to and use of resources inside those areas, there is a significant possibility that negative impacts may be associated with such project activities⁹⁶

The projects reviewed revealed some evidence of social or stakeholder (sic) assessment components ... However, very few project files contain a substantive description of social assessments, which may have been carried out during project preparation.. the apparent lack of information warrants a more detailed investigation of social assessment...⁹⁷

The study also found that GEF biodiversity projects sometimes:

- Do not directly address local livelihood benefits due to narrow application of the incremental costs framework
- Fail to understand the differences between consultation and participation
- Do not build on existing local and community institutions
- Fail to identify, understand or take account of “complex indigenous cultural systems” in project design and implementation
- Rarely conduct pre-implementation studies of livelihood, market, income and employment issues to inform project design e.g., regarding viability of ecotourism
- Apply narrow quantitative output indicators on social and participation issues such as the number of local conservation committees created under a project
- Do not specify the methodology and components of social assessments
- Do not include a substantive description of social assessments in project documents
- Rely on poorly designed income-generating approaches, especially ecotourism
- Lack quantitative and qualitative indicators for income and employment that makes it difficult to assess of the impact of projects on monetary aspects of livelihoods
- Do not implement livelihood components until late in the project cycle

⁹⁵ Dublin, H and Volonte C (2004) at page 90

⁹⁶ Risby, L (2003) at pages 85-86.

⁹⁷ Risby, L (2003) at page 87.

- Treat “local communities” as homogenous groups with “little attempt to disaggregate data by ethnicity, gender, age and extent of dependence on resources, traditional or customary rights, permanent proximity to resources, political, interest group, and power structures”.
- Add extra and new institutions on top of existing community institutions, which sometimes creates a burden on villagers and community leaders⁹⁸

Evaluations of the Small Grants Programme

Recent assessments of the UNDP-GEF Small Grants Programme likewise confirm shortfalls in monitoring project impacts and the lack of proven approaches to livelihood issues:

[Monitoring and evaluation] remains an area of some concern, with variable quality baselines, and essential indicators of process and impact sometimes not captured...There is also a need to improve the indicators of process and impact, to link these more clearly to strategic objectives, and to measure progress toward goals in each GEF focal area⁹⁹

[In Guatemala] ... Most [SGP] projects are attempting to support income-generation activities in isolated, poor communities ... it is too early to determine whether the benefits of these activities will prove effective, sustainable or replicable ... Generating commercially viable livelihood opportunities through projects has continued to be challenging during Operational Phase 2 ¹⁰⁰

2.7.2 Evaluations undertaken by the Implementing Agencies

Implementing Agency (IA) project and portfolio evaluations – both of GEF-assisted projects and wider evaluations of IA overall performance – confirm many of the policy and implementation weaknesses of full-size GEF biodiversity projects highlighted by indigenous peoples, local communities and NGOs in sections 2.1. As already note, however, information on the impacts of GEF projects on indigenous peoples is limited.

Problems with the treatment of land tenure issues are confirmed by a recent evaluation of 40 UNDP-GEF forest conservation projects, which found that only six (15%) explicitly addressed legislative and/or regulatory arrangements governing land and natural resources ownership.¹⁰¹

A review of the effectiveness and utility of social assessments in World Bank-GEF biodiversity projects conducted in 1997 found that social analyses undertaken as part of GEF projects suffered from a number of shortcomings. The review found, for example, that those contracted to undertake social assessments:

- did not pay adequate attention to the “cultural dimensions” of conservation planning
- failed to clarify relations between national conservation laws and ancestral or customary property rights
- overlooked the diversity of social and economic groups and their actual and potential positive and negative impacts on biodiversity
- did not understand relevant cultural practices and customary resource use
- did not properly examine local and national decision-making processes relating to biodiversity conservation and natural resource management
- did not address traditional knowledge issues.¹⁰²

⁹⁸ Ibid. and Todd, D (2004)

⁹⁹ Wells *et al* (2003) at pages 15 and 16.

¹⁰⁰ Wells, M P, Hosain, M, Ogunseye, B and Tresierra, J C (2003) at pages 31- 32 and page 63.

¹⁰¹ Boyle, T (2003) at page 23.

Box 12: Some key findings of the OED review of implementation of the World Bank Policy on Indigenous Peoples (OD 4.20) – 1992 to 2001¹⁰³

Background

Since 1995 indigenous peoples' organisations have repeatedly called on the World Bank to ensure that any revision of its Indigenous Peoples Policy is informed by a thorough participatory implementation review of the existing policy (OD 4.20). In April 2001, the Bank finally launched an implementation review of OD 4.20. In January 2003, the OED published the first phase of the review based on a desk review of 234 Bank projects approved after January 1992 and closed prior to 31 May 2001. The second phase of the review based on detailed *field* evaluations of 15 projects in seven countries, was published in April 2003. The findings below relate to the overall World Bank portfolio, and not specifically to natural resource projects.

Findings of the review

The first part of the OED review has confirmed the variable pattern and poor quality of policy implementation found by independent studies undertaken by indigenous peoples and NGOs.¹⁰⁴ Specifically the phase I OED implementation review found:

Failure to apply the policy when required

- The policy was not applied in 38% (34 of 89) projects which affected indigenous peoples, demonstrating a major failure in the application of the policy [para. 3.4]

Failure to prepare an indigenous peoples plan or component

- Only 53% (29) of the 55 projects where the policy was implemented featured an Indigenous Peoples Development Plan (IPDP) or partial elements of an IPDP [first para, page 2]
- Only 32% (8 of 25) projects identified as having clear negative impacts on indigenous peoples included a self-standing IPDP or Indigenous Peoples Component [para. 3.6]

Poor quality implementation

- More than one quarter of projects that applied the policy (15 of 55) were assessed to have taken measures that were *unsatisfactory* [Table 3.3]
- More than half (14 of 25) projects adversely affecting indigenous peoples were found to have “... *inadequate measures to mitigate the adverse impact of the project activities*” [paras.3.6 and 3.20]
- One third of cases that applied the policy had failed to include a specific diagnosis of indigenous peoples issues as required under OD 4.20
- Measures to secure Borrower commitment to the policy were only reflected in project loan documents or covenants in 55% of the projects that had applied the policy [para. 3.20]
- Indigenous peoples were only involved in the decision-making process relating to the project in half of projects – leading to the conclusion that “*even among the projects that applied the OD ... participation of indigenous peoples in decision making and in financial management is still low*” [para. 3.21]

¹⁰² Cruz, M and Davis, S (1997).

¹⁰³ OED (2003a) and (2003b).

¹⁰⁴ See, for example, Griffiths T and Colchester M (2000)

- Only half of the projects that applied the OD had included capacity-building for indigenous organisations and their representatives [para. 3.22]
- Just 20% of projects developed specific monitoring indicators as required under the policy, while 73% of loan agreements made **no** reference at all to the need to develop monitoring indicators
- A mere 25% of Investment Completion Reports (ICR) made mention of outcomes for indigenous peoples [para. 3.28]

Improving policy coverage in the late 1990s?

The OED team note that in their assessment of 170 projects “active” in 2001, the coverage of OD 4.20 has improved slightly with some 60% of projects having applied the policy. The review also found that the OD had been applied in 90% of projects that could have negative impacts on indigenous peoples [second para. Page 2]. However, the review did **not** assess the *quality* of implementation in these active projects.

A 2002-03 review of the quality of implementation of the World Bank’s Indigenous Peoples Policy (OD 4.20) found that the Bank’s track record compliance with OD4.20, for example, is patchy and often poor (Box 12).¹⁰⁵ A 2004 internal evaluation of 48 full-size and medium-sized projects undertaken by the World Bank GEF team affirmed that around one fifth of projects involved involuntary restrictions of access which triggered the Bank’s Involuntary Resettlement Policy (OP4.12), although it is noted that an evaluation of the quality of implementation of the policy has yet to be undertaken by the Bank (Box 17, section 6.4). The same internal review found that just one third of projects had included components to deal with the complex issues of land tenure. At the same time, 38% of projects only achieved “low” participation of indigenous peoples and limited involvement of indigenous peoples in project preparation.¹⁰⁶

In sum, there is cumulative and compelling evidence that some GEF-funded biodiversity projects are failing indigenous peoples. They fail to secure their rights to their lands, territories and natural resources. They limit and curtail their livelihoods while providing inappropriate alternatives. They provide inadequate mechanisms for their effective participation in decision-making. In so doing the long term sustainability of these projects is being set in jeopardy. It is clear too that the GEF recognises many of these problems, yet they persist. The question is: why?

To answer this question Part II of this study reviews GEF governance, policies and project implementation arrangements. The objective of the review in Part II is twofold. First, it intends to undertake a critical analysis of GEF governance, standards and institutional organisation as they relate to social issues and indigenous peoples. At the same time, the review aims to pinpoint gaps and contradictions in current policies and institutional frameworks and assess to what extent the GEF is learning lessons and addressing these deficiencies. Based on this analysis, the final section of Part II makes recommendations for reforms of GEF policies and practice.

¹⁰⁵ Operations Evaluation Department – OED (2003a) – see: [http://lnweb18.worldbank.org/oed/oeddoelib.nsf/DocUNIDViewForJavaSearch/472DE0AEEA1BA73A085256CAD005CF102/\\$file/IP_evaluation.pdf](http://lnweb18.worldbank.org/oed/oeddoelib.nsf/DocUNIDViewForJavaSearch/472DE0AEEA1BA73A085256CAD005CF102/$file/IP_evaluation.pdf)

¹⁰⁶ World Bank/GEF team – PowerPoint presentation to World Conservation Congress, 2004.

Part II: A Review of GEF Governance, Policies and Implementation Mechanisms

3 GEF Governance

Following its restructuring in 1994, the GEF has officially operated as an independent international financing mechanism administered by a small Secretariat housed within the World Bank (section 2.5). The Facility has its own board of directors known as the GEF Council, a Scientific and Technical Advisory Panel (STAP) and its own general assembly made up of its 176 government members known in GEF jargon as “participants”. Both the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC) have designated the GEF to serve as the financial mechanism of the convention on a *temporary* basis. The GEF Council and Secretariat are accountable to the Conference of the Parties of the CBD and UNFCCC. These conventions are tasked with providing ongoing guidance to the GEF concerning policies and program priorities. The conventions also undertake periodic review of the effectiveness of the financing mechanism. The CBD has so far undertaken two independent reviews of the GEF in 1998 and 2001. A third review is due in 2004-05.¹⁰⁷

3.1 International Environmental Conventions

The GEF is the financing mechanism for four international conventions.¹⁰⁸ These are:

- ❑ The Convention on Biological Diversity¹⁰⁹
- ❑ The United Nations Framework Convention on Climate Change¹¹⁰
- ❑ The United Nations Convention to Combat Desertification¹¹¹
- ❑ The Stockholm Convention on Persistent Organic Pollutants¹¹²

The GEF also provides some support to Cartagena Protocol on Biosafety, the Montreal Protocol of the Vienna Convention on Ozone Layer Depleting Substances, various agreements on the protection of international waters. The Conventions provide **strategic guidance** to the GEF Council, which is mandated to convert this guidance into its operational guidelines in GEF policies and Operational Programmes (see section 6).

3.2 GEF Council¹¹³

The GEF Council functions as an independent board of directors and is the principal governing body of the GEF. There are 32 Council members who represent 32 “constituency groupings”:

¹⁰⁷ CBD (2003c)

¹⁰⁸ <http://www.gefweb.org/participants/conventions/conventions.html>

¹⁰⁹ <http://www.biodiv.org/default.aspx>

¹¹⁰ <http://unfccc.int/>

¹¹¹ <http://www.unccd.int/main.php>

¹¹² <http://www.pops.int/>

¹¹³ <http://www.gefweb.org/participants/Council/council.html>

16 from developing countries, 14 from developed countries and 2 from countries with economies in transition.¹¹⁴ For each constituency there is also an Alternate member that acts on behalf of the Member in her or his absence. Council members from developing countries represent a group of other countries, while members from the G-7 donors only represent their own country.¹¹⁵

The Council meets two times a year and operates according to a set of formal rules.¹¹⁶ The meetings are co-chaired by the Chief Executive Officer (CEO) of the GEF and an elected co-chair chosen alternately from donor and recipient country members of the Council. The co-chair is elected for one meeting. Decisions are taken by consensus, but where consensus is not forthcoming any member may request a formal vote.¹¹⁷

At each meeting, the main role of Council members is to formulate and adopt GEF policies and Operational Programmes and to evaluate and approve specific GEF projects. GEF council decisions relate to budget allocations, adoption of work programmes and setting of work targets for the GEF Secretariat. Members also discuss and approve budgets and hear reports from the GEF Secretariat the global Conventions and the Implementing Agencies. The Council is supposed to:

- Review the purposes, scope and objectives of the GEF
- Ensure GEF policies and programs are regularly monitored and evaluated
- Monitor and evaluate progress in implementation of work programmes
- Provide guidance to the Secretariat and Implementing Agencies¹¹⁸

GEF Business Plan

In recent years, the GEF Council has periodically developed and adopted a three-year rolling “Business Plan” setting priorities for the allocation of GEF funds to maximise *global* environmental impacts and *improve responsiveness to the relevant Conventions*. The GEF claims to be in the processing of trying to move away from a focus on preparing and approving projects, to a focus on “quality and results”. In terms of its Biodiversity focal areas the strategic priorities in 2004-06 are to:

- expand, consolidate and rationalize national protected area systems
- Support biodiversity conservation beyond protected areas
- Integrate conservation in agriculture, forestry, fisheries and tourism
- Generate and disseminate best practices on biodiversity issues.¹¹⁹

It is again striking that the Business plan does **not** address poverty reduction in any of its strategic priorities– even though the preamble cites the GEF Assembly statement request that the GEF ensure its policies and activities are consistent with national sustainable development and poverty reduction objectives. Indigenous peoples’ organisations and support NGOs emphasise that the need to give treatment to social and poverty issues in GEF policies and projects does not relate only to the narrow question of budgetary support for poverty reduction

¹¹⁴ http://www.gefweb.org/participants/Council/council_members/council_members.html

¹¹⁵ <http://www.gefweb.org/participants/Council/Constituencies/constituencies.html>

¹¹⁶ http://www.gefweb.org/participants/Council/Council_Rules/English_Council_Rules.pdf

¹¹⁷ GEF (2000a) at section XII, page 15. In practice, decisions in the GEF Council are taken by consensus: no formal vote occurred at all in the 1990s – see Young, Z (2002) at page 95.

¹¹⁸ GEF (2000a) at section XI, page 12.

¹¹⁹ http://www.gefweb.org/Documents/Council_Documents/GEF_C21/C.21.9_GEF_Business_Plan_FY04-06.pdf

or support for so-called mitigation or “alternative livelihood” activities. Rather, in supporting the poverty alleviation component of the CBD 2010 Target, they stress that GEF biodiversity projects must address poverty in a holistic manner which involves both the *non*-monetary and monetary aspects of indigenous peoples’ livelihood security and welfare – as emphasised in the CBD guidelines on sustainable use (see Box 20).

Crucially, GEF projects should assess the risks of impoverishment associated with particular protected area and other conservation policies *before* finalising project design in order to *avoid* negative impacts on indigenous livelihoods and support and build on sustainable local subsistence, cultural and commercial practices (Box 6 and Section 8).

3.2.1 Participation of NGO and indigenous peoples in the GEF Council

Through persistent lobbying and campaign efforts in the mid-1990s during the re-structuring of the GEF, NGOs were able to formally open space in the GEF Council (Council Rules, section IV, paragraph 22).¹²⁰ In practice, it is only NGOs and other organisations *accredited* to the GEF that are allowed to attend Council meetings.¹²¹ Ten seats are reserved for NGO observers (two of which are reserved for indigenous peoples’ organisations) and representatives are chosen through a process of self-selection.

Most Council meetings are held in Washington DC and the attendance at the meeting tends to be dominated by big Conservation NGOs, such as The Nature Conservancy, Birdlife International, WWF, Conservation International and the World Resources Institute. In recent years, the GEF has provided travel and subsistence funds to enable the participation of a limited number of Southern NGO participants.

In 2004, there are 436 NGOs accredited to the GEF. Most of these Northern NGOs are environmental and conservation organisations, while Southern NGOs also include a few social and development NGOs.¹²² Just three indigenous peoples’ organisations (IPOs) have accreditation. Together, these NGOs and IPOs make up the *GEF-NGO Network* to which the GEF Secretariat issues invitations to consultations and other GEF activities.

The GEF-NGO Network is a voluntary network with NGO focal points that help coordinate self-selection procedures for attendance at GEF Council meetings. These NGO focal points are also expected to feed back the outcomes of GEF Council meetings to NGO networks in their region.¹²³

Indigenous participation in the GEF Council only began in 2000 following COP V of the CBD, where the indigenous caucus requested a specific meeting with the then CEO of the GEF, Mohamed El-Ashry, who agreed to facilitate indigenous participation in the GEF Council. Two or three indigenous participants now regularly attend GEF Council meetings. The attendance costs for these indigenous participants are covered by the GEF. NGO and indigenous views on GEF Council meetings are mixed. On the one hand, they criticise the lack of detailed minutes from the meeting, which is summed up in a short joint summary by the co-chairs – minimising

¹²⁰ Young, Z (1999)

¹²¹ See accredited NGO list at: <http://www.gefonline.org/ngolist.cfm>. See also http://www.ceeweb.org/a3gef/a3gef_letter11.htm

¹²² The number of accredited NGOs by region is as follows: Africa (83), Asia (110), Europe (92), Latin America (74) and North America (77). See <http://www.gefonline.org/ngolist.cfm>

¹²³ http://www.gefweb.org/participants/Focal_Points/NGO/ngo.html

the chance of any record of critical or controversial interventions from the floor. At the same time, NGO interventions are only permitted at the discretion of the co-chairs. Cases have occurred where NGO voices have been stifled as they have not been called to speak on key issues like the incremental costs principle.¹²⁴ Other NGO participants report that they have usually been given the floor on their request.

In some cases the Council has responded to the issues in its decisions. In other instances, issues raised have been disregarded. Indigenous participants were pleased that the Council responded to their request in 2001 for a review of impacts of GEF projects on indigenous peoples and local communities by instructing the Secretariat to commission a study of “Local Benefits” (section 2.7.1). On the other hand, they complain that the Council has disregarded other constructive recommendations, such as the need to formulate and adopt a specific GEF policy on indigenous peoples.¹²⁵

3.2.2 GEF NGO Consultation meetings

Prior to each GEF Council session, the GEF now convenes a one-day NGO consultation meeting. It has become routine for NGOs and indigenous representatives to take part in a strategy session prior to the GEF-NGO Consultation meeting and GEF Council meeting. The consultation meeting is open to all GEF accredited NGOs. Unlike the Council meeting, NGO statements and interventions are documented in a more complete and systematic manner – by members of the GEF-NGO Network.¹²⁶ The GEF Secretariat also compiles a summary report of the consultation.¹²⁷ Scrutiny of these documents from recent NGO consultation meetings reveals NGO interventions focusing on the need to facilitate NGO access to GEF grants. NGO statements also highlight more critical issues relating to participation, monitoring and reporting. Surprisingly, according to available public notes, substantive issues relating to country portfolios or specific GEF-assisted projects have so far not often been raised.

Notwithstanding the criticisms above, NGOs and the few indigenous participants that have attended these meetings record that they are appreciative of the inclusive process, and consider that they do have some influence on the thinking and priorities of the GEF Council.¹²⁸ They point out that the Council is potentially useful to influence GEF policies and monitoring and evaluation priorities.¹²⁹ The GEF Secretariat also advises that where implementing agencies fail to provide remedies for grievances relating to GEF projects, affected communities may seek to raise project-specific concerns in the GEF Council.

3.3 GEF Assembly¹³⁰

The GEF Assembly meets every three years and is composed of 176 member States. Like the Council, the Assembly has its own rules of procedure.¹³¹ The official role of the Assembly is to evaluate the general direction of the GEF and review and amend as necessary its mandate

¹²⁴ See, for example, Young, Z (2002), footnote 24, at page 97.

¹²⁵ E Camac, pers. comm. December, 2003 (former indigenous peoples participant, GEF Council)

¹²⁶ E.g., GEF (2003c)

¹²⁷ E.g., http://www.gefweb.org/Partners/partners-Nongovernmental_Organ/2003MayNGO_report_-_Consultation.pdf

¹²⁸ Young (2002) *op. cit.* at page 170. Camac pers. Comm.. December, 2003.

¹²⁹ Burgiel, S W and Cohen, S (1997) at pages 34-35.

¹³⁰ <http://www.gefweb.org/participants/Assembly/assembly.html>

¹³¹ http://www.gefweb.org/Rules_of_Assembly.pdf

through revisions to its institutional “Instrument” (section 1). The first GEF Assembly in 1998 was criticised by NGOs and governments alike for confusion about the purpose and mandate of the meeting, its limited mandate, lack of power and clear outcomes. In October 2002, the 2nd GEF Assembly held in China did make more substantive decisions by endorsing plans to expand the GEF Focal Areas and Operational Programmes. The 2nd GEF Assembly also issued the *Beijing Declaration*, which again called on the GEF Council and Secretariat to ensure its activities at the country level are consistent with national policies and priorities relating to sustainable development and **poverty reduction**.¹³²

3.4 Scientific and Technical Advisory Panel (STAP)¹³³

The Scientific and Technical Advisory Panel (STAP) is a 15-strong panel of experts supported by a secretariat based in the UNEP HQ in Nairobi. Membership of the Panel is staggered so that half of STAP members are replaced after two years. The STAP reports to the GEF Council and provides scientific and technical advice on GEF policies, operational strategies, and programmes. It also maintains a roster of experts who conduct selective reviews of projects and at specific points in the project cycle (section 6.5).

Scrutiny of the list of current members of the STAP selected in July 2004 suggests that most are primarily biological and natural scientists, with few social scientists on the panel.¹³⁴

3.5 GEF Secretariat¹³⁵

The GEF secretariat is housed inside the World Bank building in Washington, DC. The Secretariat is headed by the Chief-Executive Officer (CEO), who is also the chairman of the GEF Council and GEF Assembly. The task of the Secretariat is to ensure that GEF Council decisions are translated into action in GEF programmes and projects. The Secretariat is also supposed to ensure that GEF policies and programmes are properly implemented (see section 4). There are currently 40 staff in the Secretariat. Most of GEF Secretariat staff are linked to operational programmes under the GEF’s six focal areas (section 1). Each focal area is overseen by one or more programme managers, a team leader, senior adviser and programme assistant. As well as programme staff, the Secretariat has a communications officer, NGO coordinator, publications officer and four Monitoring and Evaluation specialists, among others. There are also a variable number of temporary consultants working on different issues.¹³⁶ Critics also observe that the GEF secretariat tends to be dominated by personnel with natural science backgrounds, while social science staff are few and far between.

While the mandate of the GEF is to ensure that GEF projects are consistent with GEF policies and operational programmes (section 6.5), this role is largely confined to project screening at the preparation stage (see also annexes IV and V), while the supervision of project implementation is left largely to the implementing agencies. This rupture between project preparation and implementation is one possible cause of the implementation problems already highlighted in section 2 (see also sections 4 and 5).

¹³² http://www.gefweb.org/Beijing_Declaration_-_English.pdf at paragraph 5.

¹³³ http://www.gefweb.org/participants/scietific___technical/scietific___technical.html

¹³⁴ <http://www.unep.org/stapgef/about/members.htm>

¹³⁵ <http://www.gefweb.org/participants/secretariat/secretariat.html>

¹³⁶ <http://gefweb.org/participants/Secretariat/Staff/staff.html>

NGOs point out that while the GEF Secretariat is formally independent, the fact remains that the office is located inside the World Bank, lacks its own separate legal personality, relies on the World Bank administration services and the World Bank remains trustee of the GEF Trust Fund. They argue that consequently the Bank still has a considerable influence from within the GEF.¹³⁷

Biodiversity Task Force

The GEF Secretariat has also established a Biodiversity Task Force which consists of members of the GEF Biodiversity Team and representatives from the three main GEF Implementing Agencies (IAs) as well as members of the STAP (see below). Part of the role of this task force is to review CBD guidance to the GEF and prepare proposals to the GEF Council on how such guidance may be interpreted and implemented (BPS2004 at page 22). The Biodiversity Task Force also takes part in a GEF steering committee for the development indicators for the GEF Biodiversity Program.

3.5.1 GEF Operations Committee (GEFOP)

This Committee is tasked with reviewing project documents to assess their conformity with GEF policies, rules and procedures and the guidance from the Conventions (section 4.5). The Committee is chaired by the CEO, the GEF Coordinators of the three Implementing Agencies (section 3).

3.6 GEF Focal Points¹³⁸

Each GEF member country has designated government officials responsible for GEF activities. These officials, known as GEF "focal points," are supposed to play a key role in ensuring that GEF projects are country-driven and based on national priorities. Where a country has a representative on the GEF Council, in most cases these same individuals act as the country focal points. There are two types of GEF country focal point:

Political Focal Points are responsible for GEF governance issues and policies and communications with their constituencies. All member countries have political focal points.

Operational Focal Points are established in each recipient country and are responsible for in-country program coordination of GEF projects and other operational activities.¹³⁹

The Second GEF Assembly called on the GEF to strengthen national operational focal points so that they could carry out their work more effectively (Beijing Declaration: paragraph 7). This review has not obtained information on what action has been taken to act on this recommendation.

This study has not obtained information on indigenous peoples' experiences of GEF focal points or their views on their responsiveness to indigenous concerns or proposals.

¹³⁷ Horta, K, Round R and Young Z (2002) at pages 7 and 16.

¹³⁸ http://www.gefweb.org/participants/focal_points/focal_points.html

¹³⁹ http://www.gefweb.org/participants/Focal_Points/Focal_1/focal_1.html

4 GEF mandate and incremental costs criterion

The mandate of the GEF is to support the CBD, UNFCCC, UNCCD and other international environmental processes. GEF resources can only be used to cover the incremental costs of *additional actions* to address *global environmental issues*. In other words, the GEF normally only provides *partial* funding to *co-finance* projects based on the incremental costs for achieving global objectives (Box 13 and 4.1 below).¹⁴⁰

In its Biodiversity (BD) Focal Area, the GEF's mandate and objectives are based on the three central pillars of the CBD: the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits. The mandate of the GEF is also determined by ongoing guidance provided by parties to the CBD. The GEF Operational Strategy (see section 6) states that:

All GEF funded activities concerning biodiversity will be in full conformity with the guidance provided by the Conference of the Parties to the Convention on Biological Diversity.¹⁴¹

The Conference of the Parties (COP) of the CBD has issued guidance to the GEF in all of the main meetings of the Convention since 1994. The CBD COP normally asks the GEF to report on the implementation of the CBD guidance at the following COP (two years later).

Guidance in relation to social and poverty issues

COP1 of the CBD stipulated that the GEF biodiversity programme priorities are:

...projects aimed at the conservation of biological diversity and sustainable use of its components which **integrate social dimensions, including those related to poverty** [emphasis added]

In April 2002 COP6 highlighted that the GEF should recognise that **poverty eradication** is one of the “first and overriding priorities of developing countries.”¹⁴² However, most CBD guidance so far has tended to focus on national needs for financial resources for conservation and research work and has not given guidance on the *non-monetary* aspects of linkages between poverty and conservation.

It is noteworthy that review of GEF effectiveness undertaken in 2001 for CBD COP VI (April 2002) noted that the GEF and implementing agencies need to improve their understanding of COP guidance and take measures to ensure such guidance is better implemented in GEF projects and programmes. It was also noted that the CBD COP should make its guidance more succinct to make it easier to implement and monitor.¹⁴³

Although some progress has been made in interpreting CBD guidance through the establishment of the GEF Biodiversity Task Force (Section 3.5), the 2004 Biodiversity Programme Study (BPS 2004) has again recommended that the GEF should provide clearer information on how it responds to CBD guidance.¹⁴⁴

¹⁴⁰ UNDP (nd) at page 2:

http://www.undp.org/gef/undp-gef_publications/publications/undp-gef_guidebook_english.doc

¹⁴¹ <http://www.gefweb.org/public/opstrat/ch2.htm>

¹⁴² COP VI Decision VI/17 at paragraph 10. in CBD (2003a) at page 776.

¹⁴³ CBD (2002)

¹⁴⁴ Dublin, H and Volonte, C (2004) at page 38.

Guidance relating to indigenous peoples and local communities

The COP has given guidance on several occasions in relation to Article 8j relating to access and benefit sharing.¹⁴⁵ For example: CBD – COP III in 1996 requested the GEF to work with the CBD Secretariat to:

... address the fair and equitable sharing of benefits arising out of genetic resources (and)...examine support of capacity building for indigenous and local communities...¹⁴⁶

In 2002, COP VI again requested that the GEF provide financial resources for:

... the enhancement of national capacities for the establishment and maintenance of mechanisms to protect traditional knowledge at national and sub-national levels, and for building the capacity of indigenous and local communities to develop strategies and systems for the protection of their traditional knowledge

In its report to COP VII in 2004, the GEF did not address in any detail its actions to protect traditional knowledge and does not deal at all with the question of poverty alleviation. The report briefly notes that five “enabling activity” projects supported since 2002 feature components dealing with traditional knowledge.¹⁴⁷ In relation to GEF projects to conserve dry land ecosystems and conserve agricultural biological diversity, mention is made of some GEF projects promoting traditional land use.¹⁴⁸ Surprisingly, the GEF report to CBD COP 7 did not address the issue of traditional knowledge in its portfolio under its operational programmes on forests (OP3) and coastal ecosystems (OP10).

COP7 guidance to the GEF

Surprisingly, until COP VII in 2004, the CBD COP had **not** given any guidance to the GEF in relation to protected areas nor in relation to the implementation of Article 10 on Sustainable Use. COP7 provided guidance in relation to CBD work programmes and the ecosystem approach that include principles and intergovernmental commitments in relation to indigenous and local communities. In this context, Decision VII/20 of COP7:

- Requests the GEF to support the implementation of the CBD programme of work on Protected Areas
- Invites the GEF to provide financial support for the implementation of the elaborated work programme on marine and coastal biodiversity
- Invites the GEF to provide financial support to assist in the implementation of the CBD Addis Ababa Principles and Guidelines on Sustainable Use at the national level
- Invites support for capacity-building efforts to ensure that development activities aimed at supporting the Millennium Development Goals are consistent with the objectives of the CBD and its 2010 target
- Requests support for the development of biodiversity indicators at the national level
- Invites the GEF to support the implementation of the ecosystem approach

The above COP7 guidance should have major repercussions for the way the GEF biodiversity portfolio and related GEF policies and priorities deal with indigenous peoples given that both the work programme on protected areas the Addis Ababa guidelines contain multiple goals and

¹⁴⁵ For a summary of CBD guidance prior to the GEF prior to COP 7, see CBD (2003d). On COP7 guidance, see Dublin, H *et al* (2004) *at* pages 115ff. See also <http://www.biodiv.org/financial/process.asp>

¹⁴⁶ CBD Decision III/5

¹⁴⁷ CBD (2003b) *at* 10, page 3

¹⁴⁸ *Ibid.* *at* pages 13-16.

targets and guidance in relation to indigenous peoples, governance, rights, equity and participation issues (Boxes 19 and 20, Section 6.7).

The GEF mandate is also established under its Operational Strategy (section 6). Of special note to this study is the affirmation that:

GEF activities will be designed so as to...be environmentally, *socially*, and financially sustainable” (Operational Strategy, Chapter 1, page 3) [emphasis added]

4.1 Incremental costs Principle

The application of the incremental costs rule in GEF financing has been criticised by civil society organisations and recipient governments alike since its introduction under the Montreal Protocol and its consolidation in the 1994 GEF Instrument. In short, this doctrine affirms that the GEF **will not fund local or national benefits**, but only the extra costs of global benefits.¹⁴⁹ Incremental cost analyses are mandatory for all full and medium-sized project proposals which must involve an incremental costs negotiation process prior to agreement of project design and budget between the proponent, implementing agency and GEF Operational Focal Point.¹⁵⁰ The UNDP guide to the GEF explains the principle as follows:

An incremental cost calculation separates the cost of programs aimed at achieving national goals (known as the ‘baseline’) from those aimed at achieving global environmental benefits (known as the ‘alternative’). Since the GEF only funds the incremental costs of the alternative scenario, this calculation determines the GEF portion of a project’s overall budget.¹⁵¹

In its various guides, the GEF tends to use climate-related projects as examples of the rationale underlying the incremental costs principle. Its web site gives the example of an energy project proposed by a government that might use fossil fuels or solar energy to generate power. As renewable technology tends to be more expensive than conventional fossil-fuel based technologies, the GEF grant would cover the *additional* cost or “increment” between the less expensive polluting technology and the costlier, but more environmentally sustainable option.¹⁵²

However, recipient governments, indigenous peoples’ organisations and NGOs maintain that the rule is overly complex when applied to biodiversity and natural resource projects, and presents obstacles that make it difficult for GEF projects to address local priorities. They add that incremental costs calculations and measures lack transparency, are arbitrary and are open to manipulation by project managers and Implementing Agencies. The GEF has sought to counter such criticisms by developing guidelines and recommending multi-stakeholder negotiations to agree incremental costs and co-finance among project proponents and implementing agencies. Nonetheless, criticisms of the incremental costs principle continue and many maintain that the whole approach is flawed [Box 13]. The 2004 Biodiversity Program Study confirms that:

“...the concept of incremental cost and its specific application in biodiversity remains highly problematic”¹⁵³

¹⁴⁹ Colchester, M (2003) at page 102.

¹⁵⁰ GEF (1999e) at page 9.

¹⁵¹ *UNDP-GEF Guidebook* at page 8

¹⁵² http://www.gefweb.org/Operational_Policies/Eligibility_Criteria/Incremental_Costs/incremental_costs.html

¹⁵³ Dublin, H and Volonte C (2004) at page 43.

Box 13: Problems with the GEF Incremental Costs Principle¹⁵⁴

The incremental costs criterion stipulates that national and local benefits are not financed by the GEF and have to be financed by other agencies. This is one of the key reasons why a great deal of GEF funds are disbursed as component projects linked to World Bank loans. For its part, the UNDP seeks to address local livelihood issues with funding from bilateral development agencies, while the Small Grants Programme has partly overcome the incremental costs rule, by developing its own project eligibility criteria. UNDP and World Bank staff admit that in practical situations the application of the principle is difficult and often arbitrary. In 1993, the Independent Evaluation of the GEF Pilot Phase (IEPP) concluded that:

“The attempt ... to draw distinctions between global and national environmental concerns and benefits has led to conceptual and, more important, practical problems in program applications and operations”

For Indigenous Peoples, the GEF’s ‘incremental costs criterion’ presents them with a difficulty as they must claim that GEF projects with them will bring primarily global benefits rather than local or national ones, placing them in an awkward relationship with national governments. In 1996, the Intergovernmental Panel on Forests *Independent Expert Group: Swiss-Peruvian Initiative on Forests* reported that:

“.. The IEG noted that indigenous peoples are concerned that strict application of the ‘global benefit’ criterion poses an obstacle to support for their initiatives”

During the 1998 *Study of the GEF’s Overall Performance*, many governments presented complaints to the review team regarding the incremental costs rules. They complained about its: “ ... lack of clarity or the process by which it is decided” and some maintained that the whole concept was “meaningless”.

In response to these ongoing criticisms the GEF has generated a whole series of documents, including guidelines for estimating global and domestic benefits and *Principles for the Agreement Process for Incremental Costs*. Implementing Agencies like the UNDP have also produced guidelines to try and explain the principle. The GEF plans to provide new clearer guidelines on incremental costs in 2005. The GEF project review criteria for incremental costs now stress “incremental reasoning”, rather than detailed economic quantification. Project proponents are therefore required to present the qualitative aspects of “incrementality”. However, when a proposal enters the GEF Work Program these elements must be translated into financial cost estimates, which remain central to GEF project review criteria.

Notwithstanding these recent initiatives, the incremental costs rule continues to generate tensions between the GEF, donor governments, recipients and civil society and to cause headaches for project managers. On the one hand, donor governments continue to maintain that the GEF tighten measures to ensure funds are used only for additional costs for global environmental outcomes. On the other hand, recipient governments request greater flexibility in use of the principle, while civil society and indigenous peoples maintain that the principle requires fundamental re-thinking to ensure that local and national benefits are properly addressed in GEF projects.

¹⁵⁴ Colchester, M (2000); Horta, K *et al* (2002) UNDP (nd); GEF (1999e) GEF (2002c) at page xiii

For their part, the GEF secretariat maintains that while formal GEF rules prohibit financing of local benefits, efforts are made during the project review process to ensure that overall project design and co-financing address both global and local benefits. However, the GEF secretariat concedes that this approach is not formalised in current GEF policies and it is hoped the Local Benefits Study will make recommendations in this regard.¹⁵⁵

4.2 Eligibility for GEF funding

GEF grants to meet “agreed incremental costs” to achieve global benefits are available for “recipient” countries that have ratified relevant environmental treaties and countries eligible for World Bank loans or UNDP technical assistance. Within these countries, any government department, private company, indigenous peoples’ organisation, civil society organisation, NGO or community organisation may submit a project proposal to any of the three main implementing agencies at any time. The project must be endorsed by the GEF Focal point in the recipient country. All proposals must:

- Be consistent with national priorities and programmes (“country ownership”)
- Address one or more GEF focal areas
- Target threats to the global environment
- Be consistent with the GEF *Operational Strategy* [Section 6]
- Comply with relevant GEF Operational Programmes [Section 6]
- Be consistent with international Conventions and their eligibility criteria¹⁵⁶
- Request financing *only* for the incremental costs of achieving global benefits
- Produce benefits to the global environment in ways that are *measurable*
- Involve the public in project design and implementation
- Provide full disclosure of information
- Be based on reliable scientific and technical information

As noted in 1.2.2, full-sized and medium-sized projects must also fulfil the GEF’s *Project Review Criteria* (Section 6.5). Eligibility for GEF support under the Small Grants Programme is more flexible where projects need not take place in areas with significant global biodiversity, though this is preferred (Section 5.2.1).

¹⁵⁵ GEFSEC, pers. Comm. December 2004.

¹⁵⁶ On criteria for GEF financing under the CBD, see GEF (1996) at pages 24-25

5 Implementing Mechanisms

The Instrument for the restructured GEF did not allocate a major implementation role to the GEF other than a requirement that the GEF Secretariat screen project proposals for compliance with GEF rules and compile guidelines on the project cycle and monitoring requirements for GEF projects (section 6).¹⁵⁷ In addition, the GEF Monitoring and Evaluation Unit may conduct reviews of implementation in selected projects or groups of projects in relation to specific themes (section 6.6). Under the 1994 instrument, the implementation of GEF projects was delegated by government participants to three implementing agencies (IAs): the World Bank, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

These agencies cooperate with the GEF and among themselves according to an inter-agency agreement annexed to the 1994 Instrument.¹⁵⁸ Each agency normally manages a specific project on their own, but in some cases large full-size projects may be jointly implemented by the agencies, with one acting as the lead agency. For example, the recently approved *Conservation and Management of the Eastern Arc Mountain Forests* in Tanzania (total finance of US\$51 million) is to be implemented by both the World Bank and UNDP. GEF projects are also administered on the ground by “Executing Agencies” that may include government ministries, scientific bodies, NGOs and various UN agencies and regional multilateral development banks (see below).

Confusion over implementation of GEF projects

The 2004 Biodiversity Program Study found that many GEF “partners” and “stakeholders” are not aware that the GEF Secretariat is not mandated to play a key role in project implementation, noting that: “...few understand that implementation lies exclusively with the Implementing Agencies (IAs)”. The authors add:

Not surprisingly, this basic misunderstanding leads to confusion and frustration when the GEF Secretariat does not respond directly to problems experienced by the executing agencies during implementation¹⁵⁹

Role of implementing agencies

GEF implementing agencies are responsible for identifying, preparing, implementing, supervising and monitoring GEF projects. The Implementing and Executing Agencies are therefore responsible for the five key phases of the project cycle:

- (i) concept development
- (ii) preparation
- (iii) appraisal
- (iv) approval,
- (v) implementation and supervision and
- (vi) closure and evaluation.

At specific stages in the cycle, the GEF Secretariat reviews the project and makes decisions on its status and suitability for inclusion in the GEF work programme (Section 6.5 and Annexes IV and

¹⁵⁷ GEF (1994b) at paragraph 21

¹⁵⁸ Ibid. at Annex D *Principles of Cooperation among the Implementing Agencies*

¹⁵⁹ Dublin, H and Volonte C (2004) at page 47.

V).¹⁶⁰ Each of the three implementing agencies is supposed to bring its own “comparative advantage” to the GEF. The World Bank is considered to have expertise in processing and implementing investment projects.

The UNDP has expertise in capacity building work and work with civil society, while UNEP provides scientific and analytical expertise. The share of the GEF portfolio is divided up according to these institutional strengths.

In reality, the division of labour between the implementing agencies has not proved to be very efficient as competition for funds has resulted in project duplication and struggles over project control. As Horta *et al* (2002: 14) observe:

The large, inflexible and competitive bureaucracies of the Implementing Agencies, dominated by the World Bank, have impeded the potential effectiveness of the GEF since its inception. Fierce competition for the GEF pot between the three Implementing Agencies undermined efforts to create a simple project cycle and approvals process and resulted in project overlap and duplication, particularly in the GEF’s early years

5.1 World Bank

The World Bank is one of the main implementing agencies for GEF projects. According to the GEF project database, the Bank has prepared and managed more than 375 GEF-financed and co-financed projects since 1991. Over two hundred (223) of these projects fall under the GEF Biodiversity Focal Area [Figure I]. Biodiversity projects implemented by the Bank have involved support for specific protected areas, biological corridors and national systems of protected areas as well as the establishment of trust funds for conservation. One early example of such a trust fund is the *Mgahinga and Bwindi Conservation Trust* established with GEF funding in 1991 in order to finance the management of the Bwindi Impenetrable National Park and the Mgahinga National Park in Uganda (see section 5).¹⁶¹ A more recent example is the *Peruvian National Trust Fund for Protected Areas*.

Scrutiny of the Bank’s GEF portfolio confirms that most of the projects it manages are full-sized projects, which normally run for six years. The average value of GEF co-financing in Bank-implemented projects is US\$8 million. Additional co-funding is usually raised as World Bank loans, as donations from bilateral development agencies and foreign ministries, and as counterpart funding from the recipient-borrower government. For example, the Ecodevelopment Project in India (1996-2003), was financed by a GEF Grant of US\$20 million and a World Bank (IDA) loan of US\$28 million. In the same way, the *Participatory Management of Protected Areas Project* in Peru involves a GEF grant of US\$14.8 million and US\$18 million in grants from the Netherlands Ministry of Foreign Affairs, KfW (Germany) and Government of Finland as well as US\$0.53 million counterpart funding from “local farmers organisations.”

The 1998 *Study of the GEF’s Overall Performance* found that World Bank project managers use GEF as an “add-on” to conventional, often destructive, investments to counter environmental criticisms. GEF co-financing is used to “sweeten” environmental conditionality on loans by helping to pay for the transaction costs of mitigation measures. The 1998 GEF Performance Study reported that in its pilot phase (1991-94) the GEF allocated US\$733 million of grants,

¹⁶⁰ For a detailed description of the GEF project cycle, see GEF (2003f)

¹⁶¹ Kenrick, J (2000)

which facilitated the lending of a further US\$ 2.24 billion of loans to Southern countries – increasing their debt burden.¹⁶²

Indigenous peoples' organisations and NGOs question the legitimacy of combining GEF grants with World Bank loans in environmental projects. They argue that in principle it is unjust to increase the national debt and burden on taxpayers for biodiversity conservation projects which are usually unable to generate sufficient income to repay foreign loans.

Poor implementation and deficient policies

Indigenous peoples and communities have also repeatedly criticised the World Bank for deficiencies in the implementation of its own safeguard policies, including its policy on Indigenous Peoples. The Bank has also been criticised for failing to ensure that the ongoing revision of its Indigenous peoples Policy upholds indigenous peoples' rights established under international law (see sections 2.1, 2.7.2 and 6.4).

World Bank-GEF Coordination

The World Bank has a *GEF Co-ordination Anchor* staff person in its Environment Department who is responsible for GEF programme development and coordination as well as budget management, monitoring and evaluation. In its Regional Vice Presidencies, the Bank employs *GEF Regional Coordinators*.¹⁶³ These Coordinators provide support to teams working on GEF-Bank projects to help them implement GEF operational policies and procedures. They also manage the GEF budget for the region and monitor GEF portfolio performance. The Bank also has *Technical Specialists* who provide technical support to the GEF Anchor and Regional Coordinators. Together these personnel form the Bank's GEF Coordination Team.

The International Finance Corporation (IFC) which is the private sector arm of the Bank, provides GEF funds to private sector clients through its Environmental Business Finance Programme (EBFP) financed by a US\$20 million grant.¹⁶⁴ This project builds on a previous IFC-GEF project (1998-2002) that established a US\$16 million *Terra Capital Fund* that supports investments in sustainable forestry, agriculture and ecotourism. The GEF also contributes a US\$1 million grant to the *Eco-Enterprises Fund* in Costa Rica which is co-financed by the IFC and the environmental NGO, The Nature Conservancy.¹⁶⁵ In Peru, the IFC-GEF is to support the development of a Forest Conservation Management Plan (FCMP) for 10,000 ha of forest linked to an ecotourism business known as *Inka Terra*. This study has not obtained information on the implications or impact of projects supported by these funds on indigenous peoples.

5.2 United Nations Development Programme (UNDP)

Since it became an Implementing Agency in 1994, the UNDP has implemented the greatest number of GEF projects (701) in the GEF focal areas of Biodiversity, Climate Change and International Waters. Under the Biodiversity Focal Area where UNDP has managed 371 projects, more than half of these GEF projects relate to enabling activities and to capacity building (Figure 4). In recent years, this particular capacity-building role has been reinforced under the GEF's new *Capacity Development Initiative* – CDI programme which is managed by the UNDP. The CDI involves "Assessment of Capacity Building Needs" of national government

¹⁶² Horta, K, Round R and Young Z (2002) at page 16.

¹⁶³ <http://lnweb18.worldbank.org/ESSD/envext.nsf/45ByDocName/WhosWho>

¹⁶⁴ International Finance Corporation (2004)

¹⁶⁵ IFC (2002) at page 7.

agencies to help them implement their commitments under the CBD, UNFCCC and other environmental treaties.

Like the World Bank, the UNDP is increasingly supporting the establishment of conservation trust funds for protected areas – such as the *Integrated Protected Areas Fund* for the *Samar Island Biodiversity Project*.¹⁶⁶

The UNDP has its own internal GEF team known as the *UNDP-GEF Group* whose task is to “support projects that simultaneously protect the global environment and promote the economic well-being of local stakeholders”.

At the country level, many UNDP Country Offices have a dedicated staff person to deal with GEF projects. The UNDP-GEF Group maintains a network of experts who support the preparation and monitoring of GEF projects. In the UNDP HQ in New York, there are five GEF *Regional Coordinators* who also provide help to project applicants and executing agencies. There is also a *Core GEF Unit* in HQ that oversees the GEF portfolio. This GEF team operate within the UNDP’s *Environmentally Sustainable Development Group*.¹⁶⁷

UNDP approach to biodiversity projects

The UNDP welcomes project proposals from civil society and has developed a guide for potential applicants on how to develop an eligible proposal.¹⁶⁸ Dedicated staff in the 138 UNDP national offices receive proposals and can help applicants obtain GEF Focal Point endorsement of a proposal.¹⁶⁹

It is noteworthy that the UNDP highlights that human communities can *enhance* the richness and value of ecosystems and that a core goal of all GEF-UNDP projects is to sustain livelihoods and apply the *ecosystem approach*.¹⁷⁰ UNDP biodiversity projects seek to promote the collaborative establishment and management of protected areas. In a review of its biodiversity projects the UNDP highlighted the following lessons in relation to social issues and biodiversity conservation:

- Human and institutional capacities must be strengthened to implement policies compatible with both sustainable livelihoods and biological conservation;
- Achievement of project goals often requires reform of national policies and legal frameworks. Such reforms need to be informed by social/scientific baseline studies;
- Multi-stakeholders groups must be involved in project design from the outset;
- Maintenance of crop and plant diversity must take into account the diversity of traditional knowledge and value social complexity.

The UNDP has undertaken a study on *Conserving Forest Biodiversity* as part of the UNDP-GEF “Lessons for the Future” series. This study reports that 58% of UNDP-GEF forest-related projects have promoted “demonstration of alternative and sustainable livelihoods” in ecotourism, sustainable forest management and agriculture and NTFP harvesting. The report does not, however, indicate the effectiveness of these interventions or the views of affected communities regarding the projects. Much of the evaluation focuses on the need for greater

¹⁶⁶ UNDP (2002a)

¹⁶⁷ http://www.undp.org/gef/undp-gef_about/undp-gef_about.html

¹⁶⁸ http://www.undp.org/gef/undp-gef_publications/publications/undp-gef_guidebook_english.doc

¹⁶⁹ Ibid. at page 4.

¹⁷⁰ UNDP (2002a)

support for forest law enforcement, but fails to highlight the social risks and complexities associated with legal enforcement programmes.¹⁷¹

Other than an examination of project documents and field trips to the recently approved TRIDOM project (Box 1, section 2), and direct field experience with the Medium-sized Amarakaeri project (section 2.2), plus a review of detailed case studies of UNDP projects in Papua New Guinea¹⁷², this study has not obtained additional independent information on the way UNDP projects deal with indigenous peoples. Scrutiny of several new UNDP/GEF biodiversity projects and projects under preparation indicates that UNDP projects are beginning to treat indigenous peoples as something more than just “beneficiaries”.

Some newer UNDP/GEF projects are beginning to address the concerns, livelihoods and resource rights of indigenous peoples. Examples of potential best practice in medium-sized projects noted by the UNDP/GEF team include: the Amarakaeri project in Peru already noted in section 2, as well as the *Conservation and Sustainable Use of Biodiversity in the Peruvian Amazon by the Indigenous Asháninka Population*, which includes a component to “consolidate the legal status and property rights of native communities;¹⁷³ the Zambales Project in the Philippines, which aims to support implementation of the Indigenous Peoples Rights Act (IPRA) and secure indigenous peoples’ land titles to the ancestral domains; a project in support of traditional farming systems in the Humahuaca region in Argentina; and the *Conservation and Sustainable use of Biological Diversity in Russia’s Taymir Peninsula*, which will support the revitalization of reindeer herding and traditional livelihood practices of indigenous communities.¹⁷⁴ This study has not been able to determine to what extent the design and budget of these projects have been endorsed by affected communities (see also section 7).

Treatment of indigenous peoples

The UNDP-GEF team advises that: “UNDP’s (2001) Policy of Engagement with Indigenous Peoples forms the guiding framework...” for UNDP’s implementation of GEF-funded projects.¹⁷⁵ At this stage, however, there has been no independent review completed to assess how this policy is or is not being applied in UNDP-GEF projects.¹⁷⁶ In late 2004, the UNDP-GEF team commenced a review of the impact of its GEF portfolio on local people, though it is not clear if this review will specifically address the quality of implementation of the UNDP policy on Indigenous Peoples.

Exploring a rights-based approach to development and conservation

In 2004 and 2005, the UNDP Civil Society Advisory Committee [which includes indigenous representative son the committee] is discussing how the UNDP can apply its rights-based approach to development to conservation projects.¹⁷⁷

As well as overseeing the general GEF portfolio, the UNDP-GEF Group administers three sub-programmes in support of the GEF. These are the:

¹⁷¹ Boyle, T (2003)

¹⁷² Van Helden, Flip (2001) and Van Helden, Flip and Jochem Scheemann (2000)

¹⁷³ GEF (2004k) at page 21

¹⁷⁴ UNDP/GEF team pers. comm. December 2004

¹⁷⁵ Email communication from Juha Uitto to T Griffiths, 10th December, 2004

¹⁷⁶ See Griffiths, T (2003)

¹⁷⁷ UNDP/GEF team, pers. comm. December 2004.

- ❑ Small Grants Programme
- ❑ Enabling Activity Support
- ❑ GEF Country Dialogue Workshops

5.2.1 UNDP-GEF Small Grants Programme¹⁷⁸

The GEF Small Grants Programme (SGP) has been running since 1992 and involves participating countries that each have a National Coordinator, National Selection Committee and a National Strategy for allocating grants of up to \$50,000 directly to communities and civil society organisations. These grants are provided for projects that aim to conserve the environment and provide benefits for local livelihoods.

The SGP is only administered by the UNDP which has a small central office in New York, and 53 country offices where day-to-day management is carried out by National Coordinators.¹⁷⁹

There are currently 73 countries participating in the SGP. Each country has a locally-recruited *National Coordinator* and a voluntary *National Steering Committee* (NSC). The membership of the NSC normally includes local NGOs, government, academia and UNDP country staff. NSC may *occasionally* also include co-funding donors, indigenous peoples' organisations and the private sector. Each participating country develops an *SGP Country Programme Strategy*.¹⁸⁰

Country strategies set out the goals for the programme and lay down GEF and national criteria for eligibility for funding, as well as themes or activities identified for priority funding.¹⁸¹ Although the general country programme must be approved by the national government, individual projects do not require separate government approval, though the government does have still a major say in project selection as National Steering Committees typically feature several government members.

The SGP decentralised structure is intended to encourage maximum "ownership" by countries and communities. In this way, project selection takes place at the national level and *does not require the approval of the GEF Council*. In addition, the incremental costs criterion is not strictly required for the approval of each SGP project as the GEF Council has ruled that the SGP goals are consistent with GEF objectives and operational strategy.¹⁸² Unlike other GEF projects, grants are therefore awarded through a decentralised decision-making structure.

The goals of the SGP are to:

- Develop community-level strategies to reduce threats to the global environment
- Collect and share lessons from community-level experience of successful strategies
- Build partnerships to strengthen community, NGO and national capacities
- Ensure conservation and development strategies are understood and practised by communities and other key "stakeholders".¹⁸³

Priority is given to activities that:

¹⁷⁸ <http://sgp.undp.org/>

¹⁷⁹ <http://sgp.undp.org/index.cfm?module=SGP&page=Contact>

¹⁸⁰ <http://www.undp.org/sgp/download/cps.htm>

¹⁸¹ See examples of SGP country strategies at: <http://www.undp.org/sgp/download/cps.htm>

¹⁸² Young (2002) [at](#) page 167

¹⁸³ UNDP (2002b) [at](#) page 7.

- Facilitate community participation in their design, implementation and evaluation
- Improve household and community access to “productive assets”, income and employment opportunities
- Consider gender roles and relationships, with a focus on the needs of women
- Recognise the role and importance of indigenous knowledge and resource management and of local institutions and patterns of social organisations
- Support technology adoption and diffusion and take account of local needs and priorities
- Expands community access to local sources of technical assistance
- Include local contributions and cost-sharing by stakeholders

SGP Portfolio

Over 60% of the SGP portfolio falls under the GEF’s Biodiversity focal area, while 16% deals with international waters and 13% with “multi-focal” issues. Since 1992, SGP has supported over 2,000 biodiversity projects. These have provided support for co-management of protected area buffer zones, income generating activities and livelihood enhancement as well as environmental education and community renewable energy projects. Of particular note is SGP support for community-owned and managed protected areas in Costa Rica, Mexico, the Philippines and Senegal.

The SGP also claims that the preservation of ancestral knowledge has been combined with new natural resource management technology in many of its projects. A number of projects have also supported the *in-situ* conservation of traditional crop diversity and the recovery and strengthening of traditional knowledge systems (e.g., conservation of indigenous potato varieties in upland Bolivia). Useful positive results of SGP projects in Ecuador are judged to be based on:

- High quality technical assistance for project design and implementation
- Inclusion of communities in project preparation and management
- Use of indigenous knowledge systems
- Rigorous monitoring by specialised NGOs during implementation
- Thorough evaluation and sharing of lessons learned across country programmes.¹⁸⁴

According to SGP reports, the programme has supported 500 projects that involve indigenous peoples in Africa, Asia and Latin America.¹⁸⁵ UNDP claims these projects have facilitated the conservation of indigenous knowledge systems and customary use of natural resources. Based on reports of SGP projects in Guatemala and Vietnam, the approach used to value indigenous knowledge tends to involve documenting such knowledge through inventories of plants and the establishment of nurseries as well as community education centres. It is not clear how consent, land tenure security and customary ownership and use rights are dealt with in these projects (see section 5).

In other projects, however, the SGP has worked directly with communities to help them secure their land and territorial rights. Examples of such projects include a grant to build the capacity of the Guaymir people in Costa Rica to protect the legal land title to their own reserve. Another example is a project to assist the communities in the Sabah forest of Malaysia to register their communal lands and combat illegal logging on their territory.¹⁸⁶

¹⁸⁴ UNDP (2002b) at page 17.

¹⁸⁵ Ibid at page 24.

¹⁸⁶ CBD (2003b) at page 11.

Though not without problems (section 5), the intended bottom-up approach of the Small Grants Programme and its focus on both local livelihood and global objectives has meant that NGOs, community-based organisations, and indigenous peoples' organisations have broadly welcomed this GEF-financed programme and have called for its expansion.

The *Second Overall GEF Performance Review* completed in 2002¹⁸⁷ and the *Third Independent Review of the Small Grants Programme* both concluded that there is an urgent need to expand and scale up the successful aspects of the SGP.¹⁸⁸ However, one consistent criticism from indigenous peoples' and local organisations has been that despite its decentralised structure, the SGP is still relatively difficult for small community organisations to access (section 2.3).

Efforts to improve access to SGP funds

SGP staff advise that they are taking measures to respond to these valid criticisms. In 2004, UNDP officials sought indigenous peoples' views on how the grant-making system may be improved in a workshop held on the margins of the Third UN Permanent Forum on Indigenous Issues.¹⁸⁹ In Guatemala, the SGP has introduced training for (mainly women) volunteer "SGP community promoters".

In order to facilitate the process of grant applications for local NGOs, CBOs and indigenous peoples, country programmes have also recently started to organize workshops and "write-shops" to help communities draft grant proposals to address their needs whilst meeting SGP criteria.¹⁹⁰ In Indonesia, the SGP has introduced the use of non-written video grant application procedures for indigenous forest communities in Sumatra (Box 2). Nonetheless, indigenous peoples still have questions about how this novel approach will be extended throughout the SGP portfolio (section 2.3).

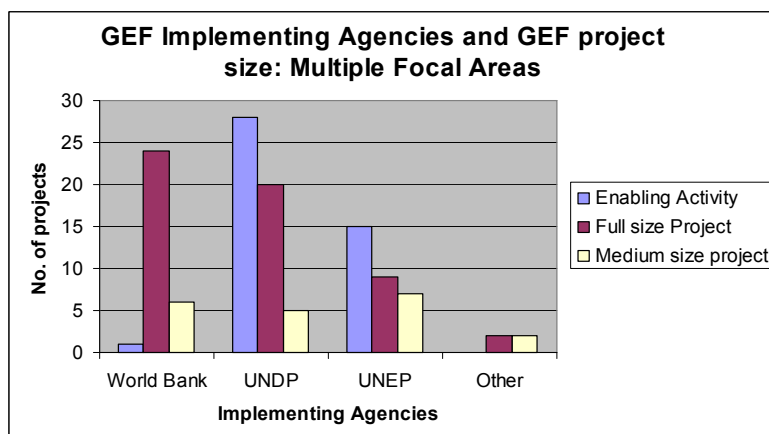
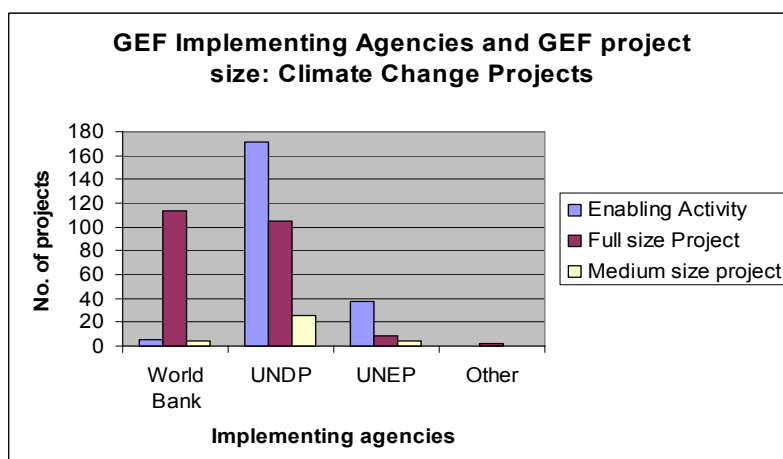
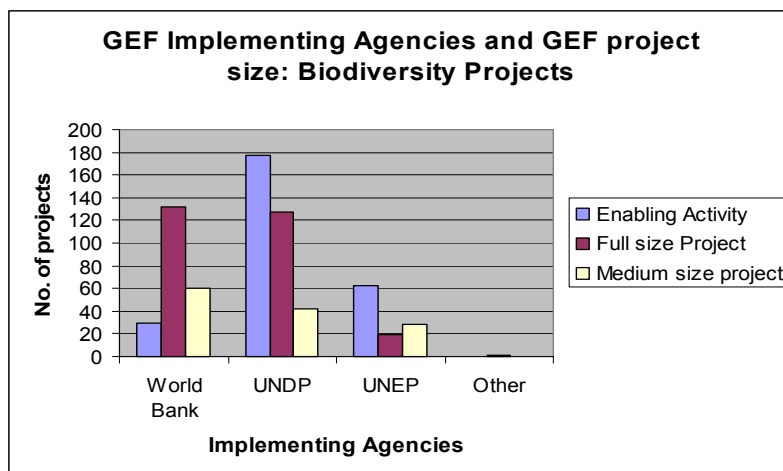
¹⁸⁷ GEF (2002c)

¹⁸⁸ Wells, M P, Hosain, M, Ogunseye, B and Tresierra, J C (2003)

¹⁸⁹ UNDP (2004a)

¹⁹⁰ Ibid.

Figure 4: Implementing Agency (IA) Share of GEF Portfolio across the Biodiversity, Climate Change and Multiple Focal Areas (Compiled from GEF Project List 1991-2003)¹⁹¹



¹⁹¹ For a detailed breakdown of IA shares of the GEF biodiversity portfolio, see Dublin, H and Volonte C (2004) at pages 26-31.

Box 14: GEF Small Grants Programme – Indonesia: Visual Proposal Development for Indigenous Peoples¹⁹²

In March 2004, the National Steering Committee of the Indonesia Small Grants Programme 2004 approved the introduction of video funding proposals for indigenous peoples and local communities in cases where written formats are culturally inappropriate. The first video proposal was compiled by the Orang Rimba people requesting funds for a project to support community protection of their forest lands adjacent to the Bukit Dua Belas National Park in Sumatra. The making of the video proposal was made possible in April and May 2004 with a GEF-SGP “planning grant”. The initiative relies on an intermediary multi-lingual anthropologist and outside film makers. However, SGP staff report that the activity fully respects customary law and respects the principle of free, prior and informed consent with regard to project design and agreements. In this regard, the contract for the project amended the usual requirement for 10% counterpart funding in cash from the community and introduced an in-kind contribution to make it consistent with the Orang Rimba wishes and ensure compatibility with their economic and cultural circumstances.

The Orang Rimba propose forming a “living fence” around their forest territory through the establishment of a series of gardens and settlements that will defend the forest against illegal loggers, oil palm companies and colonists.¹⁹³ The project will finance solar panels for the village schools so that young people may work on establishment of the territorial demarcation during the day and engage in study in the evenings. Preparation for the project proposal video has reportedly been useful as a tool for soft advocacy, education materials and has stimulated policy dialogue with national park and forest authorities.

Enabling Activity Support

UNDP is the lead Implementing Agency responsible for assisting countries to implement their commitments under the CBD and UNFCCC. To this end, a significant number of GEF projects managed by the UNDP have provided one-off grants to governments to formulate National Biodiversity Action Plans and Strategies (NBSAPs) and National Environmental Action Plans. Many projects have also assisted governments in compiling their national reports to international conventions. UNDP has provided US\$25 million for enabling activities in 88 countries. Careful scrutiny of these enabling activities and their implications for indigenous peoples is beyond the scope of this study (see also section 2.5 in Part I).

GEF Country Dialogue Workshops:¹⁹⁴

In 2001 and 2002 the UNDP supervised 26 Country Dialogue Workshops (CDW) which were supposed to promote “country ownership” of the GEF. Analysis of the reports of the workshops shows they were largely taken up by GEF and World Bank presentations and that there was not a great deal of time for participants to outline their priorities and concerns about the GEF.¹⁹⁵ The participant lists for the meetings show that most people present were IA staff or government agency staff and that NGO attendance tended to be limited.¹⁹⁶

¹⁹² GEF (2004b)

¹⁹³ GEF (2004c)

¹⁹⁴ See CDW web site at: <http://www.undp.org/gef/workshop/newsdi.htm>

¹⁹⁵ See GEF (2000c), GEF (2001a,b,c); Groupe-conseil Baastel (2002) at page 23

¹⁹⁶ Ibid, figure 9 at page 26.

An independent evaluation report recommended that any continuation of the Country Dialogue programme should ensure greater civil society participation. The GEF country dialogues primarily served as a form of “out reach” for the GEF, rather than being a space for feedback from citizens and rights holders affected by their portfolio. In a few cases, however, the CDW did result in the creation of GEF National Committees, which aim to ensure broad participation in GEF-related decision-making processes at the country level (e.g., Burkina Faso, Malawi, Vietnam and Ecuador). The same independent evaluation concluded that the main success of the initiative was informing governments about eligibility criteria and disseminating information on how to access GEF funds.

National Consultative Dialogue Initiative

The GEF Council in May 2003 approved a second phase to be managed by UNDP under a further \$5.2 million, four-year project known as the *National Consultative Dialogue Initiative*. The first component of the Dialogue Initiative will involve consultations with GEF national focal points in recipient countries. The second component will involve national “multi-stakeholder” consultations, which “may” involve indigenous peoples, local community and NGO participants.¹⁹⁷

5.3 United Nations Environment Programme

UNEP has developed and implemented 192 GEF projects since 1997. Of these, just over half (110) relate to biodiversity and most have been enabling activity grants. Such enabling projects include support to governments to report to the CBD and to formulate NBSAPs. UNEP also implements a few full size projects on protected areas and integrated ecosystem management (IEM) as well as pilot projects on sustainable use activities. UNEP claims that a key feature of its GEF biodiversity projects is the “involvement of local communities.”¹⁹⁸ However, this study has not identified any independent indigenous or NGO evaluations of GEF projects implemented by UNEP, and so cannot comment.

Observations made in this subsection are based primarily on information contained in UNEP documents. The IEM approach applied in UNEP projects involves participatory planning, conflict resolution, community-based management, local institution building and incentives for sustainable use of natural resources.¹⁹⁹ These projects often involve capacity-building components for government agencies and civil society.

One example is the GEF-UNEP project *Russian Federation-Integrated Ecosystem Management Approach to Conserve Biodiversity*. UNEP documents report that this project includes training for indigenous peoples in sustainable biodiversity management. It is noteworthy that the UNEP-managed IEM project to *Conserve Biodiversity in three selected areas in the Russian Arctic* will involve “training to restore and support traditional nature use, and the compilation of new and existing information for IEM plans, *including traditional knowledge*”.

UNEP documents and annual reports also indicate that it is implementing four full-size GEF projects in Latin America in partnership with the Organisation of American States to promote integrated land and water resource management. UNEP claims these projects promote “genuine public participation from all levels of society, especially local communities and indigenous

¹⁹⁷ <http://www.undp.org/gef/workshop/newsdi.htm>

¹⁹⁸ Ibid. at section 2.3, page 14.

¹⁹⁹ UNEP (2003) See <http://www.unep.org/gef/documents/Brochures/rad792F7.pdf>

people.” The projects cover the Bermejo River basin (Argentina, Bolivia), the Upper Paraguay River basin (Brazil), the São Francisco river basin (Brazil) and the San Juan River basin and Coastal Zone (Costa Rica, Nicaragua).

In its enabling activities linked to “multifocal” (MF) areas, UNEP has managed projects to enable countries to undertake National Capacity Needs Assessment for the Global Environment (NCSAs). A substantial part of the GEF-UNEP portfolio relates to projects to assist governments to deal with biosafety issues and the implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs). In Africa, UNEP has become involved in the New Partnership for Africa’s Development (NEPAD) via a GEF project on an *Action Plan on the Environment Component of NEPAD*.

UNEP activities in support of the GEF often involve projects undertaking global assessments to evaluate environmental quality and change. These include the GEF co-financed *Millennium Ecosystem Analysis* (MMA), the *Land Degradation in Drylands (LADA)* project, and the *Assessment of Impact and Adaptation to Climate Change (AIACC)* projects.

Between 1998 and 2002 UNEP also implemented a full-size global project on *People, Land Management, and Environmental Change* (in Ghana, Guinea, Kenya, Tanzania, Uganda, China, PNG and Brazil). UNEP reports that this project has harnessed traditional knowledge to conserve biological diversity and sustain rural livelihoods.

GEF-UNEP projects also aim to enable national and international access to “existing information” on crop wild relatives – for example through the *In-situ Conservation of Wild Crop Relatives through Enhanced Information Management and Filed Application*” which is being implemented in Bolivia, Madagascar, Sri Lanka, Armenia and Uzbekistan.²⁰⁰

Since the adoption of land degradation as a stand-alone GEF focal area in 2002, UNEP has also begun to develop and implement several full-size projects to assess and mitigate desertification and land degradation in transboundary ecosystems.

UNEP has also supported international policy dialogue on environmental issues and global negotiations. To this end, it has supported the Global Biodiversity Forum (GBF) which facilitates dialogue between governments and NGOs prior to CBD meetings. In 2002, UNEP also supported the 4th Conference of the International Alliance of Indigenous-Tribal Peoples of the Tropical Forests, which was held at UNEP HQ in Nairobi.

As noted in section 4.4, UNEP also hosts the Scientific and Technical Advisory Panel (STAP) of the GEF. In recent years, most of the scientific and policy work of the panel has focused on climate change and sustainable transport issues.

5.4 Executing Agencies

Between 1998 and 2000 the GEF Council approved an “expanded opportunities” initiative for GEF project preparation and implementation. This initiative enables GEF projects to be initiated and managed by regional development banks and different UN agencies. These include the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, the FAO, IFAD and the

²⁰⁰ Ibid.

United Nations Industrial Development Organisation (UNIDO).²⁰¹ An internet search conducted for this review has found that the Inter-American Development Bank is implementing a US\$2.82 million dollar GEF grant under the *Consolidation of Ecosystem Management and Biodiversity Conservation of the Bay Islands*, while the Asian Development Bank is implementing the controversial Sundarbans Conservation Project in Bangladesh (section 5) and a *Natural Resources and Poverty Alleviation Project* in Afghanistan.

As of January 2005, this review has not identified GEF biodiversity projects managed by IFAD, the African Development Bank, UNIDO or the EBRD. A few projects are beginning to be implemented by the FAO (GEF Project Status Report 2004).

5.5 Large NGOs in GEF Projects

Large NGOs are also identified as executing agencies in a significant number of GEF Projects. Over 150 projects are executed or co-executed by NGOs or NGOs are contracted or sub-contracted to implement project components. Scrutiny of the 2004 *GEF Operational Report* reveals that the most frequent NGO “partners” are WWF, The Nature Conservancy, Birdlife International and Conservation International (CI) and also national environmental and conservation NGOs and research institutions. Examples include the *Biodiversity and Conservation Management Project* in Cameroon (1995-2000) overseen by the World Bank as lead agency, but executed by Birdlife International and WWF-US in cooperation with bilateral agencies like CIDA and GTZ. This project provided support for the establishment of three National Parks in SE Cameroon, including Lobeke, Boumba Bek and Campo Ma’an. These parks directly affect local indigenous communities (section 2).

Another example of NGO involvement in GEF projects includes the *Komodo National Park Collaborative Management Initiative* in Indonesia, which involves the World Bank-IFC as lead agency and The Nature Conservancy (TNC) and a local tourism company as local implementing partners. This review has not been able to obtain information on how this project has or has not involved local communities and how it has dealt with rights and equity issues. However, the Komodo park authorities have been the subject of severe criticism from communities, fishermen and Indonesian social justice NGOs for their oppressive conservation methods. In one tragic case, conflict with local fishermen result in fatal shootings of local people by the authorities.²⁰²

The role of large conservation NGOs in GEF projects and their capacity to capture substantial sums of GEF funds is raising serious concerns among indigenous peoples and local civil society and community-based organisations.²⁰³ Problems with the policies and activities of big conservation NGOs have generated a series of public statements by indigenous peoples denouncing their activities in recent years. Despite these concerns, large conservation NGOs continue to press hard for more partnerships with multilateral donors like the GEF.²⁰⁴

²⁰¹ In practice, the GEF has allowed other agencies to prepare and execute its projects under the 1994 GEF Instrument (paragraph 28).

²⁰² Down to Earth (2003)

²⁰³ See, for example Chapin, M (2004) and Anderson (2004).

²⁰⁴ See, for example, Lapham, N and Livemore, R J (2003) at page 21.

5.5.1 Critical Ecosystem Partnership Fund

One example of such an existing GEF-NGO partnership, is the Critical Ecosystem Partnership Fund (CEPF), which has a fund of US\$114 million and is co-financed by a US\$25 million dollar GEF grant approved in 2000. The CEPF is a partnership receiving support from the GEF, the World Bank, MacArthur Foundation and government of Japan and is housed in and managed by Conservation International.

The CEPF programme intends to provide support to NGOs and “community and grassroots organisations” to conserve biodiversity in “biodiversity hotspots” in developing countries in Central and South America, Africa, Asia and the Asia-Pacific regions as well as North America, Europe and Central Asia. The CEPF web site affirms that funding is “specifically for civil society groups”. It is also stipulates that funds may not be used for the purchase of land, involuntary resettlement or the alteration of any physical or cultural property.²⁰⁵

The CEPF has several “strategic directions” for each region and each specific “hotspot” under which it allocates funding. In Latin America, the broad stated objectives are to:

- Stimulate landscape management initiatives led by civil society
- Promote sustainable development in communities near protected areas
- Encourage community-based biodiversity conservation
- Strengthen public awareness and environmental education
- Strengthen environmental and legal policy frameworks.

In Africa, CEPF objectives are to:

- Support civil society participation in the establishment of protected areas and management plans in biological corridors
- Develop conservation corridors
- Promote innovative private sector and community involvement in conservation landscapes surrounding biodiversity corridors
- Enhance private sector conservation initiatives
- Support civil society to create an enabling environment for conservation
- Establish a small grants fund for institutions working on conservation
- Raise public awareness.

In Asia, CEPF objectives are to:

- Develop and implement monitoring of biodiversity hotspots
- Support civil society-led initiatives to mitigate key threats to natural areas and species populations
- Build capacity of civil society to implement conservation efforts at site and regional levels
- Build civil society awareness of the benefits of conserving corridors of biodiversity
- Build alliances between conservation groups and the private sector
- Assess the impacts of conservation interventions.

²⁰⁵ Hotspot regions covered by the programme include: Mesoamerica, the Caribbean, Tropical Andes, Atlantic forest of northern South America, Pacific forest of Colombia and Ecuador, Central Chile, Madagascar and Indian Ocean Islands, Eastern Arc Mountain and Coastal Forests (Africa), Guinean Forests of West Africa, the Cape Floristic region of South Africa, the Philippines, New Caledonia, Polynesia and Micronesia, Wallacea and Sundaland, the mountains of SW China, the Indo-Burma region and the Western Ghats. See http://biodiversityhotspots.org/xp/Hotspots/hotspots_by_region/

Despite assertions that funds are to support community and grassroots organisations, the 2003 CEPF Annual Report indicates that a large proportion of funds under the programme have been issued to CI country offices and affiliate organisations or to major international NGOs such as WWF, Fauna and Flora International, Birdlife International and the Wildlife Conservation Society, as well as to consultancy firms, universities and research agencies. For example, in 2003 in the Asia region, out of a total of 41 grants made, 18 (44% of the number of grants) went to CI offices and projects, while 5 other relatively large grants were issued to international conservation NGOs including WWF and Birdlife International.²⁰⁶

Scrutiny of the list of CEPF grants in 2003 suggests that only a few grants have been issued directly to indigenous peoples' organisations (e.g., ecotourism in Panama). In contrast, a substantial proportion of CEPF funds have been directed towards support for conservation organisation efforts to protect particular wildlife species or to formulate management plans for protected areas (e.g., in Africa and Asia).

In Latin America, the CEPF has financed an exchange programme on ecotourism involving indigenous peoples from Peru, Bolivia and Ecuador. However, one controversial conclusion of this project was that autonomous self management of ecotourism business by indigenous communities is perhaps not the best option, and partnerships with outside companies and NGOs would be more effective.²⁰⁷ This conclusion seems to be at odds with the recommendations stemming from other meetings on indigenous peoples and ecotourism where indigenous organisations have called for greater autonomy and more direct support for collective community tourist enterprises.²⁰⁸

The CEPF has also financed the Environmental Law Institute to develop community projects on *Indigenous Peoples and Biodiversity Conservation in the Mesoamerican Hotspot*. However, although some concrete proposals were developed under the project, the CEPF has so far chosen not to finance them. In Bolivia, the CEPF has financed the Wildlife Conservation Society for a project for the *Sustainable Development and Natural Resource Conservation Capacity of Indigenous Community Groups in the buffer zones of Madidi National Park*. However, this review has not obtained independent information regarding the project.

5.5.2 Conservation Enterprise Fund (Verde Ventures)

Conservation International also administers a fund formerly known as the Biodiversity or Conservation Enterprise Fund, which is now known as the Verde Ventures.²⁰⁹ This fund invests in small businesses which work to conserve global biodiversity and was created in 1999 with a US\$1 million loan received from the International Finance Corporation's (IFC) Small and Medium Enterprise programme financed by a GEF grant.²¹⁰

To be eligible to obtain investment from Verde Ventures, a project must operate in a priority area of CI, including a biodiversity hotspot, a "tropical wilderness area" or a "marine priority area". The CI-managed fund has so far supported ecotourism companies in Peru and Belize. It has also financed a company called Forest Trade Inc. that specialises in certified organic and

²⁰⁶ CEPF Annual Report 2003 at pages 16-17.

²⁰⁷ Ibid. at page 18.

²⁰⁸ E.g., Amazon Alliance (2003)

²⁰⁹ <http://www.conservation.org/xp/verdeventures/faq/>

²¹⁰ <http://www.gm-unced.org/FIELD/Multi/GEF/CEF.htm> The IFC's SME programme has received 19.7 million from the GEF since 1994.

sustainably harvested species, essential oils and coffee from Guatemala and Indonesia. The objective of the company is to support sustainable production by farmers in buffer zones next to national parks. The farmers are offered “affordable credit” in exchange for commitments to stop hunting and stop using land inside protected areas.²¹¹

A similar Verdes Ventures project in Chiapas Mexico has created “incentives” for farmers to establish protected forests in the buffer zones adjacent to the *El Triunfo Biosphere Reserve* (a protected area that has drawn severe criticisms from local Mayan communities). This study has not obtained independent information on how these investments and funds have affected indigenous communities and participating households.

²¹¹ <http://www.conservation.org/xp/verdeventures/portfolio/forestrade.xml>

6 Standards and accountability

GEF policies and activities in support of biodiversity conservation and sustainable use must be consistent with the provisions of the CBD and be in full compliance with the guidance issued by the Conference of the Parties (section 4). GEF portfolios and projects must be consistent with the GEF's 1995 *Operational Strategy* and specific GEF policies and rules of procedure. Any specific project should also comply with the goals, principles and requirements set out in the corresponding *Operational Program(s)* under which it is classified. In addition, GEF projects must adhere to the internal policies and procedures of the Implementing Agencies **or** the principal executing agency (see below).

6.1 GEF Operational Strategy²¹²

All GEF-financed or co-financed activities must also be fully consistent with *ten operational principles* established in the Operational Strategy adopted by the GEF Council in 1995. Most of these principles deal with financial or eligibility criteria. Three principles are of potential relevance and importance to indigenous peoples and civil society affected by GEF projects:

- GEF projects will provide full disclosure of non-confidential information [Principle 6.]
- GEF projects will provide for full consultation with, and participation ... of the beneficiaries and affected groups of people [Principle 7.]
- The GEF will ensure that its programmes and project are monitored and evaluated on a regular basis [Principle 10.]

The Strategy also establishes that “ ... GEF activities will be designed so as to:

- Be consistent with national ... and regional initiatives
- Strive to ensure sustainability of global environmental benefits
- Reduce the risk caused by uncertainty
- Complement traditional development funding
- Facilitate effective responses by other entities to address global environmental issues
- Be environmentally, *socially* and financially sustainable (emphasis added)
- Avoid negative environmental impacts between focal areas”

The Strategy clarifies that one precondition for achieving global sustainability is: “*Public participation and consultation with major groups*” in accordance with the GEF Instrument and Agenda 21. It also affirms that in order to reduce risk and uncertainty the GEF portfolio will: “*finance programs and projects that address the underlying causes of global environmental deterioration, such as economic policy, legal and social issues ...*” It is significant that the Strategy does *not* require avoidance of negative social impacts – only environmental ones. Unfortunately, another glaring gap in the Strategy is its failure to properly establish standards and benchmarks for social and environmental sustainability. The Strategy only attempts to define *financial* sustainability. Towards the end of the document the Strategy does, however, make some important observations and stipulations in a brief discussion of social issues noting that:

²¹² <http://www.gefweb.org/public/opstrat/fw.html>

Issues of poverty, social development, sustainable livelihoods, and access to common property resources are closely linked to biodiversity conservation and sustainable use. Participation of affected stakeholders, including indigenous peoples, is of central importance, especially in the case of communities that reside inside protected areas or their immediate surroundings. Effective involvement of local people in biodiversity activities must be based on knowledge of their social, cultural, and economic context and their impacts on biological resources...

The Strategy goes on to note:

GEF activities will incorporate the lessons from implementing participatory approaches to community-based management of biodiversity projects. These include integrated conservation and development projects in which social needs are integrated into project design, co-management of resources ... and devolution of management to local groups and NGOs.

Despite some useful language and progressive principles on participation and transparency, overall, the Strategy suffers from its use of vague principles, fragmented and scarce operational requirements (like the need for social, cultural and environmental baseline studies noted above) and unclear guidance on GEF procedures and priorities for dealing with the proximate, intermediate and underlying causes of biodiversity loss.

The summary of indigenous experiences in section 2 in Part I indicates that key elements in the GEF existing Operational Strategy (e.g., prior understanding of local resource use and its impacts on biodiversity, addressing the causes of biodiversity loss) are not being implemented in some GEF projects.

6.2 GEF policies, rules and procedures

The GEF has only a few specific operational and procedural policies. These include:

- ❑ A Public Involvement Policy, 1996²¹³
- ❑ Rules of Procedure for the GEF Council, updated 2000²¹⁴
- ❑ A Monitoring and Evaluation Policy, January 2002²¹⁵
- ❑ GEF Project Cycle, updated November 2003²¹⁶

in GEF Council meetings, NGOs and indigenous peoples' organisations have pressed the GEF to adopt more specific social and environmental operational policies, but these requests have reportedly been resisted by the Implementing Agencies, particularly by the World Bank.²¹⁷ For this reason, although the GEF has since 1994 adopted a generally understood rule that it does not fund involuntary resettlement; this crucial institutional safeguard has yet to be consolidated in official GEF policies.²¹⁸

²¹³ http://www.gefweb.org/Operational_Policies/public_involvement/public_involvement.html

²¹⁴ http://www.gefweb.org/participants/Council/Council_Rules/English_Council_Rules.pdf

²¹⁵ http://www.gefweb.org/M_E_Policies_and_Procedures.pdf

²¹⁶ http://thegef.org/Documents/Council_Documents/GEF_C22/Project_Cycle_Update__FINAL__Nov_5_+2003.pdf

²¹⁷ Horta, pers. comm. December 2003.

²¹⁸ Horta K, Round X and Young, Z (2002) *op. cit.* at page 21.

The few GEF policies that do exist do contain some useful provisions and clarifications on roles, responsibilities and procedure that could be invoked by citizens and rights holders affected by GEF projects (Section 3.2.1 and 6.5). It is noteworthy that the GEF is one of the few international financial institutions to develop a stand-alone public participation policy (Box 15).²¹⁹ Some key requirements of the policy are that:

- The GEF secretariat, Implementing Agencies and Executing Agencies take practical and budgetary measures to ensure *effective* public participation in GEF projects;
- Affected groups and communities are involved throughout the project cycle beginning at “the earliest phase of project identification and throughout design, implementation, and evaluation”;
- Project-specific public consultations are undertaken, especially at the *local* or *sub-national* levels;
- Public participation activities are documented for all GEF projects.

The policy explicitly notes that consultation with indigenous peoples and local communities may require special measures and budgets to ensure effective participation.

6.3 Operational Programs

GEF projects must be also consistent with the provisions of relevant *Operational Programs* (OPs) for thematic issues within each GEF focal area. As noted in section 1, the GEF now has 15 Operational Program based on guidance from the global conventions, the GEF Council and the GEF Assembly. Operational Programs are intended to provide a basic framework for the preparation and design of GEF projects within each focal area.

In relation to biodiversity, the GEF has six OPs (4 created under the BD focal area, and two related to it):

- Arid ecosystems (OP1)
- Coastal, marine and freshwater ecosystems (OP2)
- Forest ecosystems (OP3)
- Mountain ecosystems (OP4)
- Integrated ecosystem management (OP12)
- Conservation and sustainable use of biodiversity of importance to agriculture (OP13).

Most of these OPs contain broadly the same structure and content – and stipulate, among other requirements, that all GEF projects must:

... clarify the conditions of cooperation and contain transparent mechanisms to ensure active participation of relevant stakeholders in the planning, implementation and monitoring of project activities [e.g., OP2: 2.23].

The OPs also recognise that GEF projects should “incorporat(e) the knowledge of local and indigenous communities”(e.g., OP2 at paragraph 2.1.9(b)). Of particular importance is the assertion made in its OPs that the GEF applies the CBD *Ecosystem Approach* to its biodiversity portfolio. The rationale for Principle 1 of the approach recognises that:

²¹⁹ See Griffiths, T (2003)

... Indigenous peoples and other local communities living on the land are important stakeholders and their rights and interests should be recognised. Both cultural and biological diversity are central components of the ecosystem approach ...

Notwithstanding the potential usefulness of some GEF standards, the GEF Operational Programs (OPs) establish some key objectives for biodiversity projects, which could be at odds with the rights of indigenous peoples and local communities – particularly where GEF projects are implemented within government frameworks that still apply exclusionary and anti-people models of conservation. Namely, biodiversity program objectives to:

- i. Establish and strengthen protected areas (e.g., OP2: 2.8(a), OP3: 3.1.5(a))
- ii. Ensure sustainable use through combinations of “strict protection” of reserves, multiple use and full scale use (e.g., OP2: 2.8(b))
- iii. Remove “threats” to biodiversity e.g., through reduced “encroachment” and reduced human pressure (e.g., OP3: 3.1.5(b))
- iv. Ensure local communities “accept and respect” the boundaries of local conservation units e.g., OP2: 2.1.9(a) (via participatory processes, community “development” and money-based **alternative livelihoods**).

In addition, there are disturbing variations on key issues across the different OPs. For example, the OP for coastal and marine ecosystems established that outcomes “would be” monitored and evaluated by measuring key indicators of ecosystem structure *and* sustainable use, including:

- Impacts on the livelihoods and participation of indigenous and local communities [OP2: 2.1.2.e]
- Impacts on biodiversity of indigenous and local communities [OP2: 2.1.2.e]

However, OP3 on Forests does **not** suggest any such social indicators (Box 16). In the same way, while OP4 on Mountain Ecosystems rightly allows for integrated land use development, sustainable management and poverty alleviation programs, and tenure reform and land titling **in** and around protected mountain areas, OP3 only allows these GEF-financed activities in buffer zones *outside* forest protected areas (Box 16). Likewise, OP4 recognises that best practice aims to ensure that: “programs are culturally sound, that they fit local customs and gain strength from community dynamics.” This component is missing from OP3.

Box 15: GEF (1996) Guidelines on Public Involvement in Projects Financed by the GEF [emphasis added]

Available (English only) at:

http://www.gefweb.org/Operational_Policies/public_involvement/public_involvement.html

Status: An operational policy adopted by the GEF Council in April 1996.

Implementation responsibility: Recipient country and Implementing Agencies (World Bank, UNDP or UNEP as appropriate).

Coverage: The principles and requirements will be applied by the GEF Secretariat, the Implementing Agencies (IAs) and project executing agencies (government agencies, UN agencies, NGOs etc.) and other relevant bodies.

Definitions

Public involvement consists of 3 processes: information dissemination, consultation and “stakeholder” participation. (para. 5)

Stakeholder: individuals, groups or institutions that have an interest in the outcome of a GEF-financed project (para. 5.)

Stakeholder participation: “ ... where stakeholders collaboratively engage ... in the identification of project concepts and objectives, selection of sites, design and implementation of activities, and monitoring and evaluation of projects.”

Principles of Public Involvement

- ... to be socially sustainable, projects should, as appropriate, address the social, cultural, and economic needs of people affected by GEF-financed projects [II.10]
- ... relevant social issues will be taken into account in the design, implementation, and evaluation of projects [II.10]
- Governments should promote public involvement in the identification of project concepts and throughout the project cycle, with the help of the Implementing Agencies [II.11]
- The Implementing Agencies will work closely with governments and project executing agencies to involve stakeholders at the earliest phase of project identification and throughout design, implementation, and evaluation [II.11]
- ... “all public involvement activities should be based on local needs and conditions ... biodiversity projects affecting indigenous communities may require more extensive stakeholder participation than global projects which focus on technical assistance and capacity building at the national and regional levels” [II.12]
- ... **The Implementing Agencies will include in project budgets, as needed, the financial and technical assistance necessary for recipient governments and project executing agencies to ensure effective public involvement**
- The Implementing Agencies will work with governments and project executing agencies to ensure ... (a) accessible information to as many stakeholders as possible; (b) ... broad as well as project-specific consultations, especially at the *local* or *sub-national* levels; and (c) ... participation of stakeholder groups throughout the project cycle ... (including) awareness raising and capacity strengthening activities [II.13]
- **Public involvement activities will be conducted in a transparent and open manner. All GEF-financed projects should have full documentation of public involvement activities**

- The GEF Secretariat will undertake the following to facilitate effective public involvement in all GEF-financed projects ... including participation in design, planning, implementation, monitoring and evaluation [II.15]
- The GEF Secretariat will ... Ensure that funding is available to recipient governments, executing agencies, and, as appropriate, NGOs for conducting effective public involvement ... [II.15]

The Implementing Agencies will develop guidelines for public involvement in their own GEF-financed projects, and should include ... Modalities for incorporating public involvement in projects, and addressing social issues, starting at the earliest stages of the project cycle, and recognizing the difficulties and long-term nature of cultivating local participation **and** Financing options during project preparation, and within project budgets, to facilitate design and implementation of public involvement activities ... including involvement of local groups ... ; [II.16]

6.4 Policies of Implementing Agencies

Project design and implementation must also comply with the internal operational policies of the implementing agencies (IAs).

World Bank

Where the Bank acts as the lead implementing agency, GEF projects affecting indigenous peoples must comply with the Bank's mandatory policy on Indigenous Peoples (OD4.20). Key elements that Bank staff are expected to observe in applying OD4.20 include:

- a clear government commitment to adhere to the World Bank's policy
- acceptable mechanisms are in place to ensure participation in the full project cycle
- an Indigenous Peoples' Component or Plan is developed which:
 - makes an assessment of the national legal framework regarding indigenous peoples
 - provides baseline data about the indigenous peoples to be affected
 - establishes a mechanism for the legal recognition of indigenous peoples' rights, especially tenure rights
 - includes sub-components in health care, education, legal assistance and institution building
 - provides for capacity-building of the government agency dealing with indigenous peoples
 - establishes a clear schedule for fitting actions related to indigenous peoples into the overall project, with a clear and adequate budget
- final contracts and disbursements are conditional on government compliance with these measures.²²⁰

²²⁰ <http://wbln0018.worldbank.org/Institutional/Manuals/OpManual.nsf/toc2/0F7D6F3F04DD70398525672C007D08ED?OpenDocument>

Box 16: A summary of some provisions contained in the GEF Operational Programme Number 3: forest ecosystems [emphasis added]

http://www.gefweb.org/Operational_Policies/Operational_Programs/OP_3_English.pdf

Application of CBD Ecosystem Approach: The second COP reaffirmed that “the ecosystem approach should be the primary framework of action to be taken under the Convention” ... The ecosystems approach is followed in Operational Programs ... [3.4]

Objectives: **Conservation** or *in-situ* protection of old growth forests and mature secondary forests by **establishing and strengthening systems of protected areas** [3.9.a.]; **Sustainable use forest management** through combining production, socio-economic and biodiversity goals with a range of land uses including combinations of **strict protection** of reserves, multiple use and full-scale use [3.9.].

Scope: Priority forest areas including areas of: high endemism; high ecosystem, species and genome diversity; high distinctiveness; importance to migratory species; importance as spawning and nursery grounds; habitat or species under threat; **high social, economic, cultural or scientific value**; composition shaped only by a limited extent by human activities [3.10.a.]

Expected outputs: **Protected Areas** are established with effective management plans [3.1.5.a.]; **Threat Removal** e.g., through reduced “encroachment” [3.1.5.b.]; **Sectoral Integration**, including integrated community development addressing livelihood issues of local and indigenous communities living in *buffer zone* areas [3.1.5.c.]; **Sustainable Use**. Sustainable logging and other forest industries [3.1.5.d.]. **Institutional strengthening**. Stronger institutions and well trained staff [3.1.5.e]

Monitoring outcomes: Surveys of forest cover, structure and composition; Population of invasive species; Abundance of keystone species; Ecological surveys in protected forest areas; Integrity of forest ecosystem [3.1.2] [NO social, cultural and livelihood indicators are included]

Means of implementation of OP3: The GEF can support investment, technical assistance, capacity-building, public education, policy work and targeted research.

GEF Conservation Activities: Typical activities are: demarcating, gazetting, **strengthening and consolidating forest protected areas**; remedial actions in forests under threat ... identifying processes and activities that have or are likely to have adverse impacts on biodiversity; controlling alien species and capacity building for biosafety; piloting activities and tools, such as rapid ecological/**social assessment**; data analysis; conservation of biodiversity important to agriculture; “supporting **capacity-building** efforts that promote the preservation and maintenance of **indigenous and local communities’** knowledge, innovation, and practices relevant to conservation of biological diversity, **with their prior informed consent and participation** [3.17.j.] ...

GEF Sustainable Use Activities “Typical GEF sustainable development activities would be in areas *surrounding* critical habitats”. In addition ... “consistent with the incremental cost approach” ... the GEF can finance: ... integrated pilot projects for **alternative livelihood projects** to local and indigenous communities *residing in buffer zones*; integrated **conservation and development projects** *around* protected forests; **participatory management** of natural resources, and **alternative livelihoods; tenure reform and land**

titling in *buffer zones*; sustainable production and use of natural products; community woodlots to reduce pressure on protected forests; sustainable logging regimes ...; [and] **capacity building for indigenous and local communities for maintenance of traditional and local knowledge** [3.1.8]

Addressing project risks: Projects will address risks to desired outputs by (a) Using and adapting **best practice** and **baseline indicators** to monitor impacts (b) “Ensuring that local communities accept and respect the boundaries of protected forests” ... (by) scaling up and expanding successful community development, participation; and incorporating the knowledge of local and indigenous communities[3.1.9.b.]

Public involvement: There should be: “emphasis on local participation and local stakeholders” [3.22a.]. “Strategic partnerships will be sought, where possible, among relevant stakeholders (e.g., government, NGOs, academia, the private sector, local communities, and indigenous groups) ... on the basis of comparative advantage ... Partnerships will be appropriate to local conditions and build on local expertise [3.2.3]

Resources: “GEF resources will be used to meet the incremental costs of activities in this Operational Programme” ... [3.2.4]

Problems with the Bank’s existing policies

The World Bank is currently revising its Indigenous Peoples Policy. This policy revision has caused considerable controversy as indigenous peoples had complained that the World Bank had not incorporated their recommendations into its 2001 revised draft, which was consequently rejected by indigenous peoples. In response, the Bank released a further revised policy in December 2004. This document has partially addressed indigenous concerns, but shortcomings and potential loopholes in the draft policy remain, particularly in relation to the issue of free, prior and informed consent.²²¹ In January 2005, it is still not clear how indigenous peoples will view the latest draft. The World Bank’s new 2002 Forest Policy has also been criticised for its narrow focus on commercial timber production and certification, its lack of adequate social safeguards, and its failure to require Borrowers to adhere to human rights instruments they have already ratified. More generally, civil society organisations have criticised the Bank’s policy framework for the lack of a specific policy for social assessment to properly identify potential social and cultural impacts prior to the approval of Bank projects. The Bank’s resettlement policy has also been criticised by indigenous peoples (Box 17). At the same time, in 2005, there is now growing controversy over the World Bank’s plans to rely on country systems for social and environmental safeguard work.²²²

Policies and policy gaps of other agencies

For its part, the UNDP has a mandatory information disclosure policy. It also has a good practice policy on Indigenous Peoples, which, like the Bank’s policy, advises that action should be taken to address land tenure issues.²²³ The UNDP policy recommends that all UNDP projects should “promote and support the right of indigenous peoples to *free, prior and informed consent* (FPIC) with regard to development planning and decision making that may affect them.” The UNDP is also currently developing a policy on Access and Benefit Sharing and

²²¹ FPP (2004b)

²²² International Rivers Network (2005)

²²³ <http://www.undp.org/policy/docs/policynotes/IP%20Policy%20English.pdf>

Traditional Knowledge which is seeking to develop clear operational guidelines for respecting the FPIC principle in UNDP operations dealing with traditional knowledge.²²⁴

UNEP does not possess a specific policy on Indigenous Peoples. Among the other executing agencies only the Asian Development Bank has a specific Indigenous Peoples Policy (also criticised by the indigenous peoples for falling short of their internationally agreed human rights). The GEF document on its Project Cycle affirms that where one of the main Implementing Agencies sub-contracts another Executing Agency (ExA) to carry out project implementation, then GEF policies and procedures and any internal policies of the Executing Agency will apply to the project.

Defective policy implementation

Despite a series of initiatives to improve mainstreaming of social and environmental issues in projects managed by GEF implementing agencies, problems in the implementation of IA internal policies, particularly at the World Bank, remain (see sections 2.1, 2.7.2 and 7. See also OED 2002). A recent review of the implementation of the World Bank's Indigenous Peoples Policy found that more than half of projects adversely affecting indigenous peoples were found to have "... inadequate measures to mitigate the adverse impact of the project activities".²²⁵ UNDP has not yet reviewed implementation of its IP policy. However, there are some indications that the UNDP is struggling to implement its Indigenous Peoples Policy in some of its other projects (not GEF projects).²²⁶ In relation to the GEF-assisted TRIDOM project in Central Africa, there are already signs (based on FPP fieldwork) that public participation, notably of indigenous peoples, was limited during project preparation and remains poor in the initial stages of implementation (Box 1, section 2).²²⁷

Ambiguities, confusion and contradictions

The variation in policies and requirements between the GEF and IAs and between different IAs has at times created ambiguities and tensions in relation to standards and accountability in GEF projects. In this regard, the 2004 Biodiversity Program Study notes that the variation notes that implementing and executing agencies and others affected by GEF projects:

...find it difficult to separate the rules and procedures of the three IAs from those of the GEF.²²⁸

Until 2002, for example, despite being one of the GEF's main implementing agencies and even though the GEF requires that end of project evaluations are made public for all its projects, the World Bank refused to disclose its Implementation Completion Report (ICR) for the GEF projects it managed. Due to intense civil society pressure for greater information disclosure at the World Bank, the Bank's new Information Disclosure project requires all ICRs to be publicly disclosed once approved by the Bank's Board. Scrutiny of GEF-World Bank Projects closed after 2002, confirms that these documents are now being posted on the Bank's project database.

Despite recent resolution of some policy contradictions between the GEF and IAs, ambiguities in other applicable standards remain. For example, in relation to the controversial issue of resettlement, the UNDP seemingly prohibits resettlement of indigenous peoples without their

²²⁴ UNDP (2004b)

²²⁵ OED (2003a), (2003b).

²²⁶ e.g., Parbatya Chattagram Jana Samhati Samiti – PCJSS (2003)

²²⁷ Nelson, J pers. Comm. January 2005.

²²⁸ Dublin, H and Volonte, C (2004) at page 47.

prior informed consent, while the World Bank still permits such involuntary resettlement where “it is not feasible to avoid” displacement (OP4.12 para 9). This Bank policy has been condemned by indigenous peoples and human rights organisations for being at odds with international law that provides protections against the forced resettlement of indigenous peoples.²²⁹

For its part, the GEF does not formally prohibit forced resettlement in any public GEF policy or rule. The GEF still allows resettlement as part of project design without no qualifying safeguard rules or procedures (Box 17).

6.5 Accountability and compliance mechanisms

The GEF Secretariat is accountable to its Council and to the 176 participant governments in the GEF Assembly. In the area of biodiversity, the GEF as a whole is accountable to the Conference of the Parties of the CBD. The GEF therefore reports to each COP on its portfolio and activities in support of the Convention and also presents its monitoring and evaluation reports to the CBD (section 6.6).

The Secretariat is responsible for ensuring that GEF Council decisions are translated into action in GEF programmes and projects. The Secretariat is also responsible for ensuring that GEF policies and programmes are properly implemented.

GEF Projects are screened at four “decisions points” in the GEF project cycle. At the first point, a project Concept Document is reviewed to ensure it meets the general objectives of the GEF. At that stage, a *Concept Agreement* is made and the project enters the *GEF pipeline*.²³⁰ Once a concept has passed the pipeline stages, the Implementing Agency and/or Executing Agency commences detailed preparation of the project.

²²⁹ See, Mackay, F (2002) at pages 578-9 and 612-619.

²³⁰ For a detailed description of these procedures, see GEF (2003f) at pages 7-8. For current proposed GEF projects in this “pipeline”, see <http://www.gefonline.org/pipelinelist.cfm>

Box 17: Treatment of Resettlement and Restrictions on Resource Use in GEF projects²³¹

Precise information on the scale of resettlement and involuntary restrictions on resource use and access in GEF biodiversity projects is not readily available. However a 2004 review undertaken by the World Bank found that 17% (out of a sample of 48) triggered the Bank's policy on resettlement (see below). Scrutiny of 12 GEF projects in Central Africa undertaken for this study found that 9 of the projects proposed resettlement or restrictions on local resource use. In Asia, involuntary relocation, "voluntary" resettlement or resource use restrictions still occur in GEF conservation projects (e.g., IEP, India).

Severe potential negative impacts on Indigenous Peoples

Numerous studies have confirmed that resettlement often results in the impoverishment and social and cultural disintegration of displaced communities (e.g., Cernea and Schmidt-Soltau 2003). In the case of indigenous peoples, forcible resettlement can have devastating impacts as such relocation cuts their cultural, spiritual and economic relationships with their ancestral lands. The UN Sub-Commission on Human Rights has observed that relocation of indigenous peoples involving land loss "constitutes a principal factor in the process of ethnocide". Given the serious negative impacts of relocation, international law requires that consent be obtained prior to resettlement of indigenous and tribal peoples due to their unique connection with their lands and resources.

Policy gap at the GEF

While the GEF has reportedly decided not to fund involuntary resettlement, its 1996 project cycle guidelines still allow for "resettlement", which is not defined nor qualified in any way (see *The GEF Project Cycle (1996)* at paragraph d(iv), page 10)). The GEF does not have a written policy or rule that prohibits involuntary resettlement of indigenous peoples in GEF projects. Resettlement and resource restriction components feature in GEF conservation projects in Latin America, Africa and Asia.

UNDP Policy: <http://www.undp.org/policy/docs/policynotes/IP%20Policy%20English.pdf>

The UNDP does not have a specific policy on resettlement, but its 2001 policy on Indigenous Peoples affirms that: "Special attention is needed on issues of resettlement ... and any form of assimilation or integration by other cultures or ways of life imposed on them without free, prior informed consent" The UNDP has not yet undertaken an evaluation of the quality of implementation of its 2001 policy.

World Bank Policy (OP/BP4.12):

<http://lnweb18.worldbank.org/ESSD/sdvext.nsf/52ByDocName/InvoluntaryResettlement>
Although project managers are required to "explore all viable alternative project designs to avoid, where feasible, or minimize displacement", OP4.12 does **not** require free prior and informed consent of indigenous peoples prior to relocation. For this reason, the policy has been strongly criticised for being at odds with international law. The policy has also been criticised for applying a discriminatory two-tier approach to resettlement. Normal investment projects require a fully informed resettlement action plan (RAP) based on social assessments and public participation *prior* to project approval. In contrast, protected area projects only require the Borrower to prepare a "process framework" that simply outlines their plans for addressing relocation or involuntary

²³¹ GEF/World Bank presentation to WCC Bangkok, November 2004; Caruso, E (2004). See especially, MacKay (2002) at pages 612-619. See also Griffiths (2003).

restrictions on resource use and plans for public participation during project *implementation*. The Banks process approach which leaves detailed field work and participation to the implementation phase is not consistent with repeated GEF evaluations that have called for mandatory baseline studies and social assessment *prior* to project approval.²³² As well as being contrary to international human rights law, the failure of OP4.12 to respect the right of indigenous peoples to free prior and informed consent (FPIC) in relation to protected areas and resettlement is contrary to the commitments of most countries under the CBD (Decision VII/23 on protected areas and Convention Articles 8j and 10c etc).

UNEP and GEF executing agencies

UNEP and most executing agencies do not have a policy on resettlement or indigenous peoples. Exceptions include the Inter-American Development Bank and Asian Development Bank (ADB). The ADB does not prohibit forced resettlement. In contrast, it is noteworthy that the IDB **does** have a mandatory operational policy that prohibits relocation of indigenous peoples without their free prior and informed consent.

Project screening and approval procedures

The Secretariat reviews project concepts, proposals and full-size project documents submitted by the Implementing Agencies to determine that they are in conformity with the ten general principles of the GEF Operational Strategy.²³³ The Secretariat reviews the project documents to ensure project proposals:

- meet the GEF eligibility criteria
- are endorsed by GEF country focal point
- satisfy the *requirements* of the relevant Operational Program
- are in conformity with the GEF Business Plan
- are consistent with “country ownership”
- are linked to national policies, strategies and action plans
- have been subjected to a technical review by a member of the STAP roster of experts
- are amended in accordance with the recommendations of the expert reviewers
- address technology cooperation and transfer
- promote sustainable natural resource use
- include Environmental Assessment and mitigation measures if necessary
- include social assessment and consultation including:
 - demonstration of local participation in project preparation
 - measures to address the role of local communities
 - measures to address the role of indigenous peoples
 - *resettlement plans, if human population are to be resettled*
 - plans for environmental education
 - gender considerations
- comply with financial rules
- apply the incremental costs principle correctly
- provide for monitoring and evaluation

²³² For a critique of the World Bank’s process approach to social and environmental issues, see Griffiths and Colchester, M (2000)

²³³ GEF (2003f) at para. 19, page 5.

- are designed according to lessons from any prior final evaluation (if a project is a continuation of a previous one)²³⁴

Cleared projects are collected into a draft work programme and submitted for discussion by the *GEF Operations Committee* (GEFOP). Once passed by GEFOP, all full-size projects are submitted for review by the GEF Council at the end of the project preparation cycle with final project summaries for approval and inclusion in the GEF work programme. Projects are approved together as a package.²³⁵

Typically four GEF Work Programmes are sent to the Council members for approval each year. One in each of the two Council meetings, and two in written form between Council sessions. If one Council member objects to a project proposal, the proposal is reconsidered at the following Council meeting. After the more detailed Project Appraisal stage, the final project document is sent to the GEF CEO for endorsement (the GEF Council has delegated this responsibility to the Secretariat). Once the CEO has approved the proposed project, the draft project document is passed to the governing body of the Implementing Agency for final approval (see Annex IV).

Screening and approval procedures are different for medium-sized projects (MSPs), Enabling Activities and the Small Grants Programme. MSPs are submitted to the GEF Secretariat throughout the year and are subjected to a one-step approval by the CEO applying similar project review criteria.²³⁶ Medium-sized projects, Enabling Activities, *National Capacity Self-Assessment – NCSA* and project preparation grants are prepared under fast-track procedures. These fast-track projects do not require Council Approval and do not require review by a STAP expert unless they raise specific policy issues (Annex V).²³⁷

NGOs and applicants for GEF funds have criticised the complexity of project approval procedures and the relative lack of transparency in the process.²³⁸

Responsibilities of Implementing Agencies

The three main implementing agencies are accountable to the GEF Council. They also must ensure that the GEF projects they manage directly *or GEF projects they sub-contract to other executing agencies* are consistent with GEF policies and procedures. Paragraph 22 of the GEF Instrument specifies that the Implementing Agencies:

... shall be accountable to the Council for their GEF-financed activities, including the preparation and cost-effectiveness of GEF projects, and for the implementation of the operational policies, strategies and decisions of the Council

Accountability mechanisms of the IAs

Where the World Bank is the implementing agency, aggrieved parties may submit a complaint regarding the violation of *World Bank operational policies* to the *Inspection Panel* for projects managed by the IBRD and IDA²³⁹, and to the *IFC Compliance Advisor and Ombudsman* (CAO)

²³⁴ See GEF (1996c) and GEF (2003f). For further details of Project Review Criteria for Full-size GEF projects see Annex H to latter reference (link not found)

²³⁵ For a useful guide to the GEF project cycle, see also Burgiel, S W and Cohen, S (1997) at pages 27-28

²³⁶ Project review Criteria for Medium Sized Projects: http://www.gefweb.org/Documents/Annex_MSP_-_J_MSP_Review_Criteria.doc

²³⁷ GEF (2003f) at pages 3-5.

²³⁸ See, for example, Young, Z (2002) at page 146.

²³⁹ <http://wbln0018.worldbank.org/ipn/ipnweb.nsf/>

office for projects managed by the IFC.²⁴⁰ This latter office is mandated primarily to resolve conflicts rather than provide redress and its compliance audit function has so far not been applied to evaluate IFC-GEF projects.

In the case of the UNDP, formal complaints can be raised in relation to the mandatory UNDP Information Disclosure Policy²⁴¹ by submitting concerns to the UNDP's *Public Information and Documentation Oversight Panel*.²⁴² Problems with GEF-UNDP projects can also be raised via the UNDP *Civil Society Committee* (which includes several indigenous peoples' representatives). The fact that the UNDP Indigenous Peoples policy is non-binding, means that there are no mechanisms for redress of violations of its Indigenous Peoples Policy. However, UNDP staff invites indigenous peoples to: "hold the UNDP accountable by telling us if we are not applying our policy properly".²⁴³

As regards other executing agencies, in the case of GEF projects managed by the Asian Development Bank, formal complaints for non-compliance with *ADB mandatory policies* can be submitted to the *Bank Inspection Committee* (BIC). Procedures for filing complaints are detailed in the ADB's 1995 Inspection Function Policy.²⁴⁴ Where the Inter-American Development Bank (IADB) executes GEF projects, affected rights holders and communities may submit complaints to IDB *Independent Inspection Mechanism*²⁴⁵ in accordance with the IADB's official Inspection Policy.²⁴⁶ IFAD and FAO do not have formal accountability mechanisms. Many of the large international NGOs that execute full-size and medium-sized projects also lack formal accountability mechanisms. In these projects, it is not at all clear that there are formal means of redress for aggrieved communities at the project level.

Defective accountability and conflict resolution mechanisms

It is noteworthy that the effectiveness of existing accountability mechanisms at the World Bank, IFC, ADB and IADB has so far been variable. While the Inspection Panel has vindicated complaints and exposed serious failure of compliance with Bank social and environmental policies, its ability to correct problems and provide redress has been limited. More recently, the credibility of the Panel has been called into question as complainants affected by the Chad-Cameroon oil pipeline and environmental offsets (funded by the GEF) criticise the Panel report for disregarding key issues raised by the affected communities. At the same time, the few complainants that have availed themselves of appeals processes at the ADB and IADB criticise these mechanisms for their sluggishness and a lack of transparency. In the case of the IFC Ombudsman, some affected communities complain that the arbitration processes have divided communities (into pro and anti-project factions) and that investigation reports have in some cases unfairly dismissed the primary concerns of complainants.²⁴⁷

²⁴⁰ <http://www.cao-ombudsman.org/ev.php>

²⁴¹ http://www.undp.org/cso/pdf/pubinf_dispol.pdf

²⁴² <http://www.undp.org/csopp/idptor2.htm>

²⁴³ FPP(2004)

²⁴⁴ <http://www.adb.org/Documents/Policies/Inspection/default.asp#contents>

²⁴⁵ <http://www.iadb.org/cont/poli/investig.htm>

²⁴⁶ <http://www.iadb.org/cont/poli/mecanism.pdf>

²⁴⁷ Griffiths, T (2003) *op. cit.*

Accountability gaps

The GEF does **not** have a formal written appeals and complaints procedures for communities and citizens who have been adversely affected by GEF projects, though NGOs and indigenous representatives may raise concerns formally via project managers and ultimately in the GEF Council. In other words, there are no specific formal means of appeal by affected communities in relation to violation of *GEF policies and rules*.

6.6 Monitoring and evaluation

Since its pilot phase (1991-94) and throughout much of the latter part of the 1990s, civil society has criticised the weak monitoring and evaluation framework of the GEF. NGOs pointed out that the GEF's own reviews tended to accept without question the positive self-assessments of Implementing Agencies. Problems with GEF monitoring and evaluation (M & E) have been confirmed by internal GEF reviews and independent evaluations. The *Second Overall Performance Study* found that at June 2000 only 12% of the GEF portfolio had been evaluated since approval.²⁴⁸

In response to continuing criticism, the GEF developed its own *Monitoring and Evaluation Policy* in 2002. This document clarified roles and responsibilities for monitoring and assessment and procedural issues. This policy establishes that the performance of GEF Operational Programs is evaluated against project *objectives* and GEF *operational principles*. The policy also stipulates that:

...a monitoring and evaluation component funded by project resources. This will include a *baseline assessment* ... to establish the conditions prior to project implementation and a monitoring program carried out during implementation which may include, where appropriate, *participatory* modes of monitoring and evaluation (emphasis added)²⁴⁹

The GEF Secretariat's M&E Unit compiles annual portfolio performance reports, annual project implementation reviews (PIR), project impact evaluations, and evaluations of cross-cutting themes (e.g., capacity building), while STAP may review selected projects.

A study is also carried out every 3-4 years on GEF's Overall Performance. The implementing agencies also have their own monitoring reports and evaluation reports that are undertaken mid-term through a project and at project completion.

Independent GEF Monitoring and Evaluation Unit

In September 2003 the GEF Monitoring and Evaluation Office became *independent* from the GEF Secretariat.

Lack of performance-based indicators to measure impacts

One of the most basic criticisms of the GEF monitoring framework has been that it lacks objective performance-based indicators to measure the environmental and social impacts of GEF projects. The second independent review of the GEF undertaken by for the Conference of the Parties of the CBD in 2001 confirms that this fundamental flaw in GEF monitoring remains (see also section 5):

²⁴⁸ GEF (2002c) at page ix

²⁴⁹ GEF (2002b) at page 26

The difficulty arises in monitoring of results and impacts of GEF work. Our research suggests that project monitoring and evaluation has tended to focus on inputs and outputs, with less focus on results and impacts.²⁵⁰

The same review for the CBD recommends that the GEF implement reforms to establish the use of appropriate baseline indicators. The review recommended that the GEF Secretariat and its IAs “support projects that build capacities for effective, *participatory monitoring and evaluation* into management systems, especially at the *local level*, to ensure adequate monitoring of biodiversity impacts”.²⁵¹

The *Second Overall Performance Review* completed in January 2002 also found that the GEF needs to develop appropriate indicators so that participation and social sustainability issues are more effectively monitored.²⁵² The review also recommends that the GEF more closely scrutinise and determine the monitoring activities of the Implementing Agencies, by making inputs to TORs for mid-term reviews and final project evaluations.²⁵³ The recent 2004 Biodiversity Program Study (BPS 2004) found that a “new generation” of recently approved projects have given more attention to biodiversity indicators. However, the same study found that, overall, the GEF monitoring and evaluation framework still suffers from major weaknesses, particularly in relation to the monitoring of socio-economic impacts²⁵⁴

Lack of Indicators for public participation

The 1996 GEF Public Involvement Policy requested that the Secretariat develop detailed guidelines on how to assess the effectiveness of the implementation of the policy (at paragraph II.15). The first *Overall Performance Review* in 1998 again recommended that the GEF Secretariat work with Implementing Agencies to develop indicators for effective involvement of affected communities and other stakeholders at different stages of the GEF project cycle. The *Second Overall Performance Study* found that GEF projects still lacked agreed performance-based indicators to assess the quality of public participation in GEF programmes and projects.

Lack of indicators for social and poverty impacts

Despite the provision of some of the GEF Operational Programs that recommends that projects include indicators for the impact of GEF activities on indigenous and local communities, this study has not found any systematic use of such indicators. The Local Benefits Study has found that biodiversity programme evaluations pay little or no attention to livelihood impacts.²⁵⁵

It is noteworthy that OPS2 itself does not address social and livelihood impacts, but deals primarily with environmental impacts, with only brief treatment of participation issues. Successful impacts are mainly (though not entirely) based on the *size* and *coverage* (across different ecosystems) of protected areas established.²⁵⁶ BPS 2004 paid much more attention to the GEF treatment of socio-economic indicators and found that:

²⁵⁰ CBD (2002) at page 9.

²⁵¹ Ibid. at page 11.

²⁵² GEF (2002c) at page xii

²⁵³ Ibid. at page xvi.

²⁵⁴ Dublin, H and Volonte C (2004) at pages 88-90 and 93.

²⁵⁵ Risby, L (2003) at page 10.

²⁵⁶ GEF (2002c) at page 28.

With few articulated indicators and baseline assessments, very little monitoring during the life of the projects, and very few final socioeconomic assessments at project completion, it remains unclear how to assess who, specifically, has benefited socio-economically from GEF interventions or in what specific ways benefits have or have not accrued.²⁵⁷

In relation to a sample of 34 of the latest generation of GEF biodiversity projects, the same evaluation found that:

...very few projects introduce the idea of establishing socio-economic indicators or baseline assessments.²⁵⁸

Despite guidance from the CBD on several occasions relating to the need ensure GEF policies and practices are consistent with poverty reduction goals, this review has not identified poverty indicators in GEF-assisted projects. Recent M&E documents formulated in 2003, only deal briefly with this issue by suggesting some general indicators on “economic benefit assessment”²⁵⁹ and “fair and equitable benefit sharing”. These latter indicators seem so far to be confined to assessing the benefits of commercial use of genetic resources.²⁶⁰

Filling the monitoring gaps?

The GEF team working on the Local Benefits Study is now tasked with developing performance-based indicators to measure social impacts and to assess the quality of public participation in GEF projects. This work was due to commence at the end of 2004. It is not apparent if this work will encompass the development of specific indicators for impact on indigenous peoples (section 8). At this stage, GEF plans for formulating a revised GEF monitoring policy submitted to the GEF Council for approval in November 2004, make no mention of specific themes requiring improved indicators. However, the document does clarify that the updated policy will aim to: “promote accountability through the assessment of processes, results, impacts and performance of the parties involved in GEF activities.”²⁶¹

6.7 Out-of-date GEF policies

This review of GEF policies, procedures and accountability mechanisms section has revealed a series of gaps and contradictions. In addition, it is clear that many GEF and IA policies are out of step with current international standards and best practice on indigenous peoples and biodiversity conservation. International standards and thinking on protected areas and indigenous peoples have progressed since the GEF adopted its operational strategy and operational programs in 1995 and 1996. The recent 5th World Parks Congress (WPC) held in Durban, South Africa, acknowledged that the costs of protected areas are often borne by indigenous peoples and local communities.

The ‘Durban Accord’ announces a ‘new paradigm’ under which best practice protected area laws, policies, governance and management must ensure the participation of indigenous peoples in decision-making on a fair and equitable basis in full respect of their human and social rights [Box 18].²⁶² In relation to indigenous peoples’ rights, the WPC stated clearly:

²⁵⁷ Dublin and Volonte (2004) at page 93

²⁵⁸ Ibid. at page 94

²⁵⁹ GEF (2003d) at paragraph 29, page 11.

²⁶⁰ GEF (2003d) Table 3.4 at page 22.

²⁶¹ GEF (2004d)

²⁶² IUCN (2004)

The Congress also noted that protected areas may have a negative impact on indigenous peoples, including mobile indigenous peoples, and local communities, when their rights and interests are not accounted for and addressed and where they do not fully participate in and agree to decisions that affect them. It further noted the importance of securing indigenous peoples' rights to their lands and territories as an imperative to guarantee sustainable protected areas.²⁶³

Undermining the spirit of the CBD?

GEF support for some projects that deny indigenous peoples' their rights inside protected areas and finance "alternative livelihood" activities to persuade indigenous and local communities to give up traditional land-based livelihoods in return for income-based livelihoods, risk undermining the principles of the ecosystem approach and Article 10c of the CBD, which requires government parties, as appropriate, to "protect and encourage customary use of biological resources in accordance with traditional cultural practices ..."

At COP VII of the CBD in February 2004, Parties made a decision on protected areas where they agreed that:

...the establishment, management and monitoring of protected areas should take place with the full and effective participation of, and **full respect for the rights** of, indigenous and local communities consistent with national law and applicable international obligations. (emphasis added)²⁶⁴

The CBD work programme on protected areas adopted at COP VII also contains a series of important goals, targets and suggested activities to promote respect for the rights of indigenous peoples and local communities [Box 19]. Various CBD provisions and other work programmes also have standards and principles relevant to indigenous peoples, conservation and sustainable use [Box 20]. The widening gap between GEF policies and international standards is especially striking with regard to protections against forced resettlement. In 2003 and 2004 governmental parties to the CBD and conservationists agreed that resettlement in connection with conservation and protected areas may only take place with the free, prior and informed consent of affected indigenous communities (Boxes 18 and 19). Current CBD and IUCN principles and standards also emphasise the importance of dealing with land tenure and ensuring respect for the rights of indigenous peoples and ensuring their effective participation in protected area decision-making and governance.

These significant advances in international standards and best practice must inform the updating of GEF policies and standards and its treatment of indigenous peoples and their rights in GEF biodiversity and other projects. This is consistent with one purpose of the current Local Benefit Study, which is to use its findings to "enhance" GEF policies, strategies and project design and implementation with an aim to "improving" GEF policies.

²⁶³ <http://www.iucn.org/themes/wcpa/wpc2003/english/outputs/durban/cbdmessage.htm>

²⁶⁴ Decision VII/28 Protected Areas, at para. 22. In, *Decisions Adopted by the Conference of Parties to the Convention on Biological Diversity at its Seventh Meeting*. UNEP/BDP/COP/7/21, pps. 343-64.

Box 18: Some key IUCN principles and best practice on indigenous peoples and protected areas

1st World Conservation Congress Resolution 1.53 (Montreal, 1996), promotes a policy based on the principles of: ***Recognition of the rights of indigenous peoples with regard to their lands and territories that fall within protected areas***

Durban Accord

Through the Durban Accord the Vth World Parks Congress (WPC) accepted by consensus in 2003: ***A New Paradigm for Protected Areas ... equitably integrating them with the interests of all affected people***

The Accord urges commitment to: ***“... ensuring that people who benefit from or are impacted by protected areas have the opportunity to participate in relevant decision-making on a fair and equitable basis in full respect of their human and social rights”***

Durban Action Plan

The Congress adopted an action plan to implement the new paradigm in which one major expected “Outcome” is that: ***The rights of indigenous peoples, including mobile indigenous peoples, and local communities are secured in relation to natural resources and biodiversity conservation [Outcome 5]***

Main Target 8: All existing and future protected areas are established and managed in full compliance with the rights of indigenous peoples, including mobile indigenous peoples, and local communities ...

Main Target 9: The management of all relevant protected areas involves representatives chosen by indigenous peoples, including mobile indigenous peoples, and local communities proportionate to their rights and interests ...

Main Target 10: Participatory mechanisms for the restitution of indigenous peoples’ traditional lands and territories that were incorporated in protected areas without their free and informed consent ...

In terms of international action, the plan calls on the GEF (and World Bank) to ensure that (i) their revised policies on indigenous peoples are consistent with indigenous peoples’ rights and (ii) conservation activities funded by them...ensure respect for indigenous peoples’ and local communities’ rights, and ensure that indigenous peoples have secure and full rights to co-manage and self-manage their lands (page 25)

- Eliminate resettlement of indigenous peoples and local communities, and the enforced resettlement of mobile indigenous peoples, without prior informed consent [**Outcome 2:** pages 13-16]
- Avoid conservation actions which cause or increase impoverishment, including cultural impoverishment [**Outcome 2:** pages 13-16]
- Cease all involuntary resettlement of indigenous peoples from their lands in connection with protected areas [**WPC Recommendation 5.24:** 1(b)]
- Ensure that the establishment of protected areas is based on the free, prior and informed consent of indigenous peoples and on prior social, economic, cultural and environmental impact assessment, undertaken with the full participation of indigenous peoples [**WPC Recommendation 5.24:** 1(c)]

- Establish a high level independent commission on Truth and Reconciliation on Indigenous Peoples and Protected Areas (to investigate past injustices and enable redress) [**WPC Rec. 5.24: 1(j)**]
- Develop and promote incentives to support indigenous peoples' self-declared and self-managed protected areas and other conservation initiatives to protect the lands, waters, territories and resources from external threats and exploitation [**WPC Recommendation 5.24: 1(n)**]
- Protected Areas should strive to contribute to poverty reduction at the local level, and at the very minimum must not contribute to or exacerbate poverty [**WPC Recommendation 5.29: 1(a)**]
- Promote and adopt laws and policies that foster multi-cultural values and approaches to protected areas systems [**WPC Recommendation 5.13:3. (a)**]
- Adopt and enforce laws and policies with the full and effective participation and consent of peoples and communities concerned, which protect the integrity of sacred places [**WPC Rec. 5.13:3. (c)**]

3rd WCC Resolution CGR3.RES081 (Bangkok, 2004) on "Indigenous Peoples, Protected Areas and the CBD Programme of Work" called upon the World Commission on Protected Areas and IUCN members to: ... *promote the effective implementation of Output 5 of the Durban Action Plan, Durban Recommendations 5.13, 5.24 and 5.26 and Programme Element 2 of the Programme of Work on Protected Areas, on Governance, Participation, Equity and Benefit-sharing, established at the 7th Conference of Parties to the CBD* [See Boxes 18 and 19]

Box 19: Some key standards on indigenous peoples and protected areas established under the *Convention on Biological Diversity*²⁶⁵

Decision VII/28 Protected Areas, at para. 22

“...the establishment, management and monitoring of protected areas should take place with the full and effective participation of, and **full respect for the rights of**, indigenous and local communities consistent with national law and applicable international obligations (emphasis added)”

Work programme on protected areas (2004)

Target (Goal 2.2): Full and effective participation by 2008, of indigenous and local communities, in full respect of their rights and recognition of their responsibilities, consistent with national law and applicable international obligations, and the participation of relevant stakeholders, in the management of existing, and the establishment of new, protected areas.

Key principles and some recommended activities:

- Encourage the establishment of PAs that benefit indigenous and local communities and respect, preserve, and maintain their traditional knowledge in accordance with article 8(j) and related provisions [activity 1.1.7]
- Create a highly participatory process, involving indigenous and local communities ... as part of site-based planning in accordance with the **ecosystem approach** ... to develop effective planning processes [activity 1.4.1]
- **Ensure that any resettlement of indigenous and local communities as a consequence of the establishment or management of PAs will only take place with their prior informed consent that may be given according to national legislation and applicable international obligations** [activity 2.2.5]
- Assess social and economic costs, benefits and impacts of PAs and "adjust policies to **avoid and mitigate such negative impacts**" [activity 2.1.1] (emphasis added)"
- Recognise and promote a broad set of governance types, including areas conserved by indigenous and local communities ... [2.1.2]
- Undertake participatory legal and policy reforms to enable legal recognition of indigenous and local community conserved areas [2.1.3]
- Use protected area benefits for poverty reduction [2.1.4]
- Implement plans to effectively involve indigenous and local communities, with respect for their rights consistent with national legislation and applicable international obligations, at all levels of PA planning, establishment, governance and management [2.2.2]
- Promote an enabling environment (legislation, policies, capacities, and resources) for the involvement of indigenous and local communities in decision making ... [2.2.4]
- Make available to Parties case studies and advice on best practice [2.2.6]

Goal 4.1: Develop and adopt minimum standards and best practices for national and regional protected area systems

Some recommended activities

- ... collaborate with the IUCN and other relevant organisations on the development of voluntary protected area standards
- Develop and implement efficient, long term monitoring system of the outcomes being achieved through protected areas in relation to the goals and targets of the work programme.

²⁶⁵ Decision VII/28 Protected Areas, at para. 22. In, *Decisions Adopted by the Conference of Parties to the Convention on Biological Diversity at its Seventh Meeting*. UNEP/BDP/COP/7/21, pps. 343-64. See also Griffiths, T, Lasimbang, J and Ferrari, M (2004).

Box 20: Some key standards, intergovernmental commitments and best practice on indigenous peoples, biodiversity conservation and sustainable use established under the *Convention on Biological Diversity*²⁶⁶

Each Contracting Party shall, as far as possible and as appropriate: ... *respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices (Article 8(j));*

Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements (Article 10 (c))²⁶⁷

Ecosystem Approach (Principle 1): ... *Indigenous peoples and other local communities living on the land are important stakeholders and their rights and interests should be recognised. Both cultural and biological diversity are central components of the ecosystem approach*

Work programme on Article 8j

Parties to develop appropriate mechanisms, guidelines, legislation or other initiatives to foster and promote the effective participation of indigenous and local communities in decision-making, policy planning and development and implementation of the conservation and sustainable use of biological diversity at international, regional, sub regional, national and local levels ... [Element 1, task 2]

- *Traditional knowledge should be valued, given the same respect and considered as useful and necessary as other forms of knowledge [work programme principles]*
- *Access to traditional knowledge, innovations and practices of indigenous and local communities should be subject to prior informed consent or prior informed approval from the holders of such knowledge, innovations and practices [work programme principles]*

Akwe: Kon Guidelines See full guidelines at

<http://www.biodiv.org/doc/publications/akwe-brochure-en.pdf>

- *The scope of cultural impact assessment should consider the possible impacts on: (a) continued customary use of biological resources (b) ... traditional knowledge, innovations and practices ... (d) ... on sacred sites ... (f) the exercise of customary laws [IV:27]*
- *Cultural impact assessments: ... should take the customary uses of biological resources that meet the requirements of the Convention, particularly in relation to Article 10(c), fully into consideration ... [IV.28]*
- *Baseline studies should address (among other elements not cited for lack of space): (g) Asset distribution (land tenure arrangements, natural resource rights, ownership of other assets ... (h) traditional systems of production (food, medicine, artefacts etc), including gender roles in such systems ... [IV:39-51 inclusive]*

²⁶⁶ CBD (1997); CBD (2003a)

²⁶⁷ <http://www.biodiv.org/convention/articles.asp>

- *where the national legal regime requires prior informed consent of indigenous and local communities, the assessment process should consider whether such consent has been obtained.* [V.53]
- *impact assessment processes should establish or make available dispute resolutions means or mechanisms* [V.63]

Work programme on forest biological diversity

See <http://www.biodiv.org/doc/publications/for-pow-en.pdf>

- *Strengthen the capacity of indigenous and local communities to resolve land rights and land use disputes in order to sustainably manage forest biodiversity*
- *Provide incentives for the maintenance of cultural diversity as an instrument to enhance forest biological diversity*

Addis Ababa Guidelines on Sustainable Use

See <http://www.biodiv.org/doc/publications/addis-gdl-en.pdf>

- *Protect and encourage customary use of biological resources ... in accordance with traditional and cultural practices (Article 10(c))* [Operational guideline, Practical Principle 2]
- *When using traditional or local knowledge, ensure that approval of the holder of that knowledge has been obtained* [Operational guideline, Practical Principle 4]
- *Ensure that national policies and regulation for sustainable use recognize and account for non-monetary values of natural resources* [Operational guideline, Practical Principle 12]

Need to update and expand GEF policies

The position of indigenous peoples and support NGOs is that new international standards on the treatment of social and equity issues in conservation projects should not just be advanced through a small (though growing) sub-set of progressive GEF projects (section 7). Rather, GEF rules and policies should be updated and expanded across the board to be consistent with such international norms, intergovernmental commitments and best practice.

The whole question of the way the GEF deals with rights and consent issues was raised in a succinct manner by the indigenous chairperson at a meeting with the GEF on the margins of the Seventh Conference of Parties to the CBD:

We welcome the GEF's recent efforts to fund indigenous peoples' projects even if obstacles remain in some cases. We likewise welcome the GEF's growing support for indigenous conservation areas in some parts of Latin America. But the questions remain: how will the GEF ensure that *all* its conservation projects recognise and respect our rights across all continents where it works? For example, we want to know how GEF policies and projects will respect the right of indigenous peoples to free, prior and informed consent?²⁶⁸

The pressing need for a revamp of GEF standards has also been made by the 2004 Biodiversity Program Study which recommends that: "The GEF should develop clear policies, rules, and regulations of its own, particularly on issues of a highly political nature and profile (for example, relocation, indigenous people, land tenure...)." ²⁶⁹

²⁶⁸ Esther Camac: opening address to a meeting between indigenous peoples and local community representatives and the chairman of the GEF, Kuala Lumpur, 16 February 2004

²⁶⁹ Dublin, H and Volonte, C (2004) at page 47.

In the same way, in November 2004, the World Conservation Congress Resolution CGR3.RES081 (Bangkok) urged:

...international development agencies such as... the Global Environmental Facility...to update, amend and implement their policies relevant to indigenous peoples in accordance with international best practice on protected areas established in the outcomes of the 5th World Parks Congress and the 7th Conference of the Parties to the Convention on Biological Diversity

6.8 Weak implementation mechanisms

As well as expanding policies there is a pressing need to improve implementation mechanisms to ensure that policy requirements and priorities are actually applied in GEF projects. As sections above show, the existing OPs do contain useful elements and requirements on paper, for example in relation to baseline studies, traditional knowledge and participation. Through project screening by the GEF Secretariat, these elements may (to a greater or lesser extent) find their way into project design on paper. The problem is that these elements are still not implemented in a systematic way by IAs and executing agencies in GEF projects or such requirements and elements are only addressed in a superficial manner during project implementation (if at all).

The analysis in this section therefore demonstrates that as well as strengthening the GEF monitoring capability – a need acknowledged and acted on by the GEF (section 6.6) – there is also a need to strengthen GEF oversight and policy compliance mechanisms at the implementation stage. Such changes may require an amendment to the mandate of the GEF Secretariat, new mechanisms at the project level and new dedicated resources within project and programme budgets to ensure environmental and social policies are properly applied.

7 GEF Best Practice

This study has noted several cases of GEF best practice projects which merit wider dissemination as well as further independent evaluation by the indigenous organisations and communities involved. It is clear that GEF projects can sometimes get it right and genuinely seek to respect indigenous peoples' rights. Of particular note is the UNDP-run Small Grants Programme (SGP). Though not without problems, the SGP has actively sought to address land tenure issues and to respect indigenous knowledge. Section 5.2 has also noted several progressive medium-sized GEF projects managed by the UNDP that are seeking to secure indigenous peoples' rights to their lands and promote community conservation areas.

Direct GEF support to indigenous peoples through the *Conservation and Sustainable use of Biodiversity in Amarakaeri Comunal Reserve in Madre de Dios (Peru)* project implemented by UNDP is one example of such best practice. In the Amarakaeri case, however, it also is worth noting that the required reforms in project governance, changes in implementing agency staff attitudes and the necessary accountability mechanisms are still lacking and this has hindered implementation. Project preparation took so long (4 years), and initial implementation has been so slow, that relations between the regional indigenous organisation overseeing the project and its member communities have become strained. The lesson here is that serious delays in project approval and delays in implementation after approval can create tensions between indigenous communities and their own organisations, as well as between executing indigenous organisations, the IA and the GEF.

One key indigenous observation is therefore that while a project may appear progressive on paper, in practice the project may still suffer implementation problems, gaps and shortcomings. Indigenous organisations point out that non-indigenous project proponents and executing NGOs may propose projects with worthy objectives, but sometime they still fail to establish transparent links with representative indigenous organisations, even though indigenous peoples are identified as the primary beneficiaries under a project and feature in its title. Such projects are criticised for using the "name" of indigenous peoples without ensuring that the project has properly involved their representative institutions at different levels during project design and execution (community, regional, national).²⁷⁰

Though there are serious continuing problems in some GEF projects implemented by the World Bank, this study has also found signs that a few full-size GEF/World Bank projects have at least improved information dissemination to indigenous organisations. In Bolivia, for example, indigenous organisations complained bitterly in the mid-1990s that they were given virtually no prior information regarding the first phase of the GEF-assisted *Sustainability of the Bolivian Protected Area System* project (GEF I), but advise that they have gained some participation in the GEF II project in recent years.²⁷¹

Under the GEFII programme some Bolivian indigenous organisations have been actively supported by the GEF to co-manage protected areas. However, indigenous leaders involved in the programme complain that the attitudes of some implementing agency staff and government officials still blocks effective indigenous participation in decision making, and stifles the

²⁷⁰ For example, in relation to the potential best practice Ashaninka project in Peru implemented by the UNDP (see section 5.2), local indigenous organisations complain that their relations with the project executing NGOs are weak at best, and there is a lack of information about the project at the regional level (ARPI-SC pers comm, January 2005).

²⁷¹ *Notes of a meeting between indigenous peoples, local community representatives and the chairman of the GEF, Kuala Lumpur, 16 February 2004* FPP internal briefing. On the GEF project in Bolivia and its work on indigenous territorial rights and co-management, see World Bank (2004b) at page 24.

disbursement of funds allocated for indigenous communities and indigenous project components.²⁷²

What also emerges from this critical study is that targeting indigenous peoples with full-size GEF projects run by governments and conservation NGOs does not necessarily resolve rights issues nor bring tangible benefits – as the PIMA project implemented by the World Bank in Peru demonstrates (Box 7). The PIMA project shows that even where safeguards on critical issues such as land rights are included in grant agreements, they are still sometimes disregarded during implementation.

The same case also reveals that where indigenous representatives are engaged in project governance, the modalities for decision-making determine whether or not they feel empowered. In cases where governance bodies are dominated by government and NGOs and a majority voting systems is used, there is much evidence to show that indigenous peoples' representatives remain marginalised.

The World Bank recently developed policies and best practice guidelines on participation and indigenous peoples. However, as highlighted in this review, the problem is they are often not implemented properly.²⁷³ The World Bank has also recently initiated inter-agency discussions on participatory techniques in conservation during which the issue of rights and customary institutions were discussed. Although some agency staff caution against preconditioning support on secure tenure rights,²⁷⁴ others stress in particular the need to safeguard the land and natural resource ownership rights of indigenous communities.

A recent Bank document presented to the World Conservation Congress in November 2004 acknowledges that:

...territorial rights are a central claim for indigenous people throughout the world – rights that form the basis for their ability to survive as peoples, uphold their spirituality and culture, maintain and develop their organizations and productive systems, and conserve their natural resources²⁷⁵

While all these Bank initiatives are welcome, there are still disturbing cases where it seems the Bank is reluctant to admit mistakes and fails to listen to the concerns of grass roots communities and social movements. Again, the India Ecodevelopment Project (IEP) is noteworthy in this regard. As noted in section 2.1, this GEF/World Bank project has generated considerable controversy and public criticism within and outside India. However, the same 2004 Bank PR document circulated at the World Conservation Congress (cited above) presents the IEP project as a success without acknowledging the serious difficulties and criticisms of the project.²⁷⁶

Continuing top-down projects?

Notwithstanding the positive examples noted above, scrutiny of some “pipeline” proposals suggests that the design of GEF projects still tends to treat indigenous peoples as “beneficiaries”, and still tends to see local human populations as a “threat” to biodiversity. At the same time, the need to reduce perceived “human pressure” on biodiversity and place restrictions on resource

²⁷² Apurani, M, pers comm. November 2004.

²⁷³ cf. Davis, SH and Soeftestad, L T (1995)

²⁷⁴ Diamond N K (2003a)

²⁷⁵ World Bank (2004b) at page 23.

²⁷⁶ World Bank (2004b). at page 26.

use remains embedded in out-of-date GEF policies and project design.²⁷⁷ A case in point is the proposed GEF/World Bank *Biodiversity Conservation and Rural Livelihood Project* in India, which retains the same problematic underlying unproven assumptions about local resource use as the previous Ecodevelopment project. In this particular case, for example: how will the GEF and IAs ensure that local Adivasi communities, rural communities and mass social movements actually agree to the project rationale and its objectives?

At the beginning of 2005, all the indications are that local Adivasi communities and support NGOs have not requested this new project.²⁷⁸ As project plans stand, fundamental rights issues such as respect for free, prior informed consent are not addressed. In short, the project has all the makings of yet another imposed and unwanted intervention conceived and implemented by government agencies and conservationists.

The continuing problem that full-size GEF projects are primarily conceived and designed by government agencies is confirmed in the 2004 Biodiversity Program Study that finds:

Overall, GEF projects have made good progress in involving all types of potential stakeholders, although active stakeholder participation has been more common in project implementation than during project preparation...Some stakeholders have remarked that more may be written or said about stakeholder participation in GEF projects than actually takes place on the ground. Others have pointed out that while much “consultation” takes place, far less active participation is seen.²⁷⁹

A changing approach at the GEF?

There is little doubt that the GEF is seeking to respond to criticism of its biodiversity and other projects. The carrying out of the GEF Local Benefits Study is welcome and it is hoped this study will generate numerous useful recommendations on how to better address social issues in GEF projects. The decision to make the GEF Monitoring and Evaluation office independent in September 2003 was also a major step forward. In addition, GEF PR documents suggest that the GEF Secretariat is well aware of changing paradigms for resource conservation. GEF publications acknowledge the importance of clarifying property rights and recognise the need to shift the ownership of land and natural resources to communities.²⁸⁰ There are also indications that the GEF is seeking to promote community involvement and (at least) “limited” community use of park resources, and that some community-based natural resource management projects are appearing in its portfolio.²⁸¹

However, this initial examination of GEF biodiversity projects has found that it is difficult to assess the extent to which progressive projects feature in the GEF Biodiversity Program as current database categories do not identify projects according to governance and equity issues. They do not even distinguish projects according to protected area categories.²⁸² Nevertheless, this study finds that there is a sub-set of progressive GEF biodiversity projects emerging, but these more socially sensitive approaches have yet to be mainstreamed in GEF policy and practice.

²⁷⁷ See for example, further advocacy for use of GEF funds to direct people “away from the use of the areas and resources the project wants to protect” GEF (2003n) at page 20.

²⁷⁸ See Samata (2004) at page 2.

²⁷⁹ Dublin, H and Volonte C (2004) *op. cit.* at pages 82-83.

²⁸⁰ GEF (2002a)

²⁸¹ Granzow, S (2002) See also GEF (2004f)

²⁸² See Dublin, H and Volonte, C (2004) *op. cit.* at page 59-60.

As has been highlighted in section 6.7, what is needed are reforms to ensure that (i) GEF rules are updated and expanded to be consistent with international standards and (ii) emerging positive changes are instituted right across the GEF to ensure that all new applicable GEF projects adopt and apply progressive standards and best practice on indigenous peoples, conservation and sustainable use.

Section 8 provides some specific recommendations on necessary reforms and immediate next steps to improve GEF performance and strengthen its accountability to indigenous peoples affected by and/or involved in its conservation and sustainable use projects.

8 Conclusion and Recommendations

This study has found that continuing problems in GEF-funded biodiversity projects that affect indigenous peoples can be traced to serious gaps and contradictions in the GEF policy, implementation and accountability frameworks as well as ongoing problems in IA and executing agency implementation. There are signs that, while the GEF is making efforts to address shortcomings in its monitoring framework, other deficiencies are not being addressed and the GEF and its IAs still have difficulties in learning lessons and exchanging instructive experiences from past and present projects (see also BPS 2004 at page 55). This study has shown that even projects that are intended to “do good” can end up doing harm where project governance, implementation and participation mechanisms fail on the ground. At the same time, the study finds a sub-set of new generation of GEF biodiversity projects that are paying greater attention to rights and social issues, but these best practice approaches still tend to be piecemeal and have not been mainstreamed in GEF policies and portfolios.

8.1 Problems in GEF Biodiversity Projects

With regard to problems with some full and medium-size projects this study has found that:

- Some GEF-financed projects entail restrictions of livelihoods and involuntary relocation, resulting in severe impoverishment and violation of fundamental human rights
- GEF protected area projects sometimes fail to contain components to tackle the direct and indirect causes of biodiversity loss and environmental degradation (extractive industries, industrial agriculture, large-scale plantations, corruption etc)
- Projects sometimes support the legal establishment of protected conservation areas without first ensuring fully transparent and consultative mechanisms are in place to secure the free, prior and informed consent and negotiated agreement of affected indigenous peoples
- The GEF 1996 Policy on Public Involvement is not always properly applied in projects affecting indigenous peoples, resulting in “participation” that is superficial, partial, late or culturally inappropriate
- Other progressive elements in GEF Operational Programmes are often not implemented in GEF projects e.g., detailed baseline studies and livelihood impact indicators
- GEF requirements to protect and value traditional knowledge, including the need to respect the right of free, prior and informed consent (FPIC) are sometimes disregarded or poorly implemented in GEF biodiversity projects
- Indigenous peoples’ representatives sometimes do not feel they have sufficient influence over the decision-making processes in GEF projects that affect them – even in cases where they are identified as the primary target of the project
- Indigenous communities often do not feel ownership of full-size and medium-sized GEF-assisted conservation projects, which are frequently considered to be interventions driven by government agencies or large conservation NGOs
- Basic GEF project documents including indigenous peoples development plans, social assessments and annual operational plans, Operations Manual and annual project reports are often not available at the local level
- Affected or participating communities are not provided with the necessary training or information on how GEF projects, budgets, policies and implementation procedures operate
- GEF projects often fail to deal adequately with land tenure and resource rights issues
- GEF project design and/or implementation sometimes violates IA policies and contravenes national laws relating to indigenous peoples’ rights
- Key provisions on indigenous rights enshrined in national laws are sometimes overlooked in social assessments and project appraisal documents

- Capacity-building and training components for indigenous peoples are sometimes not appropriate: courses are too short and do not overcome linguistic barriers
- Projects at times create conflicts between communities and implementing agencies and between indigenous staff and professionals employed under a project due to development benefits that are either not delivered, delayed or defective
- Conflicts are often exacerbated due to a lack of basic information about project progress, budget disbursements and poorly designed and implemented micro-plans prepared by outsiders unfamiliar with local livelihoods, priorities and realities
- GEF projects tend to treat indigenous peoples as “beneficiaries” rather than rights holders
- Projects often lack adequate field baseline studies which means project design is based on untested, unproven or unjust assumptions
- Social assessments are sometimes superficial and largely desk-based documents that at times fail to identify specific problems e.g., land tenure and customary rights etc.
- GEF projects often aim to help communities outside parks and reserves cope with the problems of exclusion from such areas, rather than securing access and customary rights within protected areas.
- Livelihood benefits generating from GEF projects are sometimes minimal or seriously delayed due to late or partial disbursement of project funds
- Unviable and ill-thought out “alternative” livelihood interventions sometimes leave affected families and communities worse off, less secure and more dependent on the market and wage labour and increase social inequality within communities
- Projects often introduce new project-level institutions that fail to build on or may even undermine local traditional institutions and decision-making structures
- NGOs implementing GEF projects sometimes lack close links with communities and their activities may undermine the initiatives and campaigns of indigenous peoples
- There is a serious lack of independent evaluations of how GEF biodiversity projects and operations affect indigenous peoples and their territories
- There are few indications to show that incentive structures and budgets have been modified to encourage GEF and IA staff to better integrate social and rights issues in project preparation and implementation.
- Very few biodiversity projects have been assessed independently by (or in collaboration with) indigenous peoples and their representative organisations
- Independent information is especially lacking on GEF-assisted Conservation Trust Funds, Enabling Activities and Medium-sized projects

8.2 Policies, Standards and Accountability

- The GEF Operational Strategy and most Operational Programmes on biodiversity are out of date. They do not take account of recent intergovernmental commitments and best practice on conservation, protected areas, indigenous peoples and local communities – established under the CBD and other international processes (e.g., COP VI, COP VII, World Parks Congress (2003) etc.)
- GEF operational programmes still apply a flawed “alternative livelihood” model that aims to reduce dependence of indigenous peoples and local communities on the natural environment and replace traditional livelihoods with market-based occupations. This approach is at odds with Articles 8j and 10c of the CBD and risks undermining traditional knowledge;
- The incremental costs rule continues to generate tension, contradictions and confusion between the GEF, governments, donor and implementing agencies and indigenous peoples
- Some GEF operational programmes (e.g., OP3) stipulate that funds may only be used for land tenure and titling work in buffer zones **outside** protected areas
- The GEF has a progressive public policy on participation. However this policy is not well disseminated and is often not available in local languages;

- The GEF does not possess a policy prohibiting forced relocation and still permits resettlement as part of its conservation projects and programmes
- The GEF does not possess a specific policy on Indigenous Peoples, despite repeated calls from indigenous peoples that such a policy be adopted
- The GEF does not have policies or procedures to ensure that it does not finance projects that are unacceptable to affected indigenous communities
- The GEF does not possess a public policy on accountability
- Current GEF monitoring indicators do not adequately address rights, livelihood and poverty impacts
- The GEF also lacks adequate indicators to measure and assess the quality and effectiveness of public participation in GEF operations
- Monitoring data and project databases do not distinguish between indigenous peoples and local communities, which impedes analysis of trends of the way the GEF portfolio affects and deals with indigenous peoples
- Non-government seats on the GEF Council are dominated by large conservation NGOs. Indigenous peoples still have marginal representation in the Council (just two seats)
- Many indigenous organisations and base communities are unaware of the GEF Council and opportunities for influencing GEF policies and decisions
- The GEF Council and parallel consultation meetings could be tested more thoroughly to see if the space can be useful to try and hold the GEF accountable and secure effective redress for adversely affected and/or aggrieved communities.

A Recommendations

The foregoing findings of this study generate a number of recommendations to promote the reform of GEF policies and practice. In order that its projects better respect the rights of indigenous peoples, more effectively implement relevant provisions of the CBD and apply the new paradigm on protected areas, the GEF should take immediate steps to:

1. Adopt a rights-based approach to the design and implementation of GEF Biodiversity Projects affecting indigenous peoples and local communities
2. Formulate as a matter of priority transparent procedures to implement the principle of free, prior and informed consent in GEF projects that involve traditional knowledge elements or affect the lands or resources traditionally used or occupied by indigenous peoples;
3. Develop and adopt a specific policy on indigenous peoples with provisions and standards that are acceptable to the rights holders and consistent with protections for their rights under international law;
4. Formalise the prohibition of involuntary resettlement in GEF projects;
5. Update its Operational Programs on biodiversity to properly address land and resource rights, livelihood security and poverty alleviation issues
6. Revise and update the GEF Operational Strategy and OPs to make these instruments consistent with the CBD provisions and recent work programmes on protected areas and forest biological diversity
7. Adopt a policy and procedures for social and cultural impact assessment based on best practice, such as the *Akwé: Kon* guidelines;
8. Develop a specific formal and binding public policy on accountability and appeals standards GEF operations;
9. Take measures to restitute land and resources taken without the consent of indigenous peoples as part of past and present GEF-assisted projects;
10. Reform incentive structures in the GEF and Implementing Agencies to ensure better integration of social and rights issues in GEF projects and more effective implementation of GEF *revised* policies;

11. Increase the number of GEF Secretariat staff and STAP panelists with social expertise and specific knowledge of indigenous peoples rights issues;
12. Take practical steps to better implement previous COP guidance in relation to Article 8j;
13. Provide targeted support to promote the implementation of Article 10c of the CBD to promote the traditional management of biological diversity by indigenous peoples and local communities;
14. Facilitate the establishment of indigenous and community conservation areas;
15. Replace the concept of “alternative livelihoods” with a *sustainable livelihood approach*, which respects customary resource rights, builds on traditional land-based livelihoods and resource-use practices and supports local agendas and priorities;
16. Ensure the revision of the GEF Monitoring and Evaluation System so that it includes social, cultural, rights and equity performance-based indicators developed with the participation of indigenous peoples, their representative organisations and/or their nominated experts.
17. Revise project processing and budget procedures to minimise administrative and bureaucracy costs and maximise the proportion of GEF funds directed towards indigenous communities and practical work to promote conservation and sustainable use.
18. Strengthen GEF compliance and oversight mechanisms to ensure GEF rules and procedures are applied during project implementation
19. Ensure each GEF project has an adequate dedicated budget to undertake social and environmental requirements of GEF policies e.g., baseline studies, social and poverty risk assessments, land tenure work, consent procedures etc

B Immediate Recommendations

In order to inform the above policy and institutional reforms:

1. Support an independent, focused and timely evaluation of the impacts of the GEF biodiversity portfolio on indigenous peoples.
2. Give careful scrutiny and analysis to the precise proportion of existing and proposed GEF projects that directly or indirectly endorse the exclusionary and social “safety net” approach to protected areas
3. This evaluation should be undertaken by an ample team in each GEF region. The team should include indigenous peoples’ nominated experts chosen through a process of self-selection. This team should be tasked with evaluating the projects managed by each of the different Implementing Agencies and Executing Agencies. The review should include all Operational Programmes spread across full-size, medium-size and small biodiversity projects, including those involving protected areas, landscape level approaches, sustainable use, traditional knowledge, enabling activities and conservation trust funds. It should also examine specific GEF-NGO programmes, such as the Critical Ecosystem Partnership Fund (CEPF).
4. Use the results and specific findings to:
 - i) Complement the findings and recommendations of the GEF Local Benefits Study, 2004 Biodiversity Program Study, the 3rd Overall GEF review and the third independent review of the financing mechanism for the CBD,
 - ii) Develop and adopt GEF indicators for measuring the impacts of GEF projects on indigenous peoples and to assess the level of effective and cultural appropriate participation and respect for indigenous peoples’ rights in GEF projects
 - iii) Formulate a mandatory GEF policy on Indigenous Peoples
 - iv) Inform wider GEF policy and accountability reforms.

In existing GEF projects affecting or targeting indigenous peoples, immediate steps should be taken in full consultation with the peoples and organisations concerned to:

- Provide communities and their organisations with GEF and IA social and accountability policies and procedures, and relevant Project Appraisal Documents (PADs), Project Briefs, Operational Manuals, Grant Agreements and Annual Operations Plans, Audits and Progress reports
- Ensure project information is translated into appropriate local languages
- Ensure communities and their representative organisations are involved in the preparation, review and approval of the Annual Operations Plan for the project
- Provide capacity-building to communities and organisations to help them make sense of these documents and GEF commitments to affected communities
- Attend to unresolved land rights, resource rights and traditional knowledge issues as specified in grant agreements or project plans
- Take immediate steps to remove obstacles to the disbursements of GEF funds and associated funds earmarked for indigenous and community project components (where communities have previously consented to and requested such interventions)
- Take steps to ensure indigenous representatives are properly involved in project decision-making processes
- Respect and act on indigenous proposals for improving project implementation or addressing problems
- Ensure that mid-term evaluation missions engage with and record the concerns of indigenous peoples and their local and national organisations
- Ensure that forthwith (i.e. prior to the adoption of new GEF rules and written policies) all existing GEF-assistance for protected areas that affect indigenous peoples is in full conformity with CBD COP VII decision on protected areas and Programme Element 2 of the CBD programme of work on protected areas
- Ensure that GEF funds are **not** used to legally establish protected area types that are not acceptable to affected indigenous peoples and indigenous communities
- Initiate action to implement the policy recommendations of the 2004 Biodiversity Program Study, which advises that the GEF expand and strengthen its policy and accountability frameworks.

Annex I: Useful web links and contacts

GEF web site: <http://www.gefweb.org/>

Independent and NGO Web Sites and Resources

Case studies of GEF projects:

http://www.forestpeoples.org/briefings/gef/gef_base.htm

Critical information on the GEF:

<http://www.newgreenorder.info>

Critical films and documentaries:

<http://www.if-watchnet.org/eyes/item.shtml?x=42952> and

<http://www.if-watchnet.org/eyes/item.shtml?x=43328>

IUCN 1997 Guide to GEF:

<http://biodiversityeconomics.org/finance/topics-212-00.htm>

GEF Policies and Standards

GEF Operational Strategy:

http://www.gefweb.org/Operational_Policies/Operational_Strategy/op_stat/op_stat.html

Operational Principles:

<http://www.gefweb.org/public/opstrat/ch1.htm>

Operational Programmes:

http://www.gefweb.org/Operational_Policies/operational_programs/operational_programs.html

Public involvement policy:

http://www.gefweb.org/Operational_Policies/Public_Involvement/public_involvement.html

Eligibility Criteria:

http://www.gefweb.org/Operational_Policies/eligibility_criteria/eligibility_criteria.html

Monitoring and evaluation criteria:

<http://www.gefweb.org/MonitoringandEvaluation/MEPoliciesProcedures/MEPCriteria/mepcriteria.html>

GEF Project Cycle and review criteria:

http://www.gefweb.org/Documents/Council_Documents/GEF_C16/GEF_C.16_Inf.7.pdf

http://www.gefweb.org/Documents/Council_Documents/GEF_C22/Project_Cycle_Update__FINA L__Nov_5_2003.pdf

Invitation to submit feedback on GEF projects to Monitoring and Evaluation Unit:

http://www.gefweb.org/ResultsandImpact/Monitoring__Evaluation/Feedback/feedback.html

GEF Portfolio and Project Databases

GEF Project database:

<http://www.gefonline.org/home.cfm>

GEF summary list of past and present projects:

<http://www.gefonline.org/projectList.cfm>

Database of “pipeline” projects (awaiting full approval):

<http://www.gefonline.org/pipelinelist.cfm>

Projects proposed for GEF Council endorsement:

http://www.gefweb.org/Documents/Project_Proposals_for_Endorsement/project_proposals_for_endorsement.html

GEF-World Bank Project database:

<http://lnweb18.worldbank.org/ESSD/envext.nsf/45ByDocName/ProjectDatabasesWorldBankGEFProjectDatabase>

UNDP GEF Project database:

<http://cfapp2.undp.org/gef/site/>

UNDP/GEF Small Grants Programme Database:

<http://sgp.undp.org/index.cfm?module=Projects&page=AdvancedSearch>

GEF Contacts

GEF Secretariat

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GEF staff list: <http://www.gefweb.org/participants/Secretariat/Staff/staff.html>

GEF Council: <http://www.gefweb.org/participants/council/council.html>

GEF country focal points:

http://www.gefweb.org/participants/Focal_Points/Focal_1/focal_1.html

Scientific and Technical Advisory Panel (STAP):

http://www.gefweb.org/participants/Scientific_Technical/scientific_technical.html

STAP web site: <http://www.unep.org/stapgef/home/index.htm>

GEF Implementing Agencies

United Nations Development Agency

UNDP GEF web site: <http://www.undp.org/gef/>

UNDP-GEF Guide:

http://www.undp.org/gef/undp-gef_publications/publications/undp-gef_guidebook_english.doc

UNDP-GEF Proposal Guidelines:

<http://www.undp.org.vn/themes/environment/gef/guide.htm>

UNDP-GEF "Country Dialogues" web site:

<http://www.undp.org/gef/workshop/newsdi.htm>

GEF/UNDP Small Grants Programme web site: <http://sgp.undp.org/>

UNDP-GEF Publications:

http://www.undp.org/gef/undp-gef_publications/undp-gef_publications.html

GEF- UNDP Small Grants Programme

SGP Grant application:

<http://sgp.undp.org/index.cfm?module=ActiveWeb&page=WebPage&s=ApplyforanSGPGrant>

GEF-SGP National Coordinators:

<http://sgp.undp.org/index.cfm?module=SGP&page=Contact>

GEF-SGP Country Programme Strategies:

<http://www.undp.org/sgp/download/cps.htm>

GEF SGP Contacts Asia-Pacific region:

<http://sgp.undp.org/index.cfm?module=SGP&page=ContactRegion&RegionID=RBAP>

GEF SGP Contacts Latin America and Caribbean Region:

<http://sgp.undp.org/index.cfm?module=SGP&page=ContactRegion&RegionID=RBLAC>

GEF-SGP contacts in Africa Region:

<http://sgp.undp.org/index.cfm?module=SGP&page=ContactRegion&RegionID=RBA>

United Nations Environment Programme

UNEP web pages: <http://www.unep.org/gef/content/index.htm>

UNEP biodiversity activities: http://www.unep.org/gef/content/activity_biodiversity.htm

Access to GEF Funding through UNEP: <http://www.unep.org/gef/AboutFunding.htm>

World Bank

World Bank GEF web site:

<http://lnweb18.worldbank.org/ESSD/envext.nsf/45ByDocName/WorldBank-GlobalEnvironmentFacility>

World Bank GEF Group:

<http://lnweb18.worldbank.org/ESSD/envext.nsf/45ByDocName/WhosWho>

GEF-NGO Liaison

GEF – NGO regional focal points:

http://www.gefweb.org/GEF-NGO_REGIONAL_FOCAL_POINTS.pdf

GEF- NGO web pages:

http://www.gefweb.org/Partners/partners-Nongovernmental_Organ/partners-nongovernmental_organ.html

List of GEF accredited NGOs: <http://www.gefonline.org/ngolist.cfm>

NGO accreditation form:

http://gefweb.org/Partners/partners-Nongovernmental_Organ/Accreditation_Process/GEF_Accreditation_Form.doc

Annex II: Study methodology and sources

The review of indigenous peoples' experience of GEF biodiversity projects in this report (mainly section 2) is based on past participatory case studies and ongoing work being undertaken by the Forest Peoples Programme, indigenous organisations, support NGOs and affected communities. The review also draws on published and grey literature and on interviews with indigenous leaders and support NGOs familiar with the projects in question and GEF biodiversity projects generally. Most of the detailed case studies have been self-selected for review by local organisations. Seven out of the eight cases in the current sample of full-sized projects are predominately implemented by the World Bank. It is hoped future work will examine more UNDP full size projects and Small Grants Programme (SGP) investments as well as several medium-sized projects implemented by international NGOs.

The preliminary and ongoing review involves following GEF-assisted projects:

Project	IA	Status	Review(s)
LATIN AMERICA			
1. Indigenous Management of Protected Areas in the Amazon (Peru): 2001-2007 [full size]	World Bank,	Active	2004, Racimos de <i>Ungurahui</i> and <i>AIDSESP</i>
2. Atlantic Meso-American Biological Corridor (Panama) [full size]	World Bank	Active	2000, FPP Ongoing Kuna Congress/ IDIKY/FPP
3. National Protected Area System Project – NPAS (Guyana) [full size]	World Bank	Pipeline(?)	2000 APA/FPP Ongoing – APA/FPP
AFRICA			
4. Campo Ma'an (Cameroon)	World Bank	Active	2004, FPP
5. Conservation of Transboundary Biodiversity in the Minkebe-Odzala-Dja Interzone in Gabon, Congo, and Cameroon TRIDOM [full size]	UNDP	Active	Ongoing, FPP
6. Conservation of Bwindi and Mgahinga National Parks (Uganda) [full size]	World Bank	Closed	2000, UOBDU/FPP Jackson (2004) Ongoing, FPP
ASIA			
7. India Ecodevelopment [full size]	World Bank	Closed 2003	Ongoing, Samata
8. Biodiversity Conservation in the Sundarbans Reserved forest (Bangladesh) [full size]: 1999-2006	ADB	Suspended 2003	Ashraf-Ul-Alam, T (2004) Ongoing, FPP
9. Conservation of Priority Protected Areas System Project (CPPAP)	World Bank	Closed 2003	2000, Tebtebba Ongoing, FPP

The review involved a general survey of 28 GEF biodiversity project documents relating to Central Africa, and a more detailed desk-based scrutiny of the following 13 documents:

- GEF (2004) *Support to the Rehabilitation of the Protected Areas System in DRC, in the framework of the National Forest and Biodiversity Sector Programme*
- GEF (1997) *Project of the Government of the Central African Republic: A highly decentralised approach to the protection and utilisation of biological diversity in the Bangassou dense forest*
- GEF (2004) *Cameroon: Forestry and Environmental Sector Adjustment Credit*
- GEF (2004) *Conservation of Transboundary Biodiversity in the Minkébé-Odzala-Dja Interzones in Gabon, Congo and Cameroon*
- GEF (1997) *Uganda: Protected Areas Management and Sustainable Use*
- GEF (nd) *Restoration of Conservation Capacity for the Biodiversity Values of the Protected Areas in Rwanda (Concept Paper)* (not yet approved)
- GEF (nd) *Gabon: Programme Sectoriel Forêts et Environnement* (not yet approved)
- GEF (1991) *Conservation of Biodiversity through Effective Management of Wildlife Trade* (closed)
- GEF (1993) *Cameroon: Biodiversity Conservation and Management* (closed)
- GEF (2000) *Cameroon: Community Based Conservation in the Bamenda Highlands*
- GEF (1991) *Congo: Wildlands Protection and Management* (closed)
- GEF (1997) *Regional Environmental Information Management Project*
- GEF (2000) *Development of a Regional Strategic Action Programme for Environment and Biodiversity Resources of the Ecosystems of the Congo*

Some key sources: Ashraf-Ul-Alam Tutu (2004); Gadgil, M (2001); Griffiths, T and Colchester, M (2000); Gutiérrez Laya, O (2004); Horta, K, Round R and Young Z (2002); Jackson, D (2004); Janata Budakattu Hakka Staphana Samithi (2000); Kenrick, J (2000); Kothari, A (1998); Nelson, J (2004); Rovillos, R Cadiogan A and Alangui W (2000); Samata (2004).

Annex III: GEF Biodiversity Projects with Explicit Indigenous Peoples Components

FY	Type	Region	Country	Project Name	Database Info
1991	FP	AFR	Uganda	Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation	x; assisted in gaining effective representation in the trust's decision-making process and park mangement;
1991	FP	LAC	Panama	Biodiversity Conservation in the Darien Region	x; on protection efforts;
1991	FP	AFR	Gabon	Conservation of biodiversity through effective management of wildlife trade	xx; (capacity building);
1991	FP	LAC	Regional (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela)	Regional Support for the Conservation and Sustainable Use of Natural Resources in the Amazon	x; on nat.resource mgmt.projects execution;
1991	FP	LAC	Colombia	Conservation of Biodiversity in the Choco Region	x
1991	FP	LAC	Guyana	Programme for Sustainable Forestry (Iwokrama Rain Forest Programme)	x
1992	FP	AFR	Ghana	Coastal Wetlands Management	x
1992	FP	LAC	Bolivia	Biodiversity Conservation	x
1992	FP	LAC	Ecuador	Biodiversity Protection	x
1993	FP	AFR	Mozambique	Transfrontier Conservation Areas Pilot and Institutional Strengthening	x; in training activities;
1993	FP	AFR	Cameroon	Biodiversity Conservation and Management	x
1995	FP	ECA	Russian Federation	Biodiversity Conservation	x
1995	FP	LAC	Guatemala	Integrated Biodiversity Protection in the Sarstun-Motagua Region	x; only on technical review;
1997	FP	LAC	Costa Rica	Biodiversity Resources Development	x
1997	FP	LAC	Guyana	National Protected Areas System	x; hinterland communit: Ameridian groups;
1997	FP	LAC	Honduras	Honduras Biodiversity Project	x; training for;
1997	FP	LAC	Panama	Atlantic Biological Corridor Project	x
1997	FP	ASME	Jordan	Final Consolidation and Conservation of Azraq Wetlands and Dana Wildlands by RSCN to Address New Pressures	x; indigenous NGO strengthen;

FY	Type	Region	Country	Project Name	Database Info
1998	FP	Asia	Pakistan	Protected Areas Management Project	x
1998	FP	LAC	(Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama)	Establishment of a Programme for the Consolidation of the Meso-American Biological Corridor	Regional x;
1999	FP	LAC	Paraguay	Paraguayan Wildlands Protection Initiative	x; amerindians groups;
1999	FP	AFR	Africa	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa	x; strengthening capacity of indigenous range managers;
1999	MSP	Asia	China	Lop Nur Nature Sanctuary Biodiversity Conservation	x; Uygur tribespersons;
1999	FP	LAC	Bolivia	Sustainability of the National System of Protected Areas	x; Guarani, Chiquitano, etc; in PAs;
1999	FP	Asia	Cambodia	Biodiversity and Protected Area Management Pilot Project for the Virachey National Park	x; ethnic groups; livelihoods options;
1999	MSP	LAC	Colombia	Sustainable Use of Biodiversity in the Western Slope of the Serrania del Baudo	x
1999	MSP	LAC	Mexico	El Triunfo Biosphere Reserve: Habitat Enhancement in Productive Landscapes	x
1999	FP	LAC	Peru	Indigenous Management of Protected Areas in the Amazon	xx; part of PA administration; in mgmt.of selected PAs; on committees;
1999	MSP	LAC	Venezuela	Conservation and Sustainable Use of Biodiversity in the Llanos Ecoregion	x; rural indigenous people;
1999	MSP	LAC	Peru	Participatory Conservation and Sustainable Development with Indigenous Communities in Vilcabamba	x; on assessment of current land tenure;
2000	FP	AFR	Morocco	Transhumans for Biodiversity Conservation in the Southern High Atlas	x; Berber sub-tribes in project area;
2000	FP	LAC	Venezuela	Conservation of the Biological Diversity of the Orinoco Delta Biosphere Reserve and Lower Orinoco River Basin	x;on expansion, zonation and mgmt.of reserve; Warao capacity development; preparing wild bird mgmt.plan;

FY	Type	Region	Country	Project Name	Database Info
2000	MSP	Asia	Nepal	Upper Mustang Biodiversity Conservation	x; consultation with indigenous cultural and religious institutions; indigenous knowledge utilized
2000	FP	LAC	Colombia	Conservation of Biodiversity in the Sierra Nevada de Santa Marta	x; collaborative management of National Park;
2000	MSP	LAC	Costa Rica	Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	x; indigenous association;
2000	FP	LAC	Brazil	Amazon Region Protected Areas Program (ARPA)	x; demarcation activities;
2000	FP	LAC	Colombia	Conservation and Sustainable Use of Biodiversity in the Andes Region – x; build relationships between traditional managers and campesinos, indigenous, etc;	
2000	MSP	LAC	Ecuador	Choco-Andean Corridor	x
2000	FP	AFR	Egypt	Conservation and Sustainable Use of Medicinal Plants in Arid and Semi-arid Ecosystems	x; for consultation and activities; e.g., Bedouin;
2000	FP	LAC	Mexico	Indigenous and Community Biodiversity Conservation (COINBIO)	x; beneficiaries: indigenous communities;
2000	FP	LAC	Mexico	Mesoamerican Biological Corridor	x
2000	MSP	AFR	Algeria	Biodiversity Conservation and Sustainable Natural Resource Management	x; implementation of project;
2000	MSP	Asia	Philippines	Sustainable Management of Mount Isarog	x; tribal organizations;
2000	FP	LAC	Brazil	Promoting Biodiversity Conservation and Sustainable Use in the Frontier Forests of Northwestern Mato Grosso	x
2001	FP	LAC	Regional (Belize, Guatemala, Honduras, Mexico)	Conservation and Sustainable Use of the Mesoamerican Barrier Reef	x; Mayan communities, Garifuna communities;
2001	MSP	LAC	Ecuador	Albarradas in Coastal Ecuador: Rescuing Ancient Knowledge on Sustainable Use of Biodiversity	x
2001	MSP	LAC	Belize	Community-managed Sarstoon Temash Conservation Project	x; Kekchi mayan and Garifuna commun.
2001	MSP	Asia	China	Multi-agency and Local Participatory Cooperation in Biodiversity Conservation in Yunnan Upland`s Ecosystem	x
2001	MSP	ASME	Iran	Conservation of the Asiatic Cheetah, its Natural Habitat and Associated Biota	x; indigenous knowledge;

FY	Type	Region	Country	Project Name	Database Info
2001	FP	LAC	Mexico	Consolidation of the Protected Areas Program (SINAP II)	x; 11 ethnic groups;
2001	MSP	Asia	Nepal	Landscape-scale Conservation of Endangered Tiger and Rhinoceros Populations in and Around Chitwan National Park	x; cultural survey of indigenous knowledge and practices;
2001	MSP	Asia	Nepal	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project	x
2001	FP	LAC	Colombia	Conservation of Montane Forest and Paramo in the Colombian Massif, Phase I	x; provide technical assistance and support to indig. people to establish, delimit, and manage their conservation areas;
2001	FP	LAC	Guatemala	Western Altiplano Integrated Natural Resources Management	x; access to project resources;
2001	FP	Asia	India	Conservation and Sustainable Management of Dryland Biodiversity, Phase 1	x; Maldhari nomadic herders;
2001	FP	ECA	Russian Federation	Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas in Russia's Kamchatka's Oblast, Phase I	x; contribution relied upon in strengthening information base;
2001	FP	LAC	Chile	Water Resources and Biodiversity Management	x; Mapuche in participatory mgmt. of PA;
2001	FP	LAC	Ecuador	National Protected Areas System	x; Sionas, Cofans, Quichuas;
2001	MSP	AFR	Zimbabwe	Conservation and Sustainable Use of Traditional Medicinal Plants	x
2001	MSP	LAC	Costa Rica	Biodiversity Conservation in Cacao Agro-forestry	x; crops hold by indigenous peoples.
2001	MSP	LAC	Colombia	Conservation and Sustainable Development of the Mataven Forest	xx; strong indigneous participation in desing and management (also young leaders and woment);
2001	FP	LAC	Chile	Conservation and Sustainable Use of Chiloé Globally Significant Biodiversity	x; partnership in managin park;
2001	MSP	LAC	Peru	Biodiversity Conservation and Community Natural Resource Management in the Nanay River Basin (Peruvian Amazon)	x

FY	Type	Region	Country	Project Name	Database Info
2001	MSP	Asia	Vietnam	Conservation of Pu Luong-Cuc Phuong Limestone Landscape	x; appraisals of indigenous resource management and conservation strategies using participatory tools and methodology;
2002	FP	Asia	Philippines	Asian Conservation Foundation (ACF)	x; if present in areas;
2002	FP	AFR	Algeria	Conservation and Sustainable Use of Globally Significant Biodiversity in the Tassili and Ahaggar National Parks	x
2002	FP	AFR	Tunisia	Protected Areas Management Project	x
2002	FP	AFR	Regional (Burkina Faso, Botswana, Kenya, Mali, Namibia, Niger, Senegal, South Africa, Zimbabwe)	Desert Margin Programme, Phase 1	x; indigenous commercial farmers union;
2002	MSP	LAC	Ecuador	Conservation of Biodiversity in Pastaza – design management plans for the Yana Yacu, Nina Amarun and Shiona communities	xx
2002	MSP	ECA	Russian Federation	Strengthening Protected Areas Network for Sikhote-Alin Mountain Forest Ecosystems Conservation in Khabarovsk Krai	x; association of indigenous people of the Russian Far East;
2002	MSP	AFR	Regional (Ethiopia, Kenya, Mali)	Conservation of Gramineae and Associated Arthropods for Sustainable Agricultural Development in Africa	x; preservation of indigenous knowledge, and management systems;
2002	MSP	LAC	Mexico	Private Land Mechanisms for Biodiversity Conservation in Mexico	x
2002	MSP	LAC	Regional (Honduras, Nicaragua, Panama, Dominican Republic)	Biodiversity Conservation and Integration of Traditional Knowledge on Medicinal Plants in National Primary Health Care Policy in Central America and Caribbean	x
2002	MSP	CEX	Global	Global Biodiversity Forum (GBF): Multistakeholder Support for the Implementation of the Convention on Biological Diversity – Phase III	x

FY	Type	Region	Country	Project Name	Database Info
2002	MSP	LAC	Regional (Bolivia, Costa Rica, Mexico, Peru, Belize, Ecuador, El Salvador, Panama, Paraguay)	EcoEnterprises Fund	x
2002	MSP	LAC	Guatemala	Community Management of the Bio-Itza Reserve Project	x; applied research program that strengthen right of indigenous groups over their natural resources will be design;
2003	MSP	LAC	Peru	Conservation and Sustainable Use of Biodiversity in the Amarakaeri Communal Reserve and Adjoining Indigenous Lands	xx; Harakmbut
2003	FP	LAC	Peru	Participatory Management of Protected Areas	xx
2003	FP	Asia	Nepal	Landscape Level Biodiversity Conservation in Nepal's Western Terai Complex	xx; Tharu, Raji, Badi
2003	FP	AFR	Chad	Conservation and Sustainable Use of Biodiversity in the Moyen- Chari	x; discussed in socio- economic baseline and in threats, only specified as communities in project activities; groups: Sara, Tounia, Mboua, Sara Kaba, Nielle, N'dam, Gor
2003	FP	AFR	Guinea	Conservation of the Biodiversity of the Nimba Mountains through Integrated and Participatory Management	x; Manons, Konons
2003	FP	ECA	Russian Federation	Conservation and Sustainable Use of Wild Salmonid Biological Diversity in Russia's Kamchatka Peninsula, Phase I	xx; Itelmen, Koryak, Even
2003	FP	ECA	Russian Federation	An Integrated Ecosystem Management Approach to Conserve Biodiversity and Minimize Habitat Fragmentation in Three Selected Model Areas in the Russian Arctic (ECORA)	xx; Nenets, Evens, Chukchi, Yukagirs, Evenks, Kereks, Chuvants, Inuits
2003	FP	AFR	Guinea-Bissau	Coastal and Biodiversity Management Project	x; Bijagos
2003	FP	REG	Regional (Armenia, Bolivia, Madagascar, Sri Lanka, Uzbekistan)	In-situ Conservation of Crop Wild Relatives through Enhanced Information Management and Field Application	xx; groups n/s

FY	Type	Region	Country	Project Name	Database Info
2003	MSP	Asia	Vietnam	The Green Corridor	x; Ca Tu, Ta Oi, Pa Ko, Van Kieu, Pa Hy – unclear if these groups are technically classified as indigenous
2003	MSP	LAC	Paraguay	Biodiversity Conservation and Sustainable Use in the Mbaracayu Natural Reserve	xx; Chupa Pou Aché, Guaraní
2003	MSP	Asia	Pakistan	Conservation of habitats and species of global significance in Arid and Semi-arid Ecosystems in Balochistan	x; tribal groups
2003	MSP	LAC	Bolivia	Removing Obstacles to Direct Private-Sector Participation in In-situ Biodiversity Conservation	x
2003	MSP	LAC	Colombia	Naya Biological Corridor in the Munchique-Pinche Sector	xx; Paeces, Eperara-Siapidaara
2003	MSP	Asia	Vietnam	Integrating Watershed and Biodiversity Management in Chu Yang Sin National Park	x; M'nong, Ede, H'mong
2003	FP	LAC	Mexico	Consolidation of the Protected Area System (SINAP II) – Second Tranche	xx; "Nearly 400,000 persons live in PA or buffer zones; 16% of them are indigenous peoples comprising eleven ethnic groups with a variety of languages and culture presently at risk."

Annex IV: Summary of Process for Preparation and Approval of Full-Size GEF Projects – over \$1 million [Source: *GEF Project Cycle: an update GEF/C.22/Inf.9, November 5, 2003 GEF Council, GEF: Washington, DC*]

Phase I: Project Concept Development

- IA may provide proposer with a PDF-A grant (up to \$25,000) to develop a *Concept Document*
- Concept document submitted to GEF Secretariat
- Concept Document circulated to other IAs, GEF Executing Agencies, Convention secretariats and STAP [10 day comment period]
- GEF Secretariat reviews and prepares *Concept Document Review Agreement* [consistent with GEF OP and policies and *Project Review Criteria*]
- Following a desk review and analysis of comments and after a *project review meeting* involving relevant IAs and Executing Agencies, the GEF Secretariat makes its **first decision** as to whether the project is eligible to enter the GEF “**Pipeline**” [three possible decisions (i) recommended for entry (ii) recommended for entry subject to requirements (iii) not accepted for pipeline]
- GEF secretariat compiles a *Concept Agreement Review* with IA to record agreements between the GEF and IA (this may stipulate that the concept is *only* approved to enter the pipeline pending a **second GEF decision** to approve PDF preparation financing)
- Proposal is listed in *GEF Pipeline Document* circulated to GEF Council prior to Work Program.

Phase II: Preparation

- IA supports project proposer in detailed preparation of the proposal e.g., feasibility studies, technical and scientific design and may provide a PDF-B grant (up to \$350,000) to cover the costs of preparation;
- The proposal must be endorsed by GEF Operational Focal Point (government) [this is required for both receipt of a PDF grant and inclusion of the proposal in the GEF Work Program]
- The proposal must be submitted for technical review by an expert on the STAP roster
- The proposal should include a project summary (documenting conformity with GEF policies and project review criteria)
- IA submits project proposal and supporting documents to GEF Secretariat and other IAs, Executing Agencies and relevant Convention Secretariats and the STAP, all of whom may make observations to the GEF Secretariat [10 day comment period]
- GEF Secretariat reviews the proposal according to *Project review Criteria* and comments
- GEF makes **third decision** about inclusion of the project proposal in the Work Program [(i) recommended for inclusion (ii) inclusion if agreements with GEF-Sec are acted on in project documents within 7-days (iii) inclusion deferred, but may be re-submitted (iv) project has become ineligible]
- All cleared projects are entered into the GEF Work Program with a *Draft Cover Note*, which is submitted to the *GEF Operations Committee* (GEFOP)
- Following the GEFOP meeting, the CEO approves the Work Program for submission to the GEF Council
- The final Work Program includes *final project executive summaries* prepared by the IA and Executing Agencies
- The GEF Secretariat posts the Work Program on the GEF website for circulation to GEF Council members [posted quarterly]

- The Council approves the Work Program *as a whole* in one block {subject to comments that must be submitted in writing within two weeks of the Council meeting}
- The Council may request that specific projects be re-circulated for comments once final project appraisal documents are completed*

Phase III: Project Appraisal

- IA appraises the project included in the Work Program
- IA finalises with the recipient detailed project arrangements, legal agreements etc, including the *incremental costs analysis*
- The final project document is sent to the GEF CEO for endorsement
- GEF Secretariat reviews the project according to the Project Review Criteria and takes a **fourth decision** [(i) Remains consistent with design approved by the Council in the Work Program (ii) co-financing is secure (iii) All requirements of GEF Sec and GEF Council have been met]
- The final documents may be sent to the GEF Council for further comments [4 week period]*
- If the GEF Council members raise objections, the project is submitted to the next Council meeting for further review.
- If no objections are received, the CEO endorses the project after the 4 week comment period
- The endorsed project document becomes publicly available and is posted on the GEF web site

Phase IV: Project Approval and Implementation

- After endorsement by the GEF CEO, the final project document is approved by the authorising body of the IA/Executing Agency
- IA and Executing Agencies are responsible for project implementation
- The IA and Executing Agencies submit *annual project implementation reports (PIRs)* to the GEF Monitoring and Evaluation Unit as part of the *Annual Portfolio Performance Review (PPR)*. The project may be subject to the M and E Unit's *Specially Managed Project Reviews (SMPRs)*, which assess implementation against the *GEF Project Review Criteria*. The project may also be assessed as part of thematic reviews and program studies.
- IAs are encouraged to undertake mid-term reviews to identify corrective actions required to address implementation problems

Phase V: Project Completion and Evaluation

- All projects will produce Terminal Evaluation reports to be submitted to the GEF and will be made public [the **exception** is the World Bank whose final reports remain confidential]
- Some IAs may conduct a post-project impact evaluation. If such assessments are carried out, they are submitted to the GEF M and E Unit
- Under special circumstances, some projects may require a follow-up phase. In these cases, the IA must provide to the GEF clear justification for additional GEF funding and must be accompanied by an *independent* terminal evaluation.

IA Preparation and Approval of Final Project Document: Step 5

- IA works with executing agency (entity to receive grant and implement the project) to finalise project document and contractual arrangements *in accordance with the requirements of the Implementing Agency*. The final document is approved by the IA within *eight weeks*
- Once approved, 15% of the total budget may be advanced immediately to initiate implementation (in accordance with IA rules)

Implementation: Step 6

- Executing agency is responsible for implementation. The IA is responsible for *monitoring the implementation* of the project. The IA is accountable to the GEF Council for the project's implementation – consistent with GEF policies and procedures, *including public involvement ...*

Annex V: Summary of Process for Preparation and approval of Medium-Sized GEF projects – up to \$1 million [Source: *Operational Guidance for the preparation and approval of Medium Sized Projects* http://gefweb.org/Documents/Medium-Sized_Project_Proposals/MSP_Guidelines/guidance.doc]

Initial Stage: Step 1

- Eligible organization may choose to submit draft Concept Note to GEF Secretariat for confirmation of eligibility of project and informal advice on appropriate Implementing Agency to approach [= *pre-screening*]
- Proposer submits finalised Concept Note to Implementing Agency – IA (World Bank or UNDP or UNEP)
- IA may submit Concept to GEF Secretariat to determine its eligibility and conformity with GEF policies and *GEF Operational Strategy* – the GEF Secretariat must reply to the IA *within 15 days*

Preparation: Step 2

- IA informs project proposer of acceptance of concept
- Proposer prepares project proposal, if desired with cooperation of the IA
- Proposer may request Block A Project Development Facility – PDF grant (up to \$25,000) to undertake local consultations, national hearings, and/or workshops to discuss the project proposal and/or project concepts, including translation into local languages. Block A PDF funds can also be used for travel costs for local experts, consultancies to develop project options and scientific reviews and feasibility studies
- The proposal must include an analysis of the *incremental costs measures*
- Proposals are advised to include co-financing (including in-kind contributions)
- The proposal must be endorsed in writing by GEF Operational Focal Point (government)
- Proposer submits final proposal to the IA

Review of Outline Project Proposal: Step 3

- IA submits detailed proposal to the GEF Secretariat
- GEF Secretariat determines if the proposal raises critical policy issues that require inclusion of proposal in GEF Council work programme (irrespective of the requested budget size)
- GEF Secretariat circulates proposals to other IAs, STAP and Convention Secretariats for comments (15 days period) and compiles a consolidated list of comments received;
- Proposals for projects above \$750,000, are submitted for technical review by an expert from the STAP roster (smaller projects may be reviewed if requested by the proposer, IA or GEF Secretariat, but this is not mandatory)
- GEF Secretariat makes recommendations to GEF CEO (to be submitted for approval **or** to be returned for revision **or** to be rejected and not developed)[= *review for CEO endorsement*]

GEF Approval of Outline Proposal: Step 4

- CEO circulates proposal to GEF Council Members for review and comment (15 day period) with specific confirmation that the proposal complies with GEF requirements, including its **public involvement policy**;
- On close of comments period, the CEO is authorised to approve proposals of under \$750,000;
- Proposals requesting more than \$750,000 are included in the next available work programme of the GEF Council

IA Preparation and Approval of Final Project Document: Step 5

- IA works with executing agency (entity to receive grant and implement the project) to finalise project document and contractual arrangements *in accordance with the requirements of the Implementing Agency*.
- The final document is approved by the IA within *eight weeks*
- Once approved, 15% of the total budget may be advanced immediately to initiate implementation (in accordance with IA rules)

Implementation: Step 6

- Executing agency is responsible for implementation. The IA is responsible for *monitoring the implementation* of the project. The IA is accountable to the GEF Council for the project's implementation – consistent with GEF policies and procedures, *including public involvement ...*

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The Global Environment Facility (GEF) is the main intergovernmental mechanism for addressing “global” environmental problems and is the main vehicle for international funding for the Convention on Biological Diversity (CBD).

The “cornerstone” of GEF biodiversity projects is the promotion of protected areas – most of which overlay the lands and territories of indigenous peoples. Yet indigenous peoples have repeatedly claimed that these conservation schemes ignore their rights and undermine their livelihoods. This critical study sets out to examine these problems, identify their causes and recommend solutions.

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