

TIME TO UPGRADE

The Global Environment Facility (GEF), Biodiversity Conservation and Indigenous Peoples

Executive Summary:

This briefing reviews GEF policies and procedures relevant to protected areas and indigenous peoples. The main findings of the review are the following:

GEF policies and procedures continue to support an exclusionary model of protected areas, which entails the removal of resident populations and indigenous peoples to buffer zones and their provision with 'alternative livelihoods'. As such the approach is out of date and at odds with the requirements of the Convention on Biological Diversity, the instructions of the Conference of Parties and international best practice on protected areas.

In GEF projects:

- Participation of affected communities is often absent or perfunctory
- The GEF's own policies and procedures are often not properly implemented
- Traditional knowledge is often ignored or disregarded
- Land tenure is not addressed
- Resettlement is built into project design
- Implementing agencies often fail to adhere to their own procedures
- Baseline studies are lacking
- Impacts are weakly monitored
- Community resistance to and resentment of GEF protected area projects is widespread.

The briefing recommends that the GEF urgently:

- ⚡ Updates its policies and procedures in accordance with COP decisions and guidance
- ⚡ Adopts a policy regarding Indigenous Peoples, which secures their rights to their lands and territories, livelihoods and to free prior and informed consent
- ⚡ Revises its Monitoring and Evaluation Procedures to ensure community participation and use of traditional knowledge.

Introduction:

The GEF is the international financing mechanism for the Convention on Biological Diversity (CBD).¹ The Third Replenishment for the third phase of the FEF (GEF3) amounted to \$3 billion for the period July 2002-June 2006. The Conference of the Parties to the CBD provides guidance to the GEF Council, which is mandated to convert this guidance into its operational guidelines in GEF policies and Operational Programmes (for a summary of all previous CBD guidance to the GEF, see COP 7 document UNEP/CBD/COP7/INF/1).² The *GEF Instrument* and the *GEF Operational Strategy* establish that all GEF-funded activities shall be in full conformity with the guidance provided by the Conference of the Parties (COP) of the CBD. The Convention also undertakes periodic reviews 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. The arrangements, scope, objectives and methodology for this latest review will be agreed at CBD COP7 in 2004.³

GEF support for biodiversity conservation:

A substantial amount of the GEF's total funds are allocated to projects under its biodiversity "focal area".⁴ Some of this funding has been directed towards 'enabling activities' for national biodiversity studies, conservation trust funds, the formulation of National Biodiversity Strategies and Action Plans (NBSAPs), national needs assessments and capacity building for government conservation agencies. Much GEF funding has also been channelled to the establishment and management of protected areas – for both individual protected areas and for National Systems of Protected Areas and for biological corridors. Between 1991 and 2001 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.

Implications for indigenous peoples:

GEF policies, projects and programs have major implications for indigenous peoples because many of their traditional territories have been designated as protected areas. At the same time, the ancestral lands of indigenous peoples contain biodiversity and biological corridors of global importance. Indigenous peoples have protested that protected areas have resulted in the violation of their rights and have imposed restrictions that undermine their traditional livelihoods and caused impoverishment.

International best practice

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 and with full respect for their human rights.⁵ In relation to indigenous peoples' rights, the WPC 'Message to the CBD' states clearly:

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.⁶

Objectives of the briefing:

The purpose of this paper is to highlight that GEF policies, priorities and activities in relation to biodiversity conservation, indigenous peoples and protected areas are out of date and contain gaps and contradictions, which are arguably at odds with some CBD provisions and the ecosystem approach. It is recommended that CBD COP (7?) issue new guidance to the GEF to help ensure that its policies become more consistent with the CBD, its work programmes and with best practice on protected areas and indigenous peoples.

A. Problems with existing GEF Operational Programmes

Operational Programmes (OPs) are supposed to incorporate the guidance of the CBD and are intended to provide a basic framework for the preparation and design of GEF projects for specific themes in each GEF "focal area". In relation to biodiversity, the GEF has six OPs:

- ✍ 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).

Notwithstanding useful standards on participation and traditional knowledge, most GEF Operational Programmes and projects in support of biodiversity conservation and sustainable use of natural resources still routinely deal with social issues by applying the troublesome *alternative livelihood* approach (Box I). This approach aims to reduce (perceived) human ‘pressure’ on biodiversity by providing ‘alternative’ money-based livelihoods for indigenous peoples and local people. It also sometimes involves the relocation of people to rehabilitation sites outside parks.⁷

Indigenous peoples and communities who have been affected by these projects complain that alternative livelihood options do not properly compensate them for their loss of customary resource rights and subsistence benefits.⁸ They argue that the “alternative livelihood” approach violates their inherent rights to own, occupy and use their traditional lands, territories and resources and is anyway often based on flawed 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 (see B. below). Despite these criticisms, support for alternative non-land and non-natural resource livelihoods remains a dominant theme in the design and implementation of GEF protected area projects.

Some GEF Operational Programmes (OP2 and OP3) also dictate that funds for “modified activities” for “conservation and development projects” and “tenure reform and land titling” are restricted to buffer zones *outside* protected areas – indicating that the GEF does not support indigenous land rights and community development within protected areas – at least not in forests and coastal and aquatic environments (Box I).

Undermining the provisions and spirit of the CBD?

By denying indigenous peoples their rights inside protected areas and by financing and carrying out projects to persuade indigenous peoples and local communities to give up traditional land-based livelihoods in return for income-based livelihoods, it could be argued that the GEF policies and activities risk undermining the principles of the ecosystem approach and Article 10c of the CBD, the latter of which requires government parties, as appropriate, to “*protect and encourage customary use of biological resources in accordance with traditional cultural practices...*” The first principle of the ecosystem approach, adopted by the COP in Decision V/6, states the following:

Principle 1: The objectives of management of land, water and living resources are a matter of societal choice.

Rationale: Different sectors of society view ecosystems in terms of their own economic, cultural and societal needs. Indigenous peoples and other local communities living on the land are important stakeholders and their rights and interests should be recognized. Both cultural and biological diversity are central components of the ecosystem approach, and management should take this into account. ...

Out of date Operational Programmes:

With the exception of the more recently adopted OP12 on Integrated ecosystem management, GEF’s biodiversity OPs have not been updated to incorporate the CBD guidance since COP IV. The current OPs also fail to include the progressive elements in recently adopted or expanded work programmes, such as the expanded work programme on Forest Biological Diversity. Among numerous other activities, this latter CBD work programme recommends, for example, that States-parties undertake activities to:

- (i) Strengthen the capacity of indigenous and local communities to resolve land rights and land use disputes in order to sustainably manage forest biodiversity [Programme Element 1: Goal 4, Objective 3, activity b]
- (ii) Provide incentives for the maintenance of cultural diversity as an instrument to enhance forest biological diversity [Programme Element 1: Goal 4, Objective 3, activity d]
- (iii) Create an environment that fosters respect, and stimulates, preserves and maintains traditional knowledge related to forest biological diversity [Programme Element 1: Goal 4, Objective 3, activity d].

B. Poor implementation of GEF and Implementing Agency policies

The GEF has a policy on public participation (Box II) and has useful standards in its GEF Operational Programmes on participation and traditional knowledge. It also has a policy on Monitoring and Evaluation.⁹ These policies rightly require that GEF funded-activities ensure local participation, address the need and interests of affected communities and compile pre-project baseline information. The OPs also establish that the GEF should support specific activities, including support for:

...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** [OP2 2.1.9.b, OP 3.17.j. etc]

However, despite the GEF's new focus on "impacts and results" there is much evidence to show that these important social and cultural elements in GEF policies are still not being effectively implemented. Indigenous peoples complain that they are often not even advised of GEF projects until they have already been approved and implementation has begun – one example is the *Philippines: Conservation of Priority Protected Areas Project (CPPAP)*, which did not involve local indigenous communities until the project had already begun.¹⁰ The GEF's own review of its biodiversity portfolio in 2001 found that only 20% of protected area projects had ensured local people felt properly involved. In a sample of 78 projects, the review found that the extent of participation in almost half of the projects was either *partial* (20%), *poor* (9%), *absent* (12%) or *unknown* (4%).¹¹

Likewise, GEF protected area projects struggle to properly value and respect traditional knowledge. The same 2001 GEF internal review found:

...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

The serious disregard for local and indigenous knowledge and the associated resource rights of rural communities in GEF projects has caused local people to come together to resist these interventions. 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.¹²

BOX I: A summary of 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 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 OP 3: 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]

More disturbing is the fact that where GEF projects do deal with traditional knowledge, they seem not to include any measures to respect the right of free prior and informed consent in relation to access to and use of such knowledge – even though this standard has been explicitly required for GEF projects by the COP and is contained in existing GEF OPs.

There is also continuing evidence that the World Bank as one of the GEF's main Implementing Agencies, still struggles to mainstream environmental and social concerns in its projects. For example, a recent review of the implementation of the Bank's Indigenous Peoples Policy found that more than half projects adversely affecting indigenous peoples were found to have "...*inadequate measures to mitigate the adverse impact of the project activities*", while the policy was not applied at all in 38% of the projects that affected indigenous peoples, demonstrating a major failure in the application of the policy.^{xiii}

Lack of adequate baseline studies:

One of the most serious and persistent problems in implementation is the failure of Implementing Agencies to carry out proper social, cultural and biological baseline studies prior to project approval and implementation. The failure to undertake such studies violates both the GEF's own Monitoring and Evaluation Policy and the IAs own internal policies. The failure to carry out these baseline assessments means that indigenous knowledge systems, land tenure regimes and their customary resource use practices are disregarded or poorly understood in GEF projects.^{xiv}

Failure to deal with land tenure:

Despite requirements to address land tenure issues under the Bank's own internal standards, GEF projects often fail to adequately deal with critical land rights and resource rights issues, though these issues may sometimes be mentioned in project documentation. In the CPPAP project mentioned above, indigenous peoples have criticised the project as it does not seek to resolve Aeta claims to their ancestral territories.^{xv} Even where projects seek to target indigenous peoples, it is evident that these crucial issues are being left out of project design – in direct violation of IA policies.

For example, in the GEF-assisted *Indigenous Management of Protected Areas in the Amazon (PIMA)* project in Peru, indigenous communities have complained that the project design fails to address their land claims to traditional territories which have protected areas superimposed on top of them. In the same way, the more recent *Participatory Management of Protected Areas Project*, also in Peru, likewise excludes land tenure issues from project design yet is financing a project where widespread land tenure conflicts are known to exist and are reported in project documents.^{xvi} The 2001 GEF review of its biodiversity programme confirms that this failure to address land tenure gap is a feature of many GEF biodiversity projects:

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 initiative^{xvii}

The failure to deal with tenure issues means that GEF projects risk undermining the land base of traditional knowledge systems, as recently highlighted in by the CBD Ad Hoc Working Group on Article 8 j which affirms:

Parties should be encouraged, in accordance with national domestic law and international obligations, to recognize land tenure of indigenous and local communities, as recognized rights and access to land are fundamental to the retention of traditional knowledge...^{xviii}

Box II: 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]

C. Ongoing weaknesses in GEF Monitoring and Evaluation framework

The GEF still suffers serious weaknesses in its monitoring and evaluation framework despite major efforts to overhaul and improve its monitoring capacity in recent years.^{xix} It is startling that after ten years the GEF Secretariat has still so far failed to comply with the GEF 1996 Policy on *Public Involvement*, which requests that it develop detailed guidelines on how to assess the effectiveness of the implementation of the policy (at paragraph II.15). One of the most serious gaps is the continuing lack of adequate results-based and performance-based social indicators for GEF projects. The second independent review of the GEF undertaken for the Conference of the Parties of the CBD in 2001 confirms that this fundamental flaw in GEF monitoring remains (see also section 5.):

“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”^{xx}

Given the serious lack of official data on the impact of GEF projects on indigenous livelihoods, indigenous representatives participating in the GEF Council called on the GEF in 2001 to review such impacts. Indigenous participants were very pleased that the GEF responded in a timely manner in 2002 by launching a review of “Local Benefits and GEF Focal Areas”. The completion of the first phase of this review in 2003 confirmed:

The review has found that reporting of benefits is given little systematic attention...Fundamentally the type of project reporting submitted by the Implementing Agencies to the GEF is not intended to provide adequate information on local livelihood benefits and impacts

The *Third Study of GEF's Overall Performance (OPS3)* is to commence in 2004 and will be completed by mid-2005. A new and in-depth study on GEF activities in relation to biodiversity conservation will inform the OPS3 assessment. It is significant that a primary goal of this third review to be undertaken by the GEF Monitoring and Evaluation Unit is to assess the *results* of GEF Operational Programs and outcomes of GEF-assisted activities. At this stage, there is no mention of the need to review the social impacts of GEF biodiversity projects.^{xxi}

In contrast, the proposed methodology for the third independent CBD review of the financing mechanism instructs reviewers to use the GEF local benefit review.

D. Fragmented treatment of social, equity and poverty issues

The Local Benefits review has already validated many 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 review also found:

...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 activities^{xxii}

Although COP VI of the CBD highlighted that the GEF should focus on *poverty eradication* as one of the “first and overriding priorities of developing countries,”^{xxiii} the GEF report to COP VII does not deal with the question of how it has tried to address the issue of poverty alleviation.^{xxiv}

E. Gaps in GEF standards and accountability

Indigenous peoples’ organisations and NGOs have pointed out gaps in the GEF policy framework for several years. They point out that the GEF does not have a policy on social or poverty risk assessment.^{xxv} The Implementing Agencies like the World Bank also lack internal policies on social and cultural impact assessment. Nor does the GEF have a specific policy on indigenous peoples – something indigenous peoples have been advocating for at the GEF Council for many years.^{xxvi} It is also significant that indigenous peoples reject some of the policies of the implementing agencies as inadequate to protect their rights, particularly the World Bank’s proposed new draft policy (OP/BP4.10) on Indigenous Peoples.^{xxvii}

Since 1994, the GEF has reportedly adopted a general rule that it does not fund involuntary resettlement, although this crucial institutional safeguard has yet to be consolidated in official GEF policies.^{xxviii} In the meantime, it is clear that GEF projects *continue to include the relocation of indigenous peoples to areas outside protected areas* (even if such relocation might be officially financed by another agency like the World Bank).^{xxix} At the same time, its 1996 project cycle guidelines still allow for “resettlement” in GEF projects, though the type of resettlement permitted is not defined nor qualified in any way.^{xxx}

Accountability gaps:

The GEF does *not* have appeals and complaints procedures for communities 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 short, there are no means of appeal by affected people regarding the violation of *GEF policies*.

F. Is the GEF moving with the times?

It is significant that the more recent “multi-focal” Operational Program (OP12) adopted in 2000 affirms that the GEF will not support:

- ⌘ *activities that may result in perverse incentives for integrated ecosystem management or may have negative environmental or **social** impacts;*
- ⌘ *establishment of agricultural systems that displace affected communities to marginal lands.*^{xxxi}

Unfortunately, the same OP does not directly address land tenure, land titling and livelihood issues. However, there are signs that the GEF is beginning to acknowledge the importance of clarifying property rights and shifting the ownership of land and natural resources to communities.^{xxxi} There are also indications that the GEF is seeking to promote better community involvement and (at least) “limited” community use of park resources, and that some community-based natural resource management and poverty reduction projects are appearing in its portfolio.^{xxxiii}

At the same time, there are indications that some GEF projects can 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.^{xxxiv} There is an urgent need to expand and scale-up these successful experiences – as already noted in the *Second Overall GEF Performance Review* completed in 2002^{xxxv} and the *Third Independent Review of the Small Grants Programme*.^{xxxvi}

For its part, UNEP is also promoting interesting projects on “integrated ecosystem management” (IEM) in line with OP12, which aim to integrate, recover and value traditional ecological knowledge.^{xxxvii}

In general, however, socially aware and rights-based approaches and other best practices are not institutionalised in GEF policies and procedures and not mainstreamed in GEF activities.

Recommendations:

The GEF needs to update its policies and Operational Programs to ensure its projects respect the rights of indigenous peoples and apply the principles of the CBD and the ecosystem approach more effectively. To this end, the Seventh Conference of the Parties of the CBD should issue specific guidance to its financing mechanism in relation to Protected Areas and in-situ conservation (Article 8) and Sustainable Use (Article 10). Specifically the GEF should:

- ✍ Update GEF Operational Programmes, policies and procedures relating to biodiversity to ensure they are fully consistent and up-to-date with:
 - (i) All recent guidance from the CBD COP to the Financial Mechanism, including guidance from COP VII;
 - (ii) Current CBD work programmes, including those relating to Article 8j and related articles, forest biological diversity, mountain ecosystems, coastal, marine and freshwater ecosystems as well as the work programme on protected areas;
 - (iii) International best practice on indigenous and local communities and protected areas, including measures to ensure that all decisions on existing and new protected areas are made with the free prior and informed consent of concerned indigenous peoples in the area;
- ✍ Take practical steps to better implement previous COP guidance in relation to Article 8j and related articles;
- ✍ Support the implementation of Article 10c of the CBD to promote and protect customary use and management of biological diversity by indigenous peoples and local communities, including their tenure rights over lands and resources and respect for customary laws pertaining thereto;
- ✍ Facilitate the establishment of indigenous and community conservation areas;
- ✍ Replace the concept of “alternative livelihoods” with a *sustainable livelihood approach*, which respects customary resource rights and builds on traditional land-based livelihoods and resource use practices;
- ✍ Adopt a specific policy on Indigenous Peoples with provisions and standards that are acceptable to the rights holders/intended beneficiaries of the policy;
- ✍ Formulate as a matter of priority transparent procedures to implement the principle of free and prior informed consent in GEF projects that involve traditional knowledge elements or affect the lands or resources traditionally use or occupied by indigenous peoples;
- ✍ Formalise the prohibition of involuntary resettlement in GEF projects;
- ✍ Update its Operational Programs on biodiversity to properly address land and resource rights, livelihood security and poverty alleviation issues;
- ✍ Adopt a policy on social and cultural impact assessment based on best practice, such as the *Akwé:kon* guidelines;
- ✍ Develop a specific formal and binding public policy on accountability and appeals standards GEF operations;
- ✍ Implement measures providing for the restitution of lands, territories and resources taken without the prior and informed consent of indigenous peoples as a result of and present GEF-assisted projects;
- ✍ 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;

- ⚡ Enable indigenous peoples and civil society organisations to comment on draft TORs for 3rd Overall GEF review (OPS3);
- ⚡ Ensure OPS3 assesses the social and poverty impacts of GEF biodiversity projects and draws on the findings of the GEF Local Benefits Study;
- ⚡ Include participatory assessments with affected communities in OPS3 and invite independent community monitoring and evaluation reports as part of both GEF and CBD reviews;
- ⚡ Incorporate successful rights-based approaches to social issues and land tenure such as those used in the Small Grants Programme in Medium-sized and Full Size GEF Projects

NOTE: This briefing for CBD COP 7 is based on a more detailed *Preliminary Guide to the GEF for Indigenous Peoples and support NGOs* compiled by the FPP in early 2004.

If you would like a copy of this guide, please Email julie@forestpeoples.org

¹ The GEF is also the financing mechanism for 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.

² CBD (2003) *Financial Resources and Mechanism (Articles 20 and 21) – compilation of previous guidance given to the financial mechanism by the Conference of the Parties* UNEP/CBD/COP/7/INF/1, 9 December 2003

³ CBD (2003) *Financial Resources and Mechanism (Articles 20 and 21) – Arrangements for the third review of the effectiveness of the financial mechanism* UNEP/CBD/COP/7/17/Add.5

⁴ The other five GEF focal areas include: climate change, international waters, ozone layer depletion, land degradation and persistent organic pollutants (POPs).

⁵ IUCN (2004) *Protected Areas and the Convention on Biological Diversity (Agenda item 24) - Recommendations for the 7th Meeting of the Conference of the Parties to the CBD (COP7: Kuala Lumpur, Malaysia, 9-20 February 2004* IUCN – The World Conservation Union: Gland <http://www.iucn.org/themes/wcpa/pubs/pdfs/pacoprecommendation.pdf>

⁶ <http://www.iucn.org/themes/wcpa/wpc2003/english/outputs/durban/cbdmessage.htm>

⁷ E.g., *Argentina Biodiversity Conservation Project* (Argentina: 1999-present); *Bwindi Impenetrable National Park and Mgahinga Gorilla National Park* (Uganda: 1995-2000).

⁸ Janara Budakattu Hakku Stapana Samithi (2000) “Nagarahole: Adivasi Peoples’ Rights and Ecodevelopment” Case Study presented to a workshop on *Indigenous peoples, forests and the World Bank*, Washington, DC, May 2000. http://forestpeoples.gn.apc.org/Briefings/World%20Bank/wb_ips_washington_00_nagarahole_eng.htm

⁹ GEF (2002) *Monitoring and Evaluation Policies and Procedures* GEF: Washington DC

¹⁰ Rovillos, R Cadiogan A and Alangui W (2000) *The World Bank Policy on Indigenous Peoples: the Conservation of Priority Protected Areas Project (CPPAP) in Bataan, Philippines* Tebtebba Foundation, Baguio City. See also Gadgil, M (2001) *Report of the STAP Selective Review of the “Philippines: Conservation of Priority Protected Areas Project”* Report of the Scientific and Technical Advisory Panel (STAP) of the GEF. STAP Secretariat, UNEP [at](#) page 14.

¹¹ Singh, S and Volonte, C (2001) *Biodiversity Program Study* GEF Monitoring and Evaluation Unit: Washington DC [at](#) pages xi and 35

¹² Sundarbans Biodiversity Conservation Project Watch Group (2003) *Case Study: Sundarban Biodiversity Conservation Project – SBCP* July, 2003

^{xiii} OED (2003) *Implementation of Operational Directive 4.20 on Indigenous Peoples: an independent desk review* January 10, 2003, Country Evaluation and Regional Relations (OEDCR), OED, Washington, DC

^{xiv} GEF (2003a) *The Nature and Role of Local Benefits in GEF Program Areas – study component: desk review* of GEF projects Biodiversity Study Document No. 6, GEF, Washington, DC [at](#) pages 54 and 57-58.

^{xv} Rovillos, R Cadiogan A and Alangui W (2000) *op. cit.* See also Gadgil, M (2001) *Report of the STAP Selective Review of the “Philippines: Conservation of Priority Protected Areas Project”* Report of the Scientific and Technical Advisory Panel (STAP) of the GEF. STAP Secretariat, UNEP [at](#) page 5 and page 10.

^{xvi} The social assessment for the project maintains that land tenure issues will not be addressed due to the fact that land rights and territorial demarcation fall outside the legal remit of the environment agency which is the recipient of GEF funds under the project. See “Annex 13: Social Assessment and Strategy: participatory management” [at](#) page 1 [in](#) World Bank (2003) *Peru: Participatory Management of Protected Areas Project* Appraisal Document: P068250, World Bank, Washington, DC

^{xvii} Singh, S and Volonte, C (2001) *Biodiversity Program Study* GEF Monitoring and Evaluation Unit: Washington DC. [at](#) point 24, page xiii

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- ^{xviii} CBD (2003) “Annex: Draft elements of a plan of action for the retention of traditional knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles” in *Report of the Third meeting of the Ad Hoc Open-ended Inter-sessional Working Group on Article 8(j) and Related Provisions of the Convention on Biological Diversity* at page 27, UNEP/CBD/COP/7/7
- ^{xix} For a summary of NGO criticisms of the GEF monitoring and evaluation framework, see Horta K, Round X and Young, Z (2002) *The Global Environment Facility: the first ten years – growing pains for inherent flaws?* Environmental Defense, Halifax Initiative
- ^{xx} CBD (2002) *Financial Resources and Mechanism: Executive summary of the report of the independent evaluator for the review of effectiveness of the financial mechanism* UNEP/CBD/COP/6/13/Add.1 at page 9.
- ^{xxi} GEF (2003b) *Third Study of GEF’s Overall Performance (OPS3): evaluative framework* GEF/C.22/10, GEFM&E: Washington, DC
- ^{xxii} GEF (2003a) *The Nature and Role of Local Benefits in GEF Program Areas – study component: desk review of GEF projects* Biodiversity Study Document No. 6, GEF, Washington, DC at pages 85-86.
- ^{xxiii} COP VI Decision VI/17 at paragraph 10. in CBD (2003) *Handbook of the Convention on Biological Diversity* Second Edition, CND Secretariat: Montreal at page 776.
- ^{xxiv} CBD (2003) *Report of the Global Environment Facility* UNEP/CBD/COP/7/9, 17 December 2003
- ^{xxv} The GEF policy on project review criteria do stipulate that all GEF projects should contain a social assessment – see GEF (1996) *The GEF Project Cycle* GEF: Washington, DC at page 10. However, these reviews are often superficial, desk-based summaries of social issues. Also: “Very few project files contain a substantive description of social assessment, which may have been carried out during project preparation”, and GEF biodiversity projects “...do not specify exact components or (social assessment) methods in many cases” (GEF (2003a) *op. cit.* at pages 23 and 87.
- ^{xxvi} Camac, E pers, comm, December 2003.
- ^{xxvii} http://forestpeoples.gn.apc.org/Briefings/World%20Bank/WBIPPPbase.htm#Latest_news
- ^{xxviii} Horta K, Round X and Young, Z (2002) *op. cit.* at page 21.
- ^{xxix} See, for example, the GEF biodiversity projects reviewed in GEF (2003a) *op. cit.* at pages 22 and 74.
- ^{xxx} GEF (1996) *The GEF Project Cycle* at paragraph d (iv), page 10.
- ^{xxxi} http://www.gefweb.org/Operational_Policies/Operational_Programs/OP_12_English.pdf
- ^{xxxii} GEF (2002) *The Challenge of Sustainability: an action agenda for the global environment* GEF, Washington, DC
- ^{xxxiii} Granzow, S (2002) *Picturing the GEF: a decade of action for the global environment* GEF, Washington, DC
- ^{xxxiv} UNDP (2002) *The GEF Small Grants Programme: Hands-on action for sustainable development 1992-2002*, UNDP, New York
- ^{xxxv} GEF (2002 c) *Second Overall GEF Performance Study* GEF: Washington, DC
- ^{xxxvi} Wells, M P, Hosain, M, Ogunseye, B and Tresierra, J C (2003) *Report of the Third Independent Evaluation of the GEF Small Grants Programme 1999-2002* Report Commissioned by the GEF and UNDP, April 2003
- ^{xxxvii} UNEP (2003) *UNEP in the GEF: UNEP’s action in the framework of the GEF – Annual report 2002* UNEP, Nairobi <http://www.unep.org/gef/documents/Brochures/rad792F7.pdf>