

Funds Running Dry on World Environment Day

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If there is one day on the calendar that is meant to stimulate worldwide awareness of the environment and spurn political action, it would be World Environment Day, which has been commemorated every year on June 5th since its inception by the United Nations in 1972. Sadly, each year this day comes and goes without much fanfare, leaving the state of the world's environment ever more precarious. But this year, World Environment Day may in fact mark a retreat from international funding for conservation.

Today, the planet is facing an unprecedented increase in global temperatures. The rate of deforestation continues at a rapid pace. Threats to species are at an all time high. Ocean fisheries are being pushed to their limits. And deserts and the process of desertification — the theme of this year's World Environment Day — is worsening.

There is no doubt regarding the importance of protecting these drylands, which cover more than 40 per cent of the planet's surface and are home to one-third of the world's poorest people. But who is going to tell these people — and those living in other threatened ecosystems — that the commitments and resources to fight poverty and preserve the well-being of future generations are not forthcoming this day or any other day?

As fate has it, donors to the UN-World Bank administered Global Environment Facility (GEF) are meeting on World Environment Day to discuss replenishing the very funds so desperately needed to protect the global environment and set the future global environmental policy agenda.

The GEF — the most important international funding mechanism for conservation — acts as the main financial arm for international environmental conventions on biological diversity, climate change, international waters, ozone protection and desertification. It also ensures transparency on global resource allocation for the environment and creates strategic partnerships between non-governmental organizations, national governments, the private sector, and local communities working towards sustainable development. And it is highly leveraged — for every \$1 the GEF invests, it is matched, on average, by \$3 in co-financing from other partners.

Since 1991, the GEF has provided \$6.2 billion in grants and has generated over \$20 billion in co-financing from other sources. It has supported over 1,800 projects that produce global environmental benefits in 140 developing countries and countries with economies in transition. Up to 20% of this funding flows through non-governmental organizations.

Thanks to GEF-funded projects, a total of 280 million hectares of land — about the size of Argentina — have gained new protections; chemicals depleting the ozone layer have been largely phased out in Central and Eastern Europe; and 32 large transnational water bodies, including the Danube River, Black Sea, South China Sea and Lake Victoria, are receiving funding to reverse degradation and pollution. One

hundred developing countries are getting support to eliminate persistent organic pollutants — highly toxic pesticides and industrial chemicals that contribute to an array of disease, birth defects, and even death in humans and animals. And GEF-funded energy-saving projects will prevent billions of tons of greenhouse gas emissions being emitted into the atmosphere, equal to about a year's worth of emissions in the United States.

But this World Environment Day, we face a dangerous paradox. At a time when the devastating effects of environmental damage are being felt further and wider than ever, governments, including the US, are considering cutting their financial support to the GEF by as much as 50 per cent, resulting in a loss of \$1.5 billion over the next four years. This would not only have a devastating effect on the environment, but for the hundreds of millions of people who depend on the environment and natural resources for their livelihoods.

Donor countries must recognize, evaluate and account for the services that the environment provides, including clean water and air, climate stabilization, and prevention of land degradation. Their response can only be to support the concrete actions and increased investments that are urgently needed to conserve nature and to give local communities the ability to benefit from their natural resources.

In the private sector, a good investment is one that either creates wealth, or prevents the destruction of wealth. The world's natural environment does both these things. So one might think that governments and the international community would invest heavily in the protection of natural ecosystems and biodiversity to ensure the continued economic benefits that they provide.

That is why, on this World Environment Day, replenishing the Global Environmental Facility to a level worthy of achieving its goals is so crucial to addressing the planet's ills. Increased investment is desperately needed to properly safeguard people and their environment. By any measure, it is an investment that will yield big returns.

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