NATURAL RESOURCES POLICY CONSULTATIVE GROUP FOR AFRICA

A joint initiative of the U.S. Agency for International Development & World Resources Institute

Policy Brief #1 September 1995

Global Environmental Agreements and African National Priorities

Issues for Discussion and Possible Action

by Allison B. Herrick

The Natural Resources Policy Consultative Group for Africa (PCG), concerned that African planners may not yet have found ways to link their national development priorities with various global environmental agreements, offers the following outline of issues and possible actions for consideration by USAID Mission Directors and others working on policy in Africa. The most pertinent aspects of the agreements are highlighted to help development planners in Africa weigh global environmental issues in the context of their own development challenges.

- I. Significance for Africa of Current Global Environmental Agreements
- II. Current Needs and Opportunities of African Countries
- III. Potential Conflicts and Problems
- IV. Roles for Donor Agencies

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I. SIGNIFICANCE FOR AFRICA OF CURRENT GLOBAL ENVIRONMENTAL AGREEMENTS

In recent years, numerous important international agreements and conventions have been negotiated to address global environmental issues. Many African nations are parties to one or more of these agreements. Of particular current interest are:

- the Framework Convention on Climate Change;
- the Convention on Biological Diversity;
- the Convention to Combat Desertification; and
- the General Agreement on Tariffs and Trade (GATT).

Also of relevance to Africa is the Global Environment Facility (GEF). Not a convention per se, GEF provides funding to developing countries to help deal with global environmental concerns.

A. Framework Convention on Climate Change

1. Now in force, the Convention expects each developing country ratifying the Convention to inventory current sources and quantities of emissions and to describe steps taken or envisaged by the Party to implement the Convention.
2. The Climate Convention commits the international community to provide financial and technical assistance for both adaptation and mitigation activities in developing countries, but little work has been done to characterize national or regional adaptation activities or to estimate their potential costs. As a result, the Conference of the Parties (COP) at its first meeting decided that the GEF, as the convention's interim operating entity, will fund studies of impacts and adaptation options, but defer funding decisions about the measures themselves.
3. To meet the projected needs of African nations to achieve sustainable development and adapt to climate change, the private sector will have to spend more than all aid agencies, including the Global Environment Facility, combined. (See Section I.E.)
4. The Convention's provision for "joint implementation" of emission-reduction projects--which

allows one country to finance reductions in another--opens the door (at least in theory) to external financing and technology for programs to reduce emissions from the natural resource base of an African nation or region. The Conference of the Parties decided to establish a pilot phase to allow countries to experiment with such projects for -reaching climate-treaty goals.

- Industrialized countries, which are now committed to returning greenhouse gas emissions to 1990 levels by the year 2000, have developed national action plans to meet this goal. The plans include such measures as energy efficiency standards, energy taxes, and programs to develop new technologies. Some countries are also launching pilot joint-implementation projects hoping to find ways to cut the costs of a global greenhouse rollback.
- Even though some developing countries and environmental NGOs criticize joint implementation as a way for industrialized nations to get "off the hook" without making their own energy-intensive economies more efficient, this mechanism could finance environmental programs that developing nations could not otherwise afford.
- To negotiate with an industry seeking an offset, the African "seller" must "own" the CO2 source and organize itself to make a successful transaction. In other words, a local governmental or other body must have recognized control over the CO2-producing (or -sequestering) resource. Further, activities implemented jointly under this pilot phase require prior approval or endorsement by governments participating in these activities. In addition, as the Nairobi-based Climate Network Africa points out, an African government that wants to negotiate needs to have clear national priorities and development plans, as well as institutions that can evaluate joint implementation opportunities. Since all three are rare in most African countries, efforts are needed to address the relatively weak negotiating position of African countries.

5. Small island countries, acting as a block had a significant voice in meetings of the Intergovernmental Panel on Climate Change (IPCC) and the International Negotiation Committee (INC) that drafted the Convention. African countries, which have not been prominent in the process to date, can press their issues through the ongoing Conferences of Parties that govern implementation of the Convention.
6. The U.S. Government is helping developing countries meet their obligations as signatories to the Climate Convention. Under the U.S. Country Studies Program, technical and financial support enable countries to develop inventories of greenhouse-gas emissions, assess their vulnerabilities to climate change, and evaluate strategies for mitigating and adapting to climate change. Studies are under way in Botswana, Ethiopia, The Gambia, Ivory Coast, Kenya, Malawi, Mozambique, Nigeria, Tanzania, Uganda, Zambia, and Zimbabwe. The studies are managed by the U.S. Country Studies Management Team on behalf of 11 participating U.S. government agencies, including USAID.

B. Convention on Biological Diversity

1. The objectives of the Convention are the
   - conservation of biodiversity;
   - the sustainable use of its components; and
   - the fair and equitable sharing of the resulting benefits.
2. The Convention can

- settle the question of whether nations have sovereignty over their biodiversity;
- b. organize the way access to it is controlled;
- c. offer principles that local communities and "prospecting" corporations can use to share intellectual property rights (IPR) equitably. (The expectation is that industry will offer technology and financing in return for the rights of ownership of products derived from natural resources.) and
- d. help countries establish and implement in situ and ex situ conservation priorities.

3. A country endowed with a natural resource can benefit from agreements offering knowledge of and access to the resource in return for technology cooperation. The country would
   - participate in research using the resource;
   - receive technology to utilize the resource; or
   - share the financial benefits realized from commercial exploitation of the resource.
4. The responsible use of natural resources, as carried out under this Convention, will not require measurement and validation of globally significant results, as would joint implementation agreements under the Convention on Climate Change. But countries will report on their implementation of the Convention.

C. Convention to Combat Desertification

1. The "UN Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa" was adopted in Paris in June 1994. As of May 1995, more than 100 countries have signed the Convention. It will enter into force 90 days after it is ratified by 50 countries, most likely by 1997, and its governing Conference of the Parties will hold its first session within one year after that.
2. The objective of combatting desertification and mitigating the effects of drought is to be achieved through long-term integrated strategies focussed on improved productivity of land and the rehabilitation, conservation and sustainable management of land and water resources. The underlying goal is to improve living conditions, in particular at the community level.
3. Priority under the Convention is to be given to African countries, which are expected to
   - establish strategies and priorities to combat desertification and mitigate the effects of drought within the framework of sustainable development plans or policies;
   - address the underlying causes of desertification, especially socio-economic factors;
   - promote awareness and facilitate the participation of local populations; and
   - establish long-term policies and action programs and either strengthen current legislation or enact new laws.
4. The Convention calls for
   - the preparation of national action plans and the support of these plans by donor agencies and NGOs;
   - scientific and technical cooperation to integrate the collection, analysis, and exchange of data on land degradation, as well as support for research and technology cooperation; and
   - capacity building and public awareness programs.
5. The Convention calls for the mobilization of existing financing mechanisms and for the

coordination and expansion of funding operations. It declares the establishment of a Global Mechanism to help mobilize financial resources and to identify relevant available programs and advise on innovative methods of financing, but does not create new funding mechanisms or relationships.

6. UNDP and the United Nations Environment Programme (UNEP) are collaborating to support implementation of the Convention. Both support the formulation and implementation of national, sub-regional, and regional action programs in Africa.
7. In Africa, there is some risk that individual countries, calling upon the assistance of committed UN agencies for help, will develop new program planning and implementation structures specifically related to the Convention on Desertification. The presumption that programs will be carried out within a country's National Environmental Action Plan, or equivalent plan, will require strong support, but in early 1995, Uganda set a precedent, declaring that a NEAP should integrate into its plans all international environmental protocols.

D. The World Trade Organization (WTO) and GATT

1. The March 1994 Agreement establishing the World Trade Organization states that the GATT should be implemented with a view to "...expanding the production of, and trade in, goods and services, while allowing for optimal use of the world's resources in accordance with the objective of sustainable development seeking both to protect and preserve the environment...."
2. Nevertheless, GATT could engender market-access agreements that override environmental regulations if environmental protections are not built into the structure of trade relationships.
3. Even though exports of agricultural and other products meet environmental quality requirements, environmental degradation is a danger if they depend on, or cause the unsustainable consumption of natural resources or lead to uncontrolled production of waste.
4. In certain circumstances, trade liberalization could influence environmental management positively. For example, eliminating subsidies to the suppliers of a trading partner could make competitors less likely to employ environmentally damaging practices, or liberalization could prompt a firm to sponsor and finance the development of genetic resources.
5. In Africa, especially, the dynamics of trade could harm the environment as countries respond to worsening food and trade balances.

E. The Global Environment Facility (GEF)

1. The GEF was established in 1990 as a three-year pilot program, implemented by UNDP, UNEP, and the World Bank, to help developing countries deal with environmental problems that require internationally negotiated solutions. The World Bank, as Trustee, is responsible for investments; UNDP is responsible for capacity building and technical assistance; and UNEP provides the scientific input for the Facility.
2. The GEF works mainly on four areas: biological diversity, climate change, international waters, and ozone layer depletion.
3. The GEF serves as the interim financial mechanism for the Climate Convention and the Convention on Biological Diversity. Under the restructured GEF, only countries that have ratified the Climate and Biodiversity Conventions are eligible for GEF assistance.
4. The GEF has not been designated as the interim financial mechanism for the Convention to

Combat Desertification. However, certain activities addressing land degradation can be supported, if they mesh with activities in the GEF's four focal areas.

5. The GEF alone cannot meet global needs. But so long as traditional development assistance stays at current low levels and until private sector investments expand enormously, the GEF may be the only significant source of financing for many countries, especially those in Africa.
6. In the Pilot Phase, the GEF operated mainly project by project, emphasizing technical problems over strategic approaches, and national problems over river basin and other cross-border concerns. It did offer a point of entry, however, for such institutions as the World Bank (which traditionally have had little flexibility in regional operations), for dealing with trans-boundary environmental problems. The Operational Phase promises greater emphasis on approaches to riparian, wildlife-management and other trans-boundary issues.

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II. CURRENT NEEDS AND OPPORTUNITIES OF AFRICAN COUNTRIES

A. Improved understanding of the relevance of global climate change, land degradation and biodiversity to Africa's own outlook for sustainable development.

B. A de-politicized approach to climate change and biological diversity, one that would de-emphasize North-South conflict and stress Africa's need to proceed with sustainable national and regional development so that the continent can adapt to global environmental change.

C. Mobilization as a group to influence the global Conferences of Parties so that they will take measures to mitigate emissions and help African countries improve their economic status and adapt to climatic variability.

D. Effective national and regional preparation for representation in international forums to ensure

1. access to data on vulnerability to climate change and land degradation, and the implications of liberalization of agricultural trade;
2. consistent, concerted positions in negotiation; and
3. the internal coordination and organization, as well as the legal clarification needed to negotiate joint implementation agreements.

E. Established and operational strategic plans (e.g., National Environmental Action Plans, National Conservation Strategies, Sustainable Development Plans) to ensure improved environmental planning and management as a matter of survival.

F. Technology to help develop capacities to

1. manage natural resources sustainably;
2. commercially exploit biological resources;
3. better monitor environmental and development conditions;
4. develop indicators to measure the potential effects of:
    - national actions on the global climate; and
    - national and cross-national actions affecting vulnerability to climate change and the

capability to move toward sustainable development;

5. Establish policies and practices that will help governments and societies cope with climate change, and
6. Negotiate joint implementation agreements with industrialized nations.

G. Training in:

1. technologies used in natural resource management;
2. data gathering, assessment, analysis and reporting; and
3. the financial and economic costing of environmental degradation.

H. Financial resources to

1. support environmental action plans and other relevant strategic planning exercises; and
2. support preparation for negotiation of national and private agreements affecting emissions or intellectual property rights and biodiversity.

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III. POTENTIAL CONFLICTS AND PROBLEMS

A. African countries may not be prepared to deal with the Conventions.

1. A country may not have developed clear objectives vis-a-vis global and national issues or performance indicators.
2. Finance and planning ministries may not be convinced of the importance of environmental planning and analysis.
3. A government may find it difficult to deal with potential conflicts between national priorities and global environmental issues because responsibility for national policies is spread among many governmental ministries.
4. Foreign ministries, which frequently represent the country in international forums, may be more concerned with what they see as unfair demands from industrialized countries to reduce pollution than with the need to sustain the nation's natural resource base and develop the capacity to withstand variations in climate.
5. Implementing agencies may have been under-represented in African delegations.
6. The status of land tenure may make it difficult for a local body to establish the basis for negotiating a project under the joint implementation provision.

B. Shortcomings of the first phase of the GEF may not be overcome without special effort.

1. Better linkages will be needed between GEF projects and national environmental action plans and institutions.
2. African nations will need to force the GEF process to ensure that project preparation is integrated with national planning and sustainable development policy.
3. Donors to and recipients of GEF funds will have to insist that programming criteria calling for the measurement of impact and for sustainability in projects are established.

C. Pressures on the environment could increase under the GATT, as food and trade balances worsen.

1. The net food-importing countries of Africa could be hit hard, at least in the short run, by higher world food prices as food grain production declines following cuts in subsidies to industrial

country farmers.

2. As opportunities for preferential market access, formerly available under the Lome Convention and the General System of Preference (GSP), are reduced, African nations will have to improve agricultural and industrial production technologies to remain competitive.

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IV. ROLES FOR DONOR AGENCIES

A. The most important role for donors lies in helping African nations take steps toward sustainable development that will enable them to better withstand the effects of environmental degradation.
B. In support of national economic growth or environmental management strategies, donors can offer expertise, technology, training, and financial resources.
C. In the general context of national development planning and financing, donors can:

1. offer expertise of use in the national environmental action planning process; and
2. promote the integration of environmental planning and management with other elements of national development planning.

D. In the context of specific current global agreements dealing with environmental issues, donors can make a major contribution by helping strengthen the capacity of African nations to:

1. prepare themselves for negotiating in international forums as responsible players with clear objectives;
2. establish effective, representative National Climate Committees to oversee the design of national response strategies;
3. initiate proposals for joint implementation agreements under the Convention on Climate Change and for the sharing of intellectual property under the Convention on Biodiversity;
4. present credible projects that are relevant to their own sustainable development and environmental management priorities for funding by the Global Environment Facility; and
5. structure their national strategic planning frameworks (environmental action plans, economic growth strategies, etc.) so they address the implications of global environment agreements.

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JOINT IMPLEMENTATION ACTIVITIES UNDER CONSIDERATION

1. An agreement between the U.S. and Costa Rica declaring their intent to support the development of joint implementation projects to reduce greenhouse gas emissions, giving special support to activities that increase energy efficiency and make use of renewable energy technologies for sustainable forest management, and to expanded information, education, and training;
2. Negotiation by a Czech city and three U.S. utilities to start a project to convert from coal to natural gas;
3. A scheme devised by the Netherlands to reduce methane emissions from rice paddies in Indonesia and possibly several other countries;
4. An offset of its expansion of coal-based power generation by a Connecticut utility willing to invest some $2 million in Guatemala.

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