



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/C.46/12

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Cancun, Mexico

Agenda Item 14

UPDATE ON THE NAGOYA PROTOCOL IMPLEMENTATION FUND

Recommended Council Decision

The Council, having reviewed document GEF/C.46/12, *Update on the Nagoya Protocol Implementation Fund*, took note of the good progress made by the GEF Secretariat in managing the Nagoya Protocol Implementation Fund (NPIF), and decided to extend the operation of the NPIF (initially December 31, 2020) to allow continuation of project preparation for and implementation of the Project Identification Form (PIF) approved projects. The Council will not approve new PIFs under the NPIF after 30 June 2014 and will deliberate on the future of the fund taking into consideration the decision from 12th Conference of the Parties of the Convention on Biological Diversity scheduled in October 2014.

OVERVIEW OF THE OPERATIONS, FUNCTIONS, AND ROLES OF NPIF

1. The creation of the Nagoya Protocol Implementation Fund (NPIF) was approved by the GEF Council on February 18, 2011.¹ The World Bank as trustee (Trustee) accordingly established a multi-donor trust fund for the NPIF in March 2011 by entering into trust fund administration agreements with donors to the NPIF. Further, following the February 2011 decision, the GEF Council approved the operational arrangements of this new multi-donor trust fund at its May 2011 meeting.²

2. The NPIF was established to promote the early entry into force and effective implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. To date, the NPIF received contributions of total \$16 million, generously made available by the Governments of Japan, France, Norway, Switzerland and the United Kingdom.

3. The NPIF started its operation in the summer of 2011, with the first grant being awarded on December 13, 2011. During the last three years, the GEF Secretariat has approved 11 proposals at country and regional levels in support of ratification and/or implementation of the Protocol, which will benefit 61 GEF eligible countries (refer Annex A for list of projects). The projects have supported activities to facilitate early entry into force and creating enabling conditions at national and regional levels for the implementation of the Nagoya Protocol. The NPIF has also supported opportunities leading to the development and implementation of ABS agreements between providers and users of genetic resources that actively inform national implementation of the Nagoya Protocol.

EXTENSION OF THE NPIF TRUST FUND OPERATION

4. With regards to its closing date, the GEF Council paper from February 2011 on establishing the NPIF stated the following:

"9. ...Unless otherwise decided by the GEF Council, the Nagoya Protocol Implementation Fund will terminate at the end of GEF-5."

5. Following this decision, the trust fund administration agreements, which govern the terms of administration of NPIF funds by the Trustee, include the provision providing that unless otherwise decided by the GEF Council, the NPIF will terminate on June 30, 2014. Therefore, unless the Council decides to extend the termination date, no transfer of funds from the NPIF can be made by the Trustee.

6. Further, the GEF Council paper from May 2011 on the *Outstanding Issues of the Nagoya Protocol Implementation Fund (C/40.11.Rev1)* noted that:

"15. The operations, functions and roles of the NPIF will be reviewed by the NPIF Council before the end of GEF-5, taking into account the outcome of the discussions in the Intergovernmental Committee on the Nagoya Protocol and other relevant meetings of the CBD/the Nagoya Protocol. The Nagoya Protocol Implementation Fund will terminate

¹ *Establishment of a New Trust Fund for Promoting Early Entry into Force and Effective Implementation of the Nagoya Protocol on Access and benefit Sharing (ABS)*, Decision by Mail, GEF Council, February 14 2011.

² *Outstanding Issues Related to the Nagoya Protocol Implementation Fund*, GEF/C.40/11/Rev.1, May 26 2011.

at the end of GEF-5, unless otherwise decided by the Conference of the Parties to the CBD. The NPIF will not fund new projects beyond GEF-5, but will remain with the monitoring roles over the ones under implementation.”

7. Following this decision, in October 2012, the 11th Conference of the Parties of the Convention on Biological Diversity provided the following guidance on the NPIF³:

“6. Requests the GEF to continue to administer the NPIF until the time the resources committed up to the end of GEF-5 are disbursed, and to report on the status of the fund to the twelfth meeting of the Conference of the Parties to the Convention, which shall decide on its future.”

8. Based on the above Council decision and the CBD COP guidance that followed, the GEF Council is requested to extend the operation of the NPIF until the time the resources committed up to the end of GEF-5 are disbursed.

9. During the past three years, as of April 2014, 11 Project Identification Forms (PIFs) have been approved and total of \$14.1 million in grants have been committed under the NPIF. There are a few more PIFs that are under development, which will fully commit the remaining fund during GEF-5.

10. To date, only 6 out of the total 11 approved PIFs have come back to the GEF Secretariat for their final CEO approval and/or endorsement. The disbursement of NPIF through these projects is at \$8.8 million in total. Remaining 5 PIF-approved projects are still under preparation, as these are going through a two-step project cycle of the GEF. These projects are currently undergoing and implementing the Project Preparation Grant (PPG) to prepare a detailed project document, which to be endorsed and approved by the GEF CEO at a later date. For Medium-Size Projects (MSP), the target set for CEO approval after the PIF approval is average 12 months.

11. However, if the NPIF Trust Fund is to be operationally closed by the Trustee on 30 June 2014 as per the earlier Council decision on February 2011, these remaining projects with PIFs already approved cannot reach their implementation phases, as the NPIF would no longer be able to disburse these committed funds for the projects. As a result, these PIFs would be cancelled and remaining funds (total of \$7.2 million: about half of the NPIF budget) returned to the donor countries.

12. In order to allow for the continuation of project preparation, and in accordance with the May 2011 Council decision, the Council is therefore asked to extend the operation of the NPIF Trust Fund as follows:

- (a) The GEF will not approve new PIFs after end of GEF-5 (June 30, 2014), and will deliberate on the future of the fund taking into consideration the decision from CBD COP 12, which is scheduled in October 2014;
- (b) In order to allow continuation of project preparation for and implementation of PIF approved projects, and taking into consideration the standard timeframe required to fully disburse funds towards approved projects, the Trustee will

³ Appendix I, *Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity at the Eleventh Meeting*, UNEP/CBD/COP/DEC/XI/5. 5 December 2012

continue to make commitments and cash transfers to GEF Partner Agencies for the projects and activities endorsed or approved by the CEO until 5 years after the final PIF approval date (initially June 30, 2019) or such later date as may be requested by the GEF Secretariat through submission of a 50 days prior request in writing to the Trustee. Extension of this date may be made after taking into account the status of projects under preparation or implementation;

- (c) The NPIF will terminate 18 months after the above described final Trustee commitment and cash transfer date (initially December 31, 2020), during which period, the Trustee will work with the relevant GEF Partner Agencies to receive relevant final financial reporting on the NPIF funds, as well as any unused funds from closed projects to be returned to the NPIF. The Trustee will also take any other necessary steps towards closure of the trust fund in accordance with its policies and procedures during this period. The GEF Secretariat and the Independent Evaluation Office will receive Project Implementation Report, Mid-term Review, Terminal Evaluation, and other relevant reports of the concerned projects from the GEF Agencies, and review and analyze them as required. After the Trustee has taken all necessary steps to close the trust fund, unless otherwise agreed with the relevant donor and the Trustee, the remaining funds in the Trust Fund will be returned to the respective donors in accordance with the trust fund administration agreements.

ADMINISTRATIVE BUDGET FOR NPIF TRUST FUND

15. Until such time the NPIF Trust Fund is terminated by the Trustee, the administrative costs of the GEF Secretariat and the Trustee will continue to be recovered from the NPIF Trust Fund using the current established practice of annual approval of GEF Corporate Budget by the GEF Council or any other applicable procedures approved by the GEF Council, consistent with the terms of the trust fund administration agreements.

Projects under the Nagoya Protocol Implementation Fund (NPIF)

All amounts shown in US\$.

| # | GEF ID | Country | Agency | Project Title | PPG Amt | PPG Fees | NPIF Project Grant | Project Agency Fees | NPIF Grant | Cofin. | Total Project Cost |
|----------------------------|--------|---|--------|---|---------|----------|--------------------|---------------------|------------|-----------|--------------------|
| <u>Biodiversity</u> | | | | | | | | | | | |
| 1 | 5172 | Global | UNEP | Global Support for the Entry into Force of the Nagoya Protocol on Access and Benefit Sharing | | | 1,000,000 | 100,000 | 1,000,000 | 627,500 | 1,627,500 |
| 2 | 5454 | Regional (Burundi, Central African Republic, Congo, Cameroon, Gabon, Equatorial Guinea, Rwanda, Sao Tome and Principe, Chad, Congo DR) | UNEP | Ratification and Implementation of the Nagoya Protocol for the Member countries of the Central African Forests Commission COMIFAC | 63,927 | 6,073 | 1,762,557 | 167,443 | 1,826,484 | 8,300,000 | 10,126,484 |
| 3 | 5634 | Regional (Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa) | UNEP | Ratification and Implementation of the Nagoya Protocol in the Countries of the Pacific Region | 63,927 | 6,073 | 1,762,557 | 167,443 | 1,826,484 | 950,000 | 2,776,484 |
| 4 | 5448 | Bhutan | UNDP | Implementing the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing | 45,000 | 4,275 | 1,000,000 | 95,000 | 1,045,000 | 2,000,000 | 3,045,000 |
| 5 | 5160 | Colombia | UNDP | The Development and Production of Natural Dyes in the Choco Region of Colombia for the Food, Cosmetics and Personal Care Industries Under the Provisions of the Nagoya Protocol | 20,091 | 1,909 | 980,000 | 98,000 | 1,000,091 | 1,516,500 | 2,516,591 |
| 6 | 5613 | Cook Islands | UNDP | Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands | 28,767 | 2,733 | 930,137 | 88,363 | 958,904 | 1,499,535 | 2,458,439 |

All amounts shown in US\$.

| # | GEF ID | Country | Agency | Project Title | PPG Amt | PPG Fees | NPIF Project Grant | Project Agency Fees | NPIF Grant | Cofin. | Total Project Cost |
|---------------------------------------|--------|------------|------------|---|----------------|---------------|--------------------|---------------------|-------------------|-------------------|--------------------|
| 7 | 5420 | Costa Rica | UNDP | Promoting the Application of the Nagoya Protocol through the Development of Nature-based Products, Benefit-sharing and Biodiversity Conservation | 25,000 | 2,375 | 979,566 | 93,059 | 1,004,566 | 4,619,309 | 5,623,875 |
| 8 | 5170 | Fiji | UNDP | Discovering Nature-based Products and Build National Capacities for the Application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing | 30,000 | 3,000 | 970,000 | 97,000 | 1,000,000 | 2,370,000 | 3,370,000 |
| 9 | 5626 | Kenya | UNEP | Developing the Microbial Biotechnology Industry from Kenya's Soda Lakes in line with the Nagoya Protocol | | | 913,265 | 86,735 | 913,265 | 1,751,845 | 2,665,110 |
| 10 | 4780 | Panama | UNDP | Promoting the application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Panama | | | 1,000,000 | 100,000 | 1,000,000 | 3,422,000 | 4,422,000 |
| Sub total for Biodiversity | | | | | 276,712 | 26,438 | 11,298,082 | 1,093,043 | 11,574,794 | 27,056,689 | 38,631,483 |
| <u>Multi Focal Area</u> | | | | | | | | | | | |
| 11 | 5264 | Gabon | World Bank | Sustainable Management of Critical Wetlands Ecosystems Project | 50,000 | 4,750 | 950,000 | 90,250 | 1,000,000 | 3,416,344 | 4,416,344 |
| Sub total for Multi Focal Area | | | | | 50,000 | 4,750 | 950,000 | 90,250 | 1,000,000 | 3,416,344 | 4,416,344 |
| <u>Grand Total</u> | | | | | 326,712 | 31,188 | 12,248,082 | 1,183,293 | 12,574,794 | 30,473,033 | 43,047,827 |