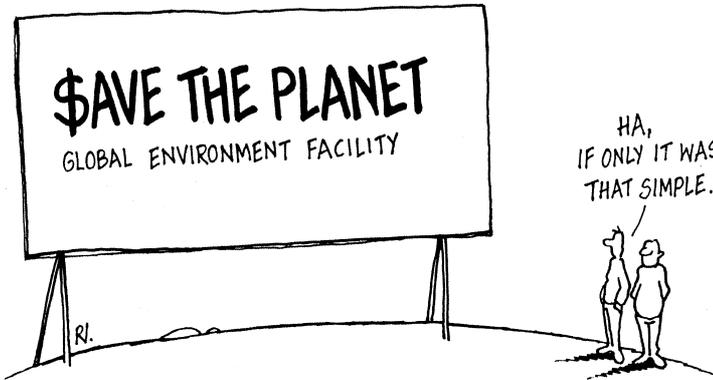


# 1 Greening the New World Order?



'The Future of the Earth ... in our Hands'; The GEF in Context; Establishing the GEF; The GEF in Practice; Understanding the GEF; Outline of the Book; Conclusions

## 'THE FUTURE OF THE EARTH ... IN OUR HANDS'

Each of you is preoccupied with issues at home – important issues, sometimes urgent issues. But let me submit to you that none of these will be nearly as important to the future of your people as the issues here ... The future of the earth as a secure and hospitable home for those who follow us is in our hands. (Maurice Strong speaking to assembled world leaders at the United Nations Earth Summit<sup>1</sup> in Rio de Janeiro, Brazil, June 1992)

Ten years on from the Rio Earth Summit and 30 years from the UN Conference on the Human Environment in Stockholm, the world's governments, corporations and 'civil society' are once again being roused from day-to-day political and economic survival to talk about the future of all our people, our home planet, and the other species we

1. Popularly known as the Rio Earth Summit, this event is formally referred to as the United Nations Conference on Environment and Development (UNCED).

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share it with – at the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa. But the indications are that just as in Stockholm and Rio, reordering the international economy – or even securing corporate accountability – is off the agenda, so, despite all the global hype and new initiatives, nothing much will change.

I make this prediction on the basis of not only reports from WSSD's preparatory processes, but also the findings presented below. The subject of this book is the Global Environment Facility (GEF), a publicly funded multi-billion-dollar<sup>2</sup> green aid fund created in the World Bank by Western governments in 1991 – just in time for Rio. The GEF was charged with financing protection of the 'global environment' and, thereby, 'sustainable development', and has supported thousands of international conservation projects, mostly justified under the UN Framework Convention on Climate Change (FCCC) and the UN Convention on Biological Diversity (CBD). Yet as an avowedly 'non-political' body, the GEF's governing Council does not challenge the often anti-environmental priorities for international extraction of and investment and trade in natural resources of its donor governments or the World Bank, International Monetary Fund (IMF) and World Trade Organization (WTO).

In fact, the growing environmental movement challenging the World Bank and IMF in the late 1980s was partially headed off at the pass with the help of GEF's new conservation money. Billions of additional aid dollars promised for conservation projects eclipsed Southern and radical Northern environmentalists' claims for global ecological justice, environmental regulation on international trade and full and fair cost-benefit analyses of economic investments to ensure the polluter always pays. Suggesting that governments were, after all, willing to commit to environmental action, the GEF's additional green aid was also intended to bring in new partners and co-ordinate existing international institutions to respect the global environmental commons. Thus the World Bank could turn its critics into consultants – accepting their advice within limits, offering project contracts and promising participation in the catalysis of global capital's evolution towards sustainability.

A publicly funded experiment, the GEF was intended to generate lessons for a mission in which – as the UN Environment Programme (UNEP), created 20 years earlier, had already found to its cost – there are no easy answers. So far little known and less understood, the

2. Unless otherwise specified, all \$ signs refer to US dollars.

story of the GEF may shine a light on conservation and colonialism, capitalism and complexity, compromise, co-option and commodification in a rapidly transforming world. It may even suggest things that could be done differently – more fairly and effectively – in future innovations for global environmental security.

#### THE GEF IN CONTEXT

Despite early talk of a 'peace dividend' after the end of the Cold War benefitting the world's poor people and natural environments, official aid has generally declined while weapons spending and hot wars for resources have continued apace since the announcement of a US-led New World Order by George Bush I in 1991.<sup>3</sup> The same year, the GEF entered into operation: an adaptation to the institutions of this emerging global 'order' in response to the rise of environmental movements which were becoming a geo-political force.

In the 1980s the green movement, growing internationally and especially in the US, faced intense resistance from powerful established interests: firms, bankers and politicians profoundly irritated – and sometimes partly convinced – by multi-pronged ecological challenges to business as usual. The GEF was a strategic response by some of 'those who claim maturity and legitimacy' in the global 'centres of political life' (Walker, 1995). While financing the UN multilateral environmental Conventions (see below) the GEF also served to draw the aspirations of a growing environmental movement into running discrete conservation projects and reforming the World Bank – one of the Bretton Woods<sup>4</sup> 'family' of global financial institutions that includes the IMF and latterly the WTO.<sup>5</sup>

3. Foreign Direct Investment (FDI) in 49 'least developed countries' increased from \$600 million in 1990 to \$5.2 billion in 1999, although their share of global FDI remains at 0.5 per cent. Over the same period, official development assistance to these countries declined by \$5 billion (more than the GEF's 'additional' aid) to \$11.6 billion, see <[www.unctad.org/en/pub/poiteiid3.en.htm](http://www.unctad.org/en/pub/poiteiid3.en.htm)>. For arms trade figures see <[www.caat.org](http://www.caat.org)>.
4. The World Bank and IMF were created at Bretton Woods, New Hampshire, US, in 1944 – see Chapter 2.
5. Effectively controlled by Northern governments' treasuries, these strictly 'economic' Bretton Woods institutions are meant to help the global economy to function, although as lumbering and unaccountable bureaucracies they do not always do so effectively and have widely been held responsible for financing environmentally destructive developments across the South (see, for example, Rich, 1994). The World Bank makes loans to Southern governments for development projects including roads, dams, mines, forestry, agriculture, schools, hospitals and sectoral reform programmes.

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Created in 1945, the World Bank and IMF intervene in the international economy primarily in the interests of their major shareholders – the US and Western European economic powers. Since the 1980s these institutions, joined by the WTO in 1994, have also promoted the ‘Washington Consensus’ of neo-liberal policies, which make life easier for big business, if not always the people and places affected (see Chapter 2). For example, in promoting fisheries ‘development’, the Bank may offer a government credit to buy large boats, refrigeration and processing factories to serve global markets, but takes next to no responsibility for the resulting decline of fish stocks and local markets and immiseration of artisanal fishing communities, let alone damage to marine ecosystems and spawning grounds by industrial-scale fisheries. Opening some middle-income countries’ economies and resources to ever more foreign investment may have created a degree of economic advancement for some, but damaging environmental consequences combined with displacement, hunger and recurrent resource riots across the South, along with economic collapses from East Asia and Argentina to Enron, suggest that all is not well with the model – even if the long-term decline of so many African countries under neo-liberal policies is ignored, as is so often the case.

As this book is completed in 2002, the GEF’s official evaluators cannot advertise any serious impact on the rate or causes of global environmental change – indeed, they lack the time, resources and remit to examine the details of grass-roots situations where change may or may not be occurring. At the global level, despite isolated green achievements (for example, the growth of the hole in the ozone layer may be slowing), most forms of pollution are still rife, the climate still seems to be changing, countless plant and animal species and varieties are still going extinct, landscapes, water bodies, fertility and ecosystems are still being degraded or destroyed through ill-considered and unsustainable exploitation – according to the UNEP’s scientists as well as the various environmental non-governmental organizations (NGOs).<sup>6</sup> Despite ten years of the GEF’s reforming efforts (not to mention 30 years of the UNEP’s), fierce critiques and mass demonstrations are again gathering against the very legitimacy of the international financial institutions, opposing

6. NGO has become a generic name for non-profit bodies since it was first used in the UN Charter of 1946 to designate the groups allowed access to the UN Economic and Social Council (ECOSOC).

the ecological as well as social consequences of the policies they enforce (<[www.indymedia.org](http://www.indymedia.org)>, <[www.schnews.org](http://www.schnews.org)>).

As banks, corporations and their allied professional classes try once more to pacify popular ecological concerns and separate them from resistance to the capitalist system itself, what further institutional reforms – and difficulties – are likely? Will available funds, expertise, attention and political initiative be used more effectively for environmental protection in future? If governments were unable to come up with an effective solution when there was mass popular interest in conservation in the late 1980s and early 1990s, what hope is there for less compromised solutions now that international attention has largely moved on to focus more on hunger, trade and war?

With US military ambitions for ‘full spectrum dominance’ of the globe and the bleeding of a so-called ‘war on terror’ into something like a war on dissent, most of the biggest and especially Washington-based environmental NGOs are working with the World Bank and/or the GEF, and are politically wary of seeming to attack what now passes for the US government’s ‘national interest’.<sup>7</sup> Whatever their aspirations, hopes and promises, can real-world solutions to widely distributed environmental problems really all be channelled through a largely Washington-based community of environmental professionals whose jobs depend, in the final analysis, on the surplus and favour of the US’ and Western Europe’s globalising corporate empires?

#### ESTABLISHING THE GEF

In a world of *realpolitik* the assumption that states signing ever more demanding treaties could solve global environmental problems becomes ‘inadequate and politically naive’ (Paterson, 1995).<sup>8</sup> Treaties and conventions facing crises of implementation require financial as well as political support if they are to approach the desired impact. The GEF therefore inspired new hopes in some environmental and diplomatic circles because, unlike other global environmental initiatives, it had the powerful World Bank behind it and billions of

7. The Sierra Club is among several green US NGOs who called off campaigns that challenged the White House agenda in the aftermath of 11 September 2001 <[www.counterpunch.org/giombetti.html](http://www.counterpunch.org/giombetti.html)>.

8. For example, despite numerous marine and conservation treaties, fisheries continue to be over-exploited for international markets.

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dollars of real money to spend. But, for reasons explored further below, the same facts also invited pessimism and mistrust.

The GEF was initially created by World Bank staff and a few officials in Western European government ministries as a 'green window' of the Bank, intended to finance projects supportive of the United Nations Conventions on Biological Diversity Climate Change. These major UN Conventions were due to be signed, by governments, at meetings associated with the Rio Earth Summit in 1992,<sup>9</sup> having been negotiated in response to intense environmental pressure on especially Northern governments. Some sort of fund was needed to persuade Southern governments to agree to the conservation and the constraints on their national development implied in the Conventions. The Northern donors did not however want to become liable for all the potential costs arising from the treaties, nor to put more money into the United Nations system – with its relative accountability to Southern governments<sup>10</sup> and 'inefficient' political debates and processes. The rich Northern governments also wanted to reform existing international institutions to be more efficient – but without alienating their allied banks and corporations by regulating the terms of global trade and investment for the sake of environmental protection.

The 1987 UN-hosted Multilateral Fund for the Montreal Protocol (to counter depletion of atmospheric ozone) had set a precedent for global environmental finance that was not welcomed by the major donor government treasuries, because it allowed all governmental participants in the Protocol a say in the spending of its funds. The Climate and Biodiversity Conventions involved far more politically loaded and complex issues to deal with than ozone. Therefore, when it came to financing them, donors ignored the Montreal Protocol's precedent. Instead they established the GEF to keep the implementation of the new Conventions under the World Bank's legal authority. Building on a reputation for political conservatism, the Bank promised its major donors a 'business-like' approach to 'valuing the environment' and financing 'sustainable development'.

9. With the exception of, most famously, the US, along with a few others.
10. The World Bank and IMF are controlled on the basis of 'one dollar, one vote', giving effective control to Northern governments' treasuries, particularly that of the largest shareholder, the US. By contrast UN agencies are governed on the basis of 'one country, one vote', giving influence to the more numerous governments of the South.

In the lead up to Rio, the quietly established GEF attracted opposition from Southern governments and non-governmental organisations mistrustful of an opaque entity, a *fait accompli*, based in a World Bank accountable to 'donor' rather than 'client' governments, let alone to environmental science or popular movements. In the light of the World Bank's past investments and unfavourable experiences with the GEF so far, some said giving the Bank responsibility for global conservation was like putting a fox to guard chickens.<sup>11</sup> They argued instead for reparations for the damage done to Southern and global environments by Northern expansionism, as well as help for the billions of people whose environmental priorities are more immediate, for example clean water to drink and air to breathe.

The donor governments, however, would not prioritise such local and domestic ('brown', rather than 'green') environmental issues – which attracted relatively little interest from their attendant community of vocally global 'green' NGOs. Rejecting what they called 'rhetorical issues', the donors designed the GEF to pay neither the costs of environmental damage from earlier 'development' nor all the possible costs of implementing the Conventions on Climate Change or Biodiversity in the South.

Nonetheless, for all its consequently limited appeal to those with more immediate problems, the GEF was the only new source of multilateral aid on offer at Rio, and, in response to its many critics, the donor governments promised to review and restructure the GEF to operate more openly, accountably and participatorily. It was made nominally independent of the World Bank and charged with supporting the 'national development priorities' of recipient governments, while making global 'partnerships' – not least with green NGOs and the private sector. A sufficient number of Southern governments and international environmental interests therefore accepted the promise of funds, innovation and access, for the GEF to be refinanced in 1994 and designated 'interim financial mechanism' to implement the Conventions on Climate Change and Biodiversity.

Nevertheless, despite the fact that the UNEP and the UN Development Programme (UNDP) were brought in to help the World Bank implement GEF projects, the Bank remained institutional parent and trustee of GEF funds. Publishing a 'GEF glossary',<sup>12</sup> it literally defined

11. Korinna Korta, Environmental Defense Fund (EDF).

12. <[www.gefweb.org/gefgloss.doc](http://www.gefweb.org/gefgloss.doc)>

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the terms under which experimental global environmental aid was made available in the 1990s. Through its effective control of the GEF, the World Bank has been able to bring its economic vision of development into what was previously UN territory of global environmental protection.

### THE GEF IN PRACTICE

#### Raising and Spending Money

GEF funds promised to be 'additional' to other aid flows, but would finance only the 'incremental costs' of achieving 'global' environmental benefits through actions taken under the Conventions. Essentially, the GEF pays only for the extra costs of development projects that protect international waters, atmospheric ozone, biodiversity and the climate system: environments deemed to be of 'global' value.

In the ten years since it was created, the GEF has channelled \$4.1 billion from mostly North American, Western European and Japanese treasuries to over a thousand projects in over 150 Southern<sup>13</sup> and former communist countries. To put its work in context however, GEF funds constitute less than 1 per cent of total international aid flows to the South, and offer the equivalent of one day's global spending on military 'defence' for each year of protecting the global environment.<sup>14</sup> Even so, the Washington DC-based GEF currently has about three times as much money to spend each year as the UNEP – based faraway from donor treasuries in Nairobi, Kenya. The GEF's well-funded arrival on the international scene therefore led one UN official to liken the Facility to 'a new wife for the donor governments, favoured over old, tired UN bodies'.

13. The capitalised terms 'South' and 'Southern' are used here to refer to countries that are targets for multilateral development aid funds including the GEF. 'Northern' governments made the major contributions to GEF funds, and are sometimes referred to as 'donors'. To simplify the GEF picture, I use the generic term 'South' to refer to former communist areas as well as countries in Central and South America, Africa, Asia and the Pacific region which, if they sign up to the Conventions, are eligible to be 'recipients' of GEF funds. On occasion I also refer to the 'G77 (and China)', a grouping of Southern governments, which emerged in the 1960s to counter the dominance of the 'G7' (North American, Western European and Japanese) governments in international negotiations.
14. Banuri and Spanger-Sieffried (2000) and Imber (1994).

The initial, 'pilot' phase of GEF funding ran from 1991 to 1994; it was promised \$1.6 billion. Major donors to the pilot phase were the French and German governments with nearly \$150 million each;<sup>15</sup> the US and Japan contributed similar amounts indirectly through 'co-financing' (see Chapter 3). A small group of Southern governments also paid up to \$6 million each at the start – their 'fee' to join a new conservation 'club' and share in the \$733 million actually spent on GEF projects in countries with a per capita GNP below \$4,000 in 1989.<sup>16</sup> For the 1995–8 GEF 'operational' phase, which promised to 'build on the lessons' of the pilot phase, donors promised a total of \$1.8 billion – but again, only about half the promised sum was spent, on mostly quite large development projects: for example, for renewable energy technologies and protected areas, the mapping of genetic resources, sources and sinks of 'greenhouse gases' and preparation of plans for their management. The rest of the money was carried over in 1998 when the GEF was replenished with an advertised \$2.75 billion to last until 2002.

Though the total sum promised had risen again, it was in this context that some people from the South described the GEF as 'a con'. The longer time period and a carry-over of about \$860 million, much of it not yet even raised from late paying donors, meant the real contribution from these governments would quite possibly decline – making careful distribution of precarious funding all the more important.

### Governing Access

Agreement on what exactly to fund with limited project aid is always difficult to secure when there are conflicting agendas and interests at stake. This has been especially true in GEF negotiations, in which ministries, including those concerned with environment, foreign affairs, technical assistance and overseas development, all have roles to play alongside numerous other interested bodies. The GEF is formally governed by a 32-strong governing Council, divided more

15. France offered \$142 million, Germany \$147 million, Italy \$66 million, the UK \$60 million and the Netherlands \$53 million.

16. The reasons for GEF underspend (explored in Chapter 5) include the complexity of funding requirements and the snail's pace of processes through which project proposals were agreed to be politically and technically acceptable.

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or less equally between donor and recipient government representatives and officially overseen by a three-yearly Participants' Assembly of all the governments involved. The Council receives guidance from and reports to the governing bodies of the UN treaties on Climate Change and Biodiversity but, just as UN bodies cannot effectively challenge trade and investment policies agreed in the more powerful Bretton Woods institutions,<sup>17</sup> Conferences of the Parties (COPs) to the UN Conventions cannot override GEF Council decisions.<sup>18</sup>

Despite complex voting arrangements having been negotiated, the Council makes decisions by consensus, guided by the chairman and chief executive officer (CEO) of the GEF, Mohamed El-Ashry (see Appendix I for biographical details). Appointed from the World Bank's environment department, he also heads the GEF's 30-strong administering Secretariat (see Chapter 4). In Council meetings El-Ashry treats Southern representatives 'like kings' (interview, CBD secretariat, 1997), but cannot offend the GEF's major donor governments who, in the end, pay his wages. Aware of these dynamics, most other people and organisations involved in the GEF seek less to upset this balance than to use it, lobby it, attract funds with minimal strings attached and find employment in the GEF system for their people.

The GEF's unprecedented openness to 'civil society' means these interests include civil society organisations of many hues: from the big Washington-based policy groups such as the World Resources Institute (WRI), the scientific World Conservation Union (IUCN) and others interested in tapping new environmental finance, to the more critical and Southern organisations including the Climate Action Network, Third World Network (TWN) and Delhi's Centre for Science and Environment (CSE) who watchdog GEF policies and projects, drawing attention to common and serious problems (see Young, 1999 for profiles of key NGOs interested in the GEF). Also represented are UN agencies with a sustainable development remit, the organised transnational private sector, and myriad consultants: technical experts, environmental economists, international lawyers, and others with the skills to advise on protecting the global environment.

GEF programmes are supposed to be science-based, guided by the Scientific and Technical Advisory Panel (STAP) managed by the

17. In 2001 an IMF representative stated that the IMF was not subject to international human rights law (Bretton Woods Update, Oct/Nov 2001), see Chapter 2.

18. Governments become 'Party' to a Convention when they have formally ratified it domestically.

UNEP. Many environmental scientists therefore have an interest in the GEF, some for kudos or rent seeking, others just to see their insights applied where it counts. But with the UNEP's interests sidelined in the GEF by the World Bank's (and increasingly the UNDP's) dominant 'development' agenda, scientists' high hopes for the GEF have in general not been met. Beyond some consultancies and financial assistance for research in Southern countries to complete global data sets, scientists' inputs have seemed to legitimate as much as effectively guide project funding decisions made on political and economic grounds by Northern donor governments who, logically enough, while paying for most of the GEF, have sought to control its strategic directions.

### Simplifying Tools

To partially disguise this fact and minimise the political complexity of having divergent values, goals and cultures represented within the GEF Council, GEF work has officially been as far as possible 'technical' and 'businesslike' (interview, Southern Council member, 1999). The GEF uses monetary values to measure all costs and benefits, with 'benefit to the global climate', for example, assessed as the cost of reducing carbon dioxide emissions. Though ostensibly technical, this is hardly the most scientific way to deal with the complexities of a global climate system affected by at least six different 'greenhouse gases' each released in multiple and disparate situations, let alone the complicating factors of particulate matter released in vehicle exhausts and unpredictable feedback mechanisms.

A member of the GEF's low profile Senior Advisory Panel (SAP) may be right in thinking that using simplistic, economists' language is the only way to get environmental concerns recognised where it counts in today's global context but, as a result, both real-world ecosystems and the livelihoods of people based on non-acquisitive values lack representation in official processes. For as one critical student of the GEF observed, 'reduction of non-linear and complex human situations to the simple sums and choices of neo-liberal and managerial thinking removes decision-making further from the detail of other people's lived environments' (McAfee, 1999).

Many conservationists conclude that people who interact daily and directly with nature need to participate fully in decision-making if conservation of local, interlocking and transcendent ecologies is to be assured. The GEF's self-descriptions seem to promise this kind of

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conservation with language of transparency, accountability and participation, but in practice the political negotiation of 'efficient' solutions to faraway problems has implied reductionism – democratic as well as natural and social scientific. In the GEF, as in many international bodies, much of the real deal-making takes place behind closed doors. Politically loaded issues are easier when treated as 'technical' matters and 'solved' from above without too many conflicting values and perspectives engaging in the discussion on equal terms.

In creating a mechanism that sought both to define and to protect 'environmental value' effectively through money distributed 'from above', donors empowered small groups of bureaucrats and technical experts to manipulate legal guidance, political hostilities and institutional alliances to ensure that nature would be defined and protected only on their terms. They have little opportunity to listen to local realities even when they know how, because time and funds are limited, and sustaining the GEF's public image, institutional framework and financial flows – without which the GEF would be unable to function – takes precedence.

Management of both the inevitable internal conflicts and the public face of the GEF has benefitted from the forceful charm and persuasiveness of its chairman/CEO and his political, personal and institutional allies. Overall, democratic inputs to the GEF's direction have effectively been limited by a variety of factors, among them the use of green rhetoric as moral persuasion: the GEF promises to deliver environmental benefits, transfer technology, assist sustainable development in poorer countries, so any criticism can seem anti-environmental and/or anti-poor. The terms of the GEF's promises generally represent 'fuzzy concepts' that can be agreed upon in principle but are usually applied with difficulty, even bias; they include 'transparency', 'participation', 'country-driven', 'mainstreaming', 'guidance', 'sustainability', 'prevention of climate change' and 'conservation of biodiversity'.

Shaping the translation of these terms into real-world impacts are ideological as well as practical constraints which limit the scope of debate, for example commodification and business values as norms defining economic 'efficiency', and econometric formulae disguising the politics underlying 'sustainable development' or carbon emission reduction (see Chapters 4 and 5). Among other factors limiting democratic access to the terms and products of global environmen-

tal debates is the use of well-known NGOs (rather than local democratic structures) for advertised participation of and accountability to 'civil society', despite the fact that many big NGOs lack accountability even to their own members. Finally, the language in which most GEF discourse is conducted must be mentioned: whether platitudinous or technical and legalistic, it is daunting to all but the most dedicated, providing fewer clues for disinterested researchers than for interested groups seeking information on GEF funding opportunities.

#### UNDERSTANDING THE GEF

This book brings together some of the diverse experiences of people involved in shaping, promoting, rejecting, accessing and embodying the GEF, as well as those affected by it and those who have watched it unfold from a distance. To suggest their range, here follow some conflicting descriptions of the GEF's nature and mission from people who know it well:<sup>19</sup>

A work in progress. (Mohamed El-Ashry)<sup>20</sup>

An enormous con. (international civil servant)

The only practical thing to come out of Rio. (several other international civil servants)

A green virus in the Bretton Woods software. (World Bank environmental lawyer)

Peanuts. (another World Bank environmental lawyer)

Crumbs from the table of the rich North. (Indian NGO)

Greenwash for the World Bank's destructive practices. (Northern NGO)

Helps the World Bank to externalize environmental costs. (critical historian)

Sweetener for international loans adding to Southern debt. (German researcher)

Green subsidy for transnational science and investment. (North American researcher)

19. The last definition listed is taken from an official GEF document, but most are unofficial personal views, often expressed 'off the record'. In general the interviewees quoted in these pages are not identified unless they spoke as the public face of an institution.

20. Writing in *The GEF- A Self Assessment*.

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A mechanism for international cooperation for the purpose of providing new, and additional, grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the areas of biological diversity, climate change, international waters and ozone depletion. (GEF Operational Strategy)

Unresolved questions lie at the heart of these conflicting accounts of the GEF. Is it a beneficent science-based 'green virus', propagating environmental values inside the institutional edifices of a benevolent Anglo-Saxon-led New World Order – announced in the US the same year the GEF entered operations? Or is it more like 'greenwash', sustaining an unjust and unsustainable economic system by distracting environmentalists from tackling the unaccountable power of banks, corporations and governments – whose obsession with expansion and domination of international trade at all costs produces so many environmental, and political, problems in the first place? As with so many other questions about the GEF, the answer here is that maybe one, or the other, or neither, or both of these suggestions may be correct – for 'where you stand depends on where you sit' (Athanasiou, 1997).

For many environment professionals, the unprecedentedly participatory, science-based GEF remains the best hope for funding conservation in a globalising world. The UN Conventions on Climate Change and Biodiversity justify a degree of environmental optimism at the superficial (formal, international) level where vaguely-worded treaties and promises certainly mark a degree of progress. Yet their authority barely permeates through the fine words of formal documents and institutional aspirations to 'the ground' where change must take place – and is so often absent. In many cases this is because environmental action is constrained at every level by the reluctance of treasuries' to pay for activities that are not obviously in their immediate national economic interest.

Countering the GEF's own claims (see <[www.gefweb.org](http://www.gefweb.org)>), many NGOs and academics fiercely criticised the GEF in its early days, and often complaints were echoed by the GEF's own independent evaluations – see Chapter 4. Essentially, the problem was that, at least to start with, the GEF hardly lived up to any of its promises. Other critical observers of the GEF have seen its real-world effects less as feeble than, with all the Facility's globalisation of environmental management, as 'green developmentalism' (McAfee, 1999). For

example, besides buying the partnership of selected environmental NGOs with access to project funds and policy, the GEF's investments can subsidise Northern firms and consultants exploring Southern resources and potential new markets for 'green' expertise and technology.

With implementation of the Conventions demanding centralised acquisition and management of data about relevant natural resources in the South, GEF investments could also help to develop infrastructure enabling access to information about resources of value to bioprospectors, energy investors, ecotourism operators and so forth. In addition, scientific data on Southern landscapes and ecologies entered into geographical information systems feeds global electronic information databases, including those used by the US military to inform their operations 'in theatre' (interview, World Bank, 1997). In this light, the GEF can perhaps be seen as a bribe for Southern governments to give up a degree of sovereignty over resources found within their territory to professional armies of environmental economists, experts and administrators in search of benefits accruing only 'globally'. The World Bank largely defines the terms of the environmental economics justifying GEF projects, providing 'technical' tools with which selected consultants can reach more or less preordained conclusions (see Chapter 5).

Finally, Caufield (1996) is not alone in noting that while advertised as 'additional' money for environmental protection, the existence of the GEF actually allows development institutions like the World Bank to 'externalise' their own environmental costs – making their loans seem more economic by getting the GEF to pay the costs of any green components required. Thus using free (or 'concessional') funds to 'leverage' other investments into environmental projects in already highly-indebted countries, it seems that the GEF funds can sweeten the terms of World Bank loans that are unlikely directly to generate the foreign currency that borrowing governments will need to repay the increased debt.

Even if only some of these claims are partially true, in the GEF, as sociologist Leslie Sklair has observed, 'ecological demands were problematically translated and drafted into the service of the transnational capitalist class' (Sklair, 1991). And whatever the GEF has done, it has not interfered with the expansionist dynamic of US-led corporate capitalism and its allies in the 1990s. For, as Nicholas Hildyard put it in 1998,

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Whose environment gets degraded and whose protected is never the outcome of rational policy making – of weighing up costs and benefits and reaching a decision. It is the outcome of the balance of political forces at any given moment – and of the cunning use of political space by a range of contingent alliances amongst political, economic and social actors.<sup>21</sup>

## OUTLINE OF THE BOOK

This chapter has introduced the GEF as an intelligent response by the Northern-led ‘international community’ to the challenges of global resource management and mass environmentalism, and suggested some of the institution’s resulting powers, allies and flaws. Chapter 2 steps back from the GEF to examine the world into which it was born: sources of political influence over globalisation, problems and institutions of global resource management, also the environmental movements channelled variously into direct resistance to the processes and causes of ecological destruction, international treaties and World Bank reform. Readers familiar with the issues and history may want to skip much of Chapter 2.

Chapter 3 follows the development of a multilateral fund to support the Rio environmental Conventions from a banker’s idea in the mid 1980s to a ‘pilot’ GEF formalised in the World Bank in 1991 – a fund with projects underway in time to head off more expensive and radical alternative funds proposed from the South in the lead up to the 1992 Earth Summit. Chapter 4 reports on independent reviews of the GEF and how intergovernmental negotiations to make it more permanent initially fell apart under the pressure of conflicting political ambitions – before the promise of new money overrode other concerns. Even after the Facility’s restructuring with ‘expedited’ processes, clearer priorities and governance, problems of the Council’s accountability remain – especially to the expectations of the Climate Change and Biodiversity Conventions.

Chapter 5 leaves the narrative framework to explore how tranches of GEF money were raised, administered, allocated and spent, mostly in the Operational phase of the GEF (1995–8), leading to critical questions of interest, efficiency, accountability and risk. Chapter 6 considers what the operational GEF has meant – less for the ‘global

21. ‘The EU: Protecting Whose Environment?’ Nicholas Hildyard at the Conference of Socialist Economists, London, 6 June 1998.

environment' than for the people, institutions and interests embroiled in its official conservation. It seems that over-centralisation, turf wars and culture clashes have helped to sustain incommensurable distances between implicated institutions, policy and practice, professionalism and participation, decisions and their impacts. The resulting lack of feedback seems to undermine the GEF's limited official missions as well as its implied greater promise.

Finally, Chapter 7 steps back to look at our Global Environment Facility in the light of recent global politics, asking questions about 'sustainable development' and whose values, initiatives and lifestyles the GEF can sustain. Touching on other possible ways to achieve the goals lately entrusted to this so far obscure fund, I conclude that if only it was better known and understood, the GEF might yet be of value in generating lessons for others trying to rein in neo-liberal 'development' for the sake of a living environment for all.

## CONCLUSIONS

At the UN's World Summit on Sustainable Development in 2002, there will doubtless be formal declarations of sustainable intent by governments and corporations, some new international institutions may be created or old ones reformed, some new money may even be promised from the world's richer countries to the poorer. Meanwhile the values of global capital are so entrenched in the international institutional ecosystem that the worlds most likely to be saved at such a meeting are those understood and valued by its managing, advisory – and beneficiary – elites, for many of whom 'the environment is not what is around their homes, but what is around their economies' (Lohmann, 1993).

The lifestyles and values of the elites that Maurice Strong (see Appendix I) works with may be on the same planet as the places and communities affected by their decisions, but for most of those who lose immediate land and livelihood to ever more mobile and extractive capital, they (and I: warm and well fed as I work at a computer in London, England) are a world away. And for all the power and ambition in the hands of global elites, any reforms which do not start from the needs and knowledge of people suffering now from unsustainable and unjust developments can hardly hope to save their worlds for them. But before exploring the GEF's real-world potential and limitations, the following chapter turns to the situation giving rise to this unique fund in the first place.