UN eco-fund under pressure to open up

[NEW DELHI & LONDON] The managers of the main United Nations (UN) fund for environmental research projects have agreed to review their policy on supporting projects in developing countries. The move follows criticism of the fund's excessive bureaucracy and apparent insensitivity to local concerns.

The Global Environment Facility (GEF), a US$2 billion UN fund organized through the World Bank, concluded at its first assembly in New Delhi, India, two weeks ago that its activities need to be more transparent, and agreed to accept greater involvement from the private sector, the public and environmentalist groups.

But the meeting failed to resolve a long-running controversy about the method used to cost projects, agreeing simply to show "greater flexibility" in assessing applications.

There was controversy also about several other issues. These included complaints that the fund is too small, that there is insufficient transparency in assessing applications, that public involvement is cursory and that the categories of projects eligible for funding reflect the concerns of developed, rather than developing, countries.

India, Brazil and several African countries, for example, had pressed for additional GEF funds to go to projects to improve water supply and sanitation, or to slow down desertification — both prime concerns for the African states. They argued that such issues are of more pressing environmental concern than climate change or ozone depletion.

But GEF managers maintained that there would be no change in distribution of GEF funds to the four 'focal areas': climate change and biodiversity conservation (40 per cent each), and ozone depletion and water supplies (10 per cent each).

The findings of a 26-country survey of GEF-fund recipients fuelled much of the debate. The survey, carried out by the secretariat of the UN Convention on Biological Diversity, revealed concern about the scale of spending on international consultants, whose costs often consume up to half the total project expenditure. It also revealed deep unease over the method used to calculate the size of project grants.

Under GEF rules, a country must show it can finance a project in full, and the GEF then pays for the extra cost of a more environmentally friendly alternative. This system, known as 'incremental costs', was developed after the Second World War to help finance the reconstruction of Europe.

But the countries replying to the survey complained that incremental costs were unworkable for activities such as research, where the concept of a more environmentally friendly alternative does not hold. According to the survey, "the principle of incremental costs in the case of biodiversity was meaningless, and decisions in this respect were arbitrary and confusing".

The survey also reflected concern in some countries that projects take too long to get approval. Suresh Praby, India's environment minister, said most of India's 12 GEF projects have yet to take off. He claimed that proposals have to be sent to the GEF council at least three times before they are approved, and that the total process takes about three years.

But a GEF spokesman in Washington says projects are usually approved within three months — less time than the World Bank's non-GEF activities take.

Meanwhile, the announcement at the New Delhi meeting of a $2.75 billion, three-year replenishment of the GEF fund was marred by complaints that it contained $680 million brought forward from the first round of GEF funding, as well as $80 million of unused funds. Moreover, contributions from the United States, Germany and Italy were lower than for the first round.

In addition, some emphasized that the fund is considerably smaller than other forms of development assistance for similar projects. Halifax Initiative, for example, a Canadian environmentalist group, pointed out that the World Bank's support for fossil fuel projects undermines GEF's efforts to support cleaner technologies.

GEF's own analysis shows that between 1993 and 1997, the bank committed $9.4 billion for carbon-dioxide-emitting fossil fuel projects, while setting aside a relatively meagre $500 million for GEF projects.

But Caio Koch-Weser, managing director at the World Bank, says the bank is preparing to devote more non-GEF finance to environment-friendly projects. These will include a scheme for trading carbon emissions (see *Nature* **390**, 7; 1997), and a $186 million wind power scheme enabling India to raise its wind power generation from 30 to 700 MW.

K. S. Jayaraman & Ehsan Masood

Ministry 'changing course' on lab closure

[LONDON] Britain's Ministry of Agriculture, Fisheries and Food (MAFF), currently planning to close its food research laboratory in Norwich, decided 16 months ago that such a move would be detrimental to its scientific activities, according to an internal document released by a member of parliament.

That decision, concerning the Norwich branch of MAFF's Central Science Laboratory, was made in December 1996 following the 'prior options' review of the government's ownership and management of its laboratories.

A document dated February 1997 describing the decision was released this month by Charles Clarke, Labour Member of Parliament for Norwich South as part of a campaign to thwart renewed plans to close the Norwich laboratory and 'rationalize' MAFF's food research at a single complex in York (see *Nature* 392, 319; 1998).

Clarke argues that the government will be contradicting its own conclusions if it goes ahead with the closure. A MAFF spokesman declines to comment on the statement as the document was written "before our time". But he says that no formal decision has been taken on whether the laboratory will close.

Clarke quotes from the statement in an 18-page letter to the agriculture secretary, Jack Cunningham, urging him not to relocate the 137 staff at the laboratory to a new £133 million (US$222 million) research complex in York.

Clarke has asked more than 50 questions in parliament in the past few weeks, partly in an attempt to draw public and political attention to the issue.

Richard Packer, MAFF's permanent secretary — its senior civil servant — is proposing the move to help fill unused space at York, as the ministry has to pay for unused space under a new government accounting system. In his letter, Clarke says Packer's advice appears rooted in "a desire to justify retrospectively the decision to build the [York] laboratories, rather than a desire to increase the quality and integrity of food research".

The 1997 statement says that, despite potential cost savings, the laboratory should stay in Norwich to retain its research contracts and sustain its cooperation with the Institute of Food Research, operated by the Biotechnology and Biological Sciences Research Council. Both laboratories are based in the Norwich Research Park, along with the John Innes Centre.

The Norwich food research laboratories account jointly for around one-third of Britain's food research funding — three times more than the next largest recipient. According to unofficial estimates, fewer than half of Norwich's 109 scientists are likely to relocate to York should the move take place.

But the proposed move has put the main researchers' trade union, the Institute for Professionals, Managers and Scientists, in a difficult position. The institute represents scientists at both York and Norwich. One union member says it intends to keep a low profile as "we do not want to pitch scientist against scientist".

E. M.