



Deepening GEF engagement with business



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MONIQUE BARBUT spells out her vision for a public-private partnership initiative under the Global Environmental Facility.

I had hoped, along with many others, that the release of the Millennium Ecosystem Assessment [1] would provide both the hard data and the shock value to compel policy makers, the public and the private sector into concerted and collaborative action to protect the provision of our planet's environmental goods and services and irreplaceable biodiversity. Apparently, however, that assessment's powerful messages presenting the economic and social impacts of continued ecosystem disruption passed through public consciousness with little trace.

The next climate change

It is my sense that problems have reached such proportions that we must forge new

partnerships to mobilize substantially more resources to protect biodiversity. With the perspective of promoting new partnerships, I have made building initiatives with the private sector one of the priorities for the Global Environment Facility (GEF). Through my many discussions with leaders of major corporations, I have no doubt that the private sector feels significant negative business impacts from the disruption of ecosystem services and accompanying biodiversity loss. In equal measure, no one should question that, when committed to common goals, the private sector brings financial resources, experience and an entrepreneurial approach that can dramatically increase our ability to reverse current trends.

The lessons and warnings so clearly articulated by the Millennium Ecosystem Assessment remain as unanswered challenges before all of us. I am committed to the proposition that only through deeper partnership between public institutions and private business will we find enduring solutions to those challenges

Moreover, the public sector has demonstrated its remarkable capacity to build global knowledge, bring technical expertise to bear in solving urgent problems and establish an enabling environment characterized by supportive policies and regulatory framework. For these reasons, I am committed to the proposition that the private sector, when properly matched with public institutions and resources, can play an irreplaceable role in addressing the underlying causes of biodiversity loss.

While there are a growing number of very successful public-private initiatives in the areas of climate change, we have not seen the same type of dynamic response for biodiversity. A number of companies, across many sectors, are making the case, however, for explicitly conserving biodiversity.

Food company Unilever, for instance, mentions that "agriculture provides more than two-thirds of the raw materials for our branded goods. (...) Growing our business - while conserving biodiversity - is a substantial challenge. Protecting biodiversity is central to our agriculture and fish sustainability initiatives" [2].

Likewise, Sir Robert Wilson, former chairman of mining company Rio Tinto, highlighted that "it seems to me that the industry and the conservation movement should recognise that whilst our objectives will never wholly coincide, we have a substantial common interest in managing biodiversity as much as possible, and we would all benefit from the development of land management strategies which are consistent with the principles of sustainable development" [3].

I am sure that as businesses experience the growing financial burden and business disruption of impacts associated with biodiversity loss, increased water scarcity, fragmentation of forests, degradation of soils and disruption of ecosystem services, private sector leaders will take bold new steps to explore ways of deepening collaboration with leading public institutions such as the GEF.

Deeper biodiversity partnerships

However, we cannot wait. We must be at the forefront of launching new initiatives. For this reason, I have given priority to launching a public-private partnership that will proactively work with corporate partners to stop biodiversity loss, address climate change and respond to other forms of ecological disruption. In proposing new ideas for a GEF public-private partnership, our objectives will be to:

- Remove existing barriers for private sector investment in environmental sector products and services. Through financial support and policy dialogue with governments, the GEF can promote the removal of regulatory, legal and policy constraints that limit investment opportunities;

- Provide incentives to draw the private sector into new areas and approaches to managing global environmental problems. Financial instruments such as guarantees, insurance and hedge mechanisms can reduce risks associated with expansion of environmentally friendly markets;

- Encourage strategic planning, design, implementation and adoption of efficient, sustainable production regimes. Underwriting development costs can support formulation of longer-term investment plans, technology development strategies and market expansion initiatives;

- Open market opportunities and access for the poor. Technical and financial support can be directed towards orienting market development opportunities to small-scale, often rural-based entrepreneurs who can provide environmental goods and services to public and private customers.

Shaping green development

Fortunately, prior GEF experiences in partnering with the private sector provide us with important signposts and guidelines for expanding engagement with private actors through these and other activities. Those past experiences underscore the importance the GEF can play in providing incentives to specific economic sectors, such as energy, agribusiness and forestry,

which steer investors into environmentally sustainable activities. Those incentives can induce expansion of environmentally-sound product lines and stimulate technological innovation on degraded lands or in water-scarce countries. Experiences with GEF implementing and executing agencies also underscore the critical role we can play in removing barriers for new market entrants. For example, the GEF can provide support for technical studies, market plans, policy reform and regulatory streamlining for partners in developing countries.

We are using this prior experience as a basis for exploring a wide range of new opportunities with private companies, large and small. We are exploring ways of shaping the development of biofuel production systems so that they will use biomass grown on degraded lands, thus preventing deforestation. Among other initiatives, we are examining ways of pulling smallholder farmers into global carbon markets through agro-forestry practices that will increase incomes and also increase biodiversity. Moreover, we are drawing lessons from the 24 Payment for Ecosystem Services (PES) projects supported by the GEF over the past years to identify ways of scaling up similar financing arrangements, developing transboundary PES schemes and providing incentives to draw the private sector into large-scale initiatives.

The lessons and warnings so clearly articulated by the Millennium Ecosystem Assessment remain as unanswered challenges before all of us. I am committed to the proposition that only through deeper partnership between public institutions and private business will we find enduring solutions to those challenges. I look forward to working with the private sector to develop practical, far-reaching solutions to those challenges in coming years. Only then will we see a very different picture of the state of our world through the next comprehensive ecosystem assessment.

[1] www.maweb.org

[2] www.unilever.com/ourvalues/environmentandsociety/env_social_report/environment/environmental-issues/biodiversity.asp

[3] www.riotinto.com/documents/Media-Speeches/worldParksCongress160903.pdf

Monique Barbut is Chief Executive Officer and Chairperson, the Global Environment Facility (GEF).

www.gefweb.org

For further information, please contact:

David Reed (dreed@thegef.org)

Michelle Lapinski (mlapinski@thegef.org)