

## RELATIONS WITH CONVENTIONS

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### RECOMMENDED DRAFT COUNCIL DECISION:

The Council, having reviewed document GEF/C.7/11, *Relations with Conventions*, takes note of the decisions of the second meeting of the Conference of the Parties to the Convention on Biological Diversity relevant to the GEF in its capacity as the institutional structure operating, on an interim basis, the financial mechanism of the Convention, approves the proposed draft annex to the Memorandum of Understanding between the Conference of the Parties to the UN Framework Convention on Climate Change and the Council of the GEF on Determination of Funding Necessary and Available for Implementation of the Convention, and approves the recommended approach described in Section C of the document for facilitating reporting to the Conferences of the Parties to the Convention on Biological Diversity and the Framework Convention on Climate Change.

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### INTRODUCTION

1. This document reports on developments within the context of the Convention on Biological Diversity and the UN Framework Convention on Climate Change since the last review by the Council of matters arising from the Conventions for which the Global Environment Facility (GEF) serves for the purposes of their financial mechanisms [\(1\)](#). This document also addresses the reporting requirements of the GEF to the Conference of the Parties to each Convention to be convened in 1996.

#### A. CONVENTION ON BIOLOGICAL DIVERSITY

2. The Conference of the Parties to the Convention on Biological Diversity held its second meeting in Jakarta, Indonesia, from November 6 to 17, 1995. The following is a summary of the decisions of the Conference of the Parties relevant to the GEF in its capacity as the institutional structure operating on an interim basis the financial mechanism of the Convention. A copy of the decisions referred to below is annexed (annex A) to this document.

#### General

3. There were extensive discussions concerning the GEF and its role as the institutional structure operating the financial mechanism of the Convention. Major discussions focused on its status (permanent designation versus interim designation), its effectiveness, the proposed Memorandum of Understanding (MOU), incorporation of the guidance from the Conference of the Parties in its activities, its project cycle, the relationship between STAP and the Subsidiary Body on Scientific, Technical, and Technological Advice (SBSTTA), and further guidance for

activities related to the implementation of the Convention. Many of these issues are addressed in the decision on financial resources and mechanism (Decision II/6: Financial Resources and Mechanism). In addition, a number of other decisions contain guidance that is relevant to the GEF's activities under the financial mechanism.

## **Decision on Financial Mechanism [\(2\)](#)**

### *Status of the GEF as the Convention's Financial Mechanism*

4. In its decision on financial resources and mechanism the Conference of the Parties requests the GEF to continue to serve as the institutional structure to operate the financial mechanism under the Convention on an interim basis, until a decision is taken on which institutional structure is to be designated in accordance with Article 21 of the Convention. This decision states that the Conference of the Parties shall endeavor to make such decision at its third meeting.

### *Draft Memorandum of Understanding*

5. The Conference of the Parties took note of the proposed Memorandum of Understanding (MOU) that had been prepared jointly by the Convention secretariat and the GEF Secretariat. The Council of the GEF reviewed the proposed MOU at its meeting in July 1995, and made some drafting suggestions that had been incorporated in the proposed MOU presented to the Conference of the Parties. Some delegations were of the opinion that the proposed MOU did not adequately reflect their positions on the content of an MOU as submitted to the Convention secretariat after the first Conference of the Parties. The Parties took note of the jointly prepared draft and requested the Convention secretariat to continue consultations on the draft MOU in order to ensure that comments by Parties are reflected and to submit a revised draft MOU for consideration and decision by the Conference of the Parties at its third meeting.

### *Incorporation of guidance from the Conference of the Parties into the further development of the GEF Operational Strategy and operational programs*

6. The GEF is asked to fully incorporate the guidance from the Conference of the Parties into the further development of the operational strategy and programs to ensure that the objectives of the Convention are addressed.

7. Other decisions identify additional elements for the GEF to take into account in the forests and coastal/marine operational programs to be developed pursuant to the operational strategy. The decision on forests [\(3\)](#) focuses on forests conservation and sustainable use; their inclusion in sectoral and cross-sectoral plans, programs, and policies; the importance of environmental impact assessment; valuation of benefits; the definition and implementation of sustainable forest management practices; favoring the ecosystem approach for management and in-situ conservation, participation of all stakeholders; the need for public education and awareness programs, especially for forest biodiversity components under threat; the need for research and training; and addressing the underlying causes of biodiversity loss.

8. The decision on coastal and marine activities (4) recommends integrated approaches to coastal zone and marine management; capacity building, including institutional, administrative and legal frameworks, and welcomes the International Coral Reef Initiative. This decision specifically requests the GEF to take the decision and its annexes into account in considering activities related to the conservation and sustainable use of marine and coastal biological diversity.

#### *GEF project cycle*

9. In its discussions on the GEF, a number of delegations expressed concern with the perceived lengthiness of the GEF project cycle. In its decision, the Conference of the Parties took note of the revised project cycle and the operational strategy and requested the GEF to take any additional appropriate steps to expedite project preparation and approval process with a view to implementing the "policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources" approved at its first meeting. (5)

#### *Relationship between STAP and SBSTTA*

10. A number of Parties expressed interest in exploring the relationship between the GEF's STAP and the Convention's SBSTTA, noting the need to avoid duplication and to respect the mandate of each of the two bodies. In its decision, the Conference of the Parties requested reciprocal representation of the two bodies in their respective meetings. STAP now invites SBSTTA to be represented at its meetings.

#### *Reporting to the Conference of the Parties by the GEF*

11. Some Parties expressed appreciation for the report of the GEF to the Conference of the Parties (approved by the Council at its meeting in July 1995) while others felt that the reporting was insufficient. In its decision, the Conference of the Parties requested the GEF to take into account, when preparing the report to be submitted to the third meeting of the Conference of the Parties, the following:

(a) Detailed information should be provided on the conformity of the approved work program with the guidance of the Conference of the Parties; and

(b) A list of projects submitted by eligible country Parties and information on their status should be included.

#### *Review of the effectiveness of the financial mechanism*

12. In accordance with article 21(3) of the Convention, the Conference of the Parties is to review the effectiveness of the financial mechanism, including criteria and guidelines for eligibility for access to and utilization of the financial resources, not less than two years after the entry into force of the Convention and thereafter on a regular basis. The Conference of the Parties decided to undertake the first review of the effectiveness of the financial mechanism at its fourth meeting in 1997 and a review every three years thereafter. The first review is to be carried out according to the approach described in document UNEP/CBD/COP/2/9. In addition, the Convention

secretariat was requested to further develop guidelines of the review for consideration and decision of the Conference of the Parties at its third meeting. The Convention secretariat is to take into account comments made by participants at the second meeting and/or provided by Parties in writing to the secretariat not later than the end of February of 1996.

#### *Urgent implementation of article 6*

13. The Conference of the Parties recognized that highest priority should be assigned to the implementation of article 6 of the Convention, "General Measures for Conservation and Sustainable Use". This issue is discussed further under the decision entitled "Consideration of Articles 6 and 8 of the Convention".

#### *Public involvement and medium-size grants*

14. The Conference of the Parties recommended that the GEF explore the possibility of promoting diverse forms of public involvement and more effective collaboration between all tiers of government and civil society, including the feasibility of a program of grants for medium-sized projects. Such exploration is to take into account the eligibility criteria set out by the Conference of the Parties. The GEF has been exploring these issues, and specific proposals are before the Council in document GEF/C.7/5, Public involvement in GEF projects and document GEF/C.7/Inf.6, Promoting Strategic Partnerships between the GEF and the NGO Community.

#### *Convention secretariat*

15. The Convention's Executive Secretary was requested, in relation to financial resources, to: (a) further explore possibilities of additional financial resources; (b) monitor their availability, identifying where and how country Parties might gain access to them; (c) study characteristics specific to biodiversity activities for the Conference of the Parties to make suggestions to funding institutions on how to make their activities in biodiversity more supportive of the Convention on Biological Diversity; and (d) prepare a report to the Conference of the Parties at its third meeting on the implementation of the decision.

#### **Decision on Clearing-house Mechanism [\(6\)](#)**

16. The Conference of the Parties agreed that the clearing-house mechanism, established by a decision of the first meeting of the Conference of the Parties, should be developed: starting with a pilot phase for 1996-1997; through specific and focused areas of activities related to the promotion of international technical and scientific information; by gradually building up its functions in response to clear and identified demand based on experience gained and resources available; in a neutral, transparent, cost-effective, efficient and accessible manner; as a decentralized mechanism; by making full use of existing facilities; in close cooperation with relevant international organizations and entities; by enhancing networking between existing national, regional, subregional and international centers of relevant expertise, as well as governmental and non-governmental institutions and the private sector. The results of the pilot phase are to be evaluated at the fourth Conference of the Parties meeting in 1997. In the

Conference of the Parties decision, the GEF is specifically requested "to explore the modalities of providing support through the financial mechanism to developing country Parties for capacity building in relation to the operation of the clearing-house mechanism and report to the Conference of the Parties at its third meeting".

### **Decision on Consideration of Articles 6 and 8 of the Convention [\(7\)](#)**

17. Article 6 of the Convention is concerned with general measures for conservation and sustainable use. It calls for each Party, in accordance with its particular conditions and capabilities to: develop national strategies, plans or programs for the conservation and sustainable use of biological diversity, or adapt for this purpose existing strategies, plans or programs which are to reflect the measures set out in the Convention relevant to the Party. It also calls for integrating, as far as possible and as appropriate, the conservation and sustainable use of biological diversity into relevant sectoral and cross-sectoral plans, programs and policies. Article 8 of the Convention addresses measures to promote in-situ conservation.

18. The Conference of the Parties decision recognizes the crucial importance of these two articles for the fulfillment of the objectives of the Convention. The decision addresses exchange of relevant information and shared experience on measures taken pursuant to the articles, regional and international cooperation for the implementation of the articles, and dissemination of information through the clearing-house mechanism. The GEF was requested to facilitate urgent implementation of these articles by availing to developing country Parties financial resources for projects in a flexible and expeditious manner.

19. The GEF operational strategy approved by the GEF Council at its meeting in October 1995 fully recognizes the importance of Article 6 and 8. Article 6 activities are specifically referenced under the enabling activities component of the chapter on biological diversity. Building upon the earlier interagency task force on enabling activities, the GEF Secretariat, in consultation with the Implementing Agencies, STAP and the Convention secretariat, prepared operational criteria for enabling activities to clearly set out eligibility criteria for substantive activities and cost norms. The GEF Secretariat and the Implementing Agencies have also considered ways to streamline approval of enabling activities project proposals. These procedures are addressed in the operational criteria which are before the Council in document GEF/C.7/Inf.12.

20. Consistent with the guidance to the GEF approved at the first meeting of the Conference of the Parties, measures called for under Article 8, together with sustainable use of biological resources, are addressed in the GEF operational strategy as one of the central thrusts of the biodiversity chapter. The GEF is taking a comprehensive approach in addressing this issue by including not only extensive in-situ protection in projects approved to date, but also addressing underlying causes of biodiversity loss, stakeholder participation and targeted research as needed. A number of projects approved during the GEF pilot phase focus on in-situ conservation.

### **Decision on Preliminary Consideration of Components of Biological Diversity Particularly under Threat and Action which Could Be Taken under the Convention [\(8\)](#)**

21. This decision strongly supports the approach embodied in the operational strategy for biodiversity conservation and sustainable use. The decision recommends a holistic approach that includes the three levels of biological diversity (genes, species and ecosystems), and socio-economic and cultural factors. The ecosystem approach is reaffirmed as the primary framework for actions to be taken under the Convention. It stresses the need to identify and define appropriate actions to control the driving forces affecting biodiversity. It emphasizes the need for capacity building for the implementation of tasks. All these elements are of central relevance in the GEF operational strategy. The Conference of the Parties decision also calls for adequate financial resources for the implementation of tasks identified in this document.

### **Decision on Form and Intervals of National Reports [\(9\)](#)**

22. In this decision, the Conference of the Parties decides that the first national reports are to be submitted to the fourth meeting of the Conference of the Parties in 1997. These reports are to focus as far as possible on measures taken for the implementation of article 6 of the Convention. The Conference of the Parties approved suggested guidelines for national reporting on implementation of Article 6 which are appended to the decision. All Parties are urged to submit their reports no later than June 30, 1997. The GEF is urged to make available financial resources to developing country Parties to assist in the preparation of their national reports. The GEF is addressing this need under enabling activities.

## **B. CLIMATE CHANGE**

23. At the first meeting of the Conference of the Parties to the U.N. Framework Convention on Climate Change (COP), the Parties agreed upon the functions of its two subsidiary bodies: the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI). Among the functions of SBI is the following:

Advise the Conference of the Parties on the policies, eligibility criteria and programme priorities related to the financial mechanism, as well as on transfer of technology in the light of the reviews and assessments carried out under Article 10.2(a), taking into account relevant advice from the SBSTA and, if so requested by the Conference of the Parties:

- (i) Review the financial mechanism and advise on appropriate measures:
- (ii) Consider reports from the operating entity or entities of the financial mechanism on activities related to climate change;
- (iii) Make recommendations related to the arrangements for the operational linkages between the Conference of the Parties and the operating entity or entities. [\(11\)](#)

24. The first meeting of the SBI was held at Geneva in August 1995. One of the agenda items of the meeting was "Matters relating to the financial mechanism". In light of its deliberations on this agenda item, the SBI adopted a decision and recommendation to the Conference of the Parties, the full text of which is contained in annex B to this document. The operative paragraphs of the decision are:

"1.Recommends that the Conference of the Parties adopt the draft decision below and the draft Memorandum of Understanding annexed thereto, subject to the necessary editorial adjustments;

2. Requests the secretariats of the Convention and the Global Environment Facility to elaborate jointly the annex to the Memorandum of Understanding on procedures to facilitate the joint determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, as referred to in paragraph 9 of the Memorandum;

3. Decides to consider the above-mentioned annex after its adoption by the Council of the Global Environment Facility and prior to its adoption by the Conference of the Parties at its second session."

25. In accordance with paragraph 2 of the decision, the secretariats of the Convention and the GEF have prepared a draft annex to the MOU on procedures to facilitate the joint determination of funding necessary and available for the implementation of the Convention. A copy of the proposed annex is presented in annex C to this document. The Council is invited to review the proposal with a view to approving the text prior to its consideration by the second session of the Conference of the Parties.

### **C. REPORTING TO THE CONFERENCE OF THE PARTIES**

26. Paragraph 31 of the Instrument for the Establishment of the Restructured GEF provides:

"The Council shall approve an Annual Report on the activities of the GEF....The report shall contain all the information necessary to meet the principles of accountability and transparency that shall characterize the Facility as well as the requirements arising from the reporting arrangements agreed with each Conference of the Parties to the Conventions referred to in paragraph 6."

27. The Council approved the GEF Annual Report for FY95 at its meeting in October 1995. In preparing the report, the Secretariat made every effort to ensure that the report responded to the reporting arrangements requested by the Conference of the Parties of each of the Conventions and will continue to do so when preparing annual reports in the future.

28. The reporting arrangements requested by the Conference of the Parties to the Convention on Biological Diversity are found in the decision of the meetings of the Conference of the Parties. At its first meeting, the Conference of the Parties decided the following:

"1. The Conference of the Parties to the Convention on Biological Diversity decides to instruct the restructured GEF to prepare and submit through the Convention secretariat an annual report on its operations in support of the Convention.

2. The report should include specific information on how it has applied the guidance and decisions of the Conference of the Parties in its work related to the Convention. This report should be of a substantive nature and incorporate the programme of future activities of the

restructured GEF in the areas covered by the Convention and an analysis of how the restructured GEF, in its operations, implemented the policy, strategy, programme priorities and eligibility criteria related to the Convention which have been adopted by the Conference of the Parties.

3. In particular, the report should provide information on the following:

- (a) A synthesis of the different projects under implementation;
- (b) A list of project proposals submitted by eligible Parties, for funding, reporting on their approval status;
- (c) A review of the project activities approved by the restructured GEF and their outcomes, including information on funding and progress in implementation.

4. In order to meet the requirements of accountability to the Conference of the Parties, reports submitted by the restructured GEF should cover all its activities carried out in implementing the Convention, whether decisions on such activities are made by the GEF Council or by the implementing agencies. To this end, it shall make arrangements with such bodies as might be necessary regarding the disclosure of information. [\(12\)](#) "

29. At the second meeting of the Conference of the Parties, the Parties requested the GEF "to take the following comments into account when preparing the report to be submitted to the third meeting of the Conference of the Parties:

- (a) Detailed information should be provided on the conformity of the approved work programmes with the guidance of the Conference of the Parties;
- (b) A list of projects submitted by eligible country Parties and information on their status should be included. [\(13\)](#) "

30. At the first meeting of the Conference of the Parties to the Framework Convention on Climate Change, the Parties invited "the GEF in future reports to take fully into account relevant aspects of the modalities for the functioning of operational linkages between the Conference of the Parties and the operating entity or entities of the financial mechanism. [\(14\)](#) "

31. The draft Memorandum of Understanding between the Conference of the Parties and the Council of the GEF, which was recommended to the Conference of the Parties for adoption by the SBI, provides :

"6. Annual reports of the GEF will be made available to the Conference of the Parties through its secretariat. Other official public documentation of the GEF will also be made available to the Conference of the Parties through its secretariat. In order to meet the requirement of its accountability to the Conference of the Parties, the Annual Report of the GEF will cover all GEF-financed activities carried out in implementing the Convention, whether such activities are carried out by the GEF Implementing Agencies, the GEF Secretariat or by executing agencies implementing GEF-financed projects. To this end, the GEF Council will require all such bodies, with respect to GEF-financed activities, to comply with GEF policy on disclosure of information.

7. In its reporting on GEF-financed activities under the financial mechanism, the GEF should include specific information on how it has applied the guidance and decisions of the Conference



of the Parties in its work related to the Convention. This report should be of a substantive nature and incorporate the programme of GEF activities in the areas covered by the Convention and an analysis of how the GEF, in its operations related to the Convention, has implemented the policies, programme priorities and eligibility criteria established by the Conference of the Parties. In particular, a synthesis of the different projects under implementation and a listing of the projects approved by the Council in the climate change focal area as well as a financial report with an indication of the financial resources required for those projects should be included. The Council should also report on its monitoring and evaluation activities concerning projects in the climate change focal area.

8. The GEF Council may seek guidance from the Conference of the Parties on any matter it considers relevant to the operation of the financial mechanism of the Convention."

32. After reviewing the recommendations of the Conference of the Parties to each Convention, the Secretariat is of the view that the GEF Annual Report is consistent with, and responsive to, the requested reporting arrangements. For purposes of the Conferences of the Parties to be convened in 1996 (the third meeting of the Conference of the Parties to the Convention on Biological Diversity will be convened in November 1996 and the second meeting of the Conference of the Parties to the Framework Convention on Climate Change will be convened in July 1996), the Secretariat proposes to submit to each Conference of the Parties the GEF Annual Report together with the Quarterly Operational Report. Recognizing that the Annual Report approved by the Council covers the period from July 1, 1995 to June 30, 1996, the Secretariat will prepare a factual up-date of the relevant chapter for submission to each Conference of the Parties. This up-date will follow the format of the corresponding chapter in the Annual Report. It will include recent information available to the Secretariat taking into account the date for submitting a report established by the Convention secretariats. Since the Council approves each Annual Report, the Secretariat suggests that this approach would alleviate the need for the Council to review and approve separate reports to the Conferences of the Parties. The Secretariat is seeking Council approval for this approach which should facilitate reporting by the GEF to the Conferences of the Parties.

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## ***Endnotes***

1 The Council reviewed matters relating to the Conventions at its meeting in July 1995. In addition, at each Council meeting a representative of the each Convention's secretariat addressed the Council and informed it of activities and developments under the Convention.

2 UNEP/CBD/COP/2/19, Decision II/6.

3 UNEP/CBD/COP/2/19, Decision II/9.

- 4 UNEP/CBD/COP/2/19, Decision II/10.
- 5 UNEP/CBD/COP/1/17.
- 6 UNEP/CBD/COP/2/19, Decision II/3.
- 7 UNEP/CBD/COP/2/19, Decision II/7
- 8 UNEP/CBD/COP/2/19, Decision II/8
- 9 UNEP/CBD/COP/2/19, Decision II/17
- 10 See Operational Criteria for Enabling Activities: Biodiversity, document GEF/C.7/Inf.11.
- 11 FCCC/CP/1995/7/Add.1, Decision 6/CP.1, Annex I, B.3(a).
- 12 UNEP/CBD/COP/1/17, Decision I/2, Annex III.
- 13 UNEP/CBD/COP/2/19, Decision II/6, paragraph 6.
- 14 FCCC/CP/1995/7/Add.1, Decision 12/CP.1, paragraph 4.

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## **ANNEX A**

### **DECISIONS ADOPTED BY THE SECOND MEETING OF THE CONFERENCE OF THE PARTIES**

#### **Decision II/3: CLEARING-HOUSE MECHANISM**

The Conference of the Parties,

1. Takes note of the document prepared by the Secretariat on the establishment of the clearinghouse mechanism to promote and facilitate technical and scientific cooperation (document UNEP/CBD/COP/2/6);
2. Notes that many information systems and activities relevant to the objectives of the Convention have been and are being established at international, subregional, regional and national levels;
3. Notes that the enhanced cooperation between these information systems and activities will contribute to capacity-building, and notes that, in this context, the role of the Secretariat is to promote and facilitate access to this clearing-house mechanism;
4. Decides, as a contribution to the implementation of the objectives of the Convention, that the clearing-house mechanism, established by decision I/3 adopted at its first meeting in accordance with Article 18, paragraph 3 of the Convention, should be developed:

- (a) Starting with a pilot phase for 1996-1997;
- (b) Through specific and focused areas of activities related to the promotion of international technical and scientific cooperation;
- (c) By gradually building up its functions in response to clear and identified demand based on experience gained and resources available;
- (d) In a neutral, transparent, cost-effective, efficient and accessible manner;
- (e) As a decentralized mechanism using such resources as print and electronic media, including the Internet;
- (f) By making full use of existing facilities, which will avoid any duplication or overlap of activities and allow for the early implementation of the mechanism;
- (g) In close cooperation with relevant international organizations and entities as active partners in the clearing-house mechanism to maximize the existing experience and expertise;
- (h) By enhancing networking between existing national, regional, subregional and international centres of relevant expertise, as well as governmental and non-governmental institutions and the private sector;

5. Decides also that, during the pilot phase for 1996-1997, the Secretariat should act as a focal point and should:

- (a) Encourage the development of a network of active partners, such as those specified in 4(h). These partners should focus initially on:
  - (i) developing national capabilities through exchanging and disseminating information on the experiences and lessons learned by Parties on the implementation of the Convention. This can be done through guidelines, training programmes, seminars, workshops, where appropriate, and upon request, and by using the clearing-house mechanism;
  - (ii) facilitating access to and dissemination of research relevant to the objectives of the Convention;
  - (iii) facilitating the transfer of technology through exchanging and disseminating information on experiences and technologies relevant to the conservation and sustainable use of biological diversity;
- (b) Provide information on and facilitate access to these operating active partners;
- (c) Support the active partners to develop specific training for the effective participation of users in the clearing-house network;

6. (a) Decides also to provide funding for the pilot phase through the budget of the Convention;

(b) Calls also upon the international community to make additional voluntary contributions for the implementation of the pilot phase;

7. Takes note of the designation by Parties of their national focal point for the clearing-house mechanism (document UNEP/CBD/COP/2/Inf.5) and calls upon those who have not designated their focal point to do so, where appropriate, as soon as possible, and no later than February 1996;

8. Invites all relevant international, regional, subregional and national organizations and entities willing to offer their cooperation as active partners in the operation of the clearing-house mechanism to communicate the details of their offer and requests the Executive Secretary of the

Secretariat to enter into collaborative arrangements and to report to its third meeting on the results of such arrangements;

9. Requests the Global Environment Facility to explore the modalities of providing support through the financial mechanism to developing country Parties for capacity-building in relation to the operation of the clearinghouse mechanism and report to the Conference of the Parties at its third meeting;

10. Decides to review the implementation of the pilot phase of the clearing-house mechanism at its third meeting and requests the Executive Secretary to submit a progress report;

11. Decides also to review the implementation of the pilot phase at its fourth meeting and requests the Subsidiary Body on Scientific, Technical and Technological Advice to provide scientific and technical advice.

## **Decision II/6: FINANCIAL RESOURCES AND MECHANISM**

The Conference of the Parties,

Taking note of the information provided by the reports contained in documents UNEP/CBD/COP/2/9 and UNEP/CBD/COP/2/8 and the collaboration between the Secretariat of the Convention and the Secretariat of the restructured Global Environment Facility,

1. Decides that the restructured Global Environment Facility shall continue to serve as the institutional structure to operate the financial mechanism under the Convention on an interim basis, in accordance with Article 39 of the Convention, until a decision will be taken on which institutional structure is to be designated in accordance with Article 21 of the Convention. The Conference of the Parties shall endeavour to make such a decision at its third meeting;

2. Decides to undertake the first review of the effectiveness of the financial mechanism at its fourth meeting in 1997 and a review every three years. The first review will be carried out within the basic approach described in document UNEP/CBD/COP/2/9;

3. Requests the Executive Secretary to further develop guidelines of the review for consideration and decision by the Conference of the Parties at its third meeting, taking into account comments made by participants at its second meeting and/or provided by Parties in writing to the Secretariat not later than the end of February 1996;

4. Takes note of the draft "Memorandum of Understanding Between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility Regarding the Institutional Structure Operating the Financial Mechanism of the Convention", jointly prepared by the Secretariats of the Convention and the restructured Global Environment Facility, and requests the Secretariat of the Convention to continue consultations on the draft Memorandum of Understanding, in order to ensure that comments by Parties are reflected, and to submit a revised draft Memorandum of Understanding for consideration and decision by the Conference of the Parties at its third meeting;

5. Requests the interim institutional structure operating the financial mechanism to facilitate urgent implementation of Article 6 of the Convention by availing to developing country Parties financial resources for projects in a flexible and expeditious manner;

6. Requests the interim institutional structure to incorporate fully, on an ongoing basis, guidance from the Conference of the Parties into the further development of the Operational Strategy and programmes to ensure that the objectives of the Convention are addressed. The Conference of the Parties requests the Global Environment Facility to take the following comments into account when preparing the report to be submitted to the third meeting of the Conference of the Parties:

(a) Detailed information should be provided on the conformity of the approved work programmes with the guidance of the Conference of the Parties;

(b) A list of projects submitted by eligible country Parties and information on their status should be included;

7. Takes note of the recently adopted revised project cycle and the Operational Strategy which are anticipated to contribute to more timely approval and implementation of projects, and further requests the Global Environment Facility to take any additional appropriate steps to expedite the project preparation and approval process with a view to implementing fully the guidance of the Conference of the Parties contained in Annex I to decision I/2 on financial resources and mechanism entitled "Policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources" (UNEP/CBD/COP/1/17);

8. Requests participation of a representative of the Subsidiary Body on Scientific, Technical and Technological Advice of the Convention and of the Scientific and Technical Advisory Panel of the Global Environment Facility in respective meetings of the Subsidiary Body on Scientific, Technical and Technological Advice and the Scientific and Technical Advisory Panel on a reciprocal basis, as provided for in the modus operandi of the Subsidiary Body on Scientific, Technical and Technological Advice and in the terms of reference of the Scientific and Technical Advisory Panel;

9. Requests the Executive Secretary to:

(a) Further explore possibilities to identify additional financial resources to support the objectives of the Convention;

(b) Continue to monitor the availability of additional financial resources and further identify where and how country Parties might gain access to these resources;

(c) Study characteristics specific to biodiversity activities to allow the Conference of the Parties to make suggestions to funding institutions on how to make their activities in the area of biodiversity more supportive of the Convention;

10. Recommends, for more effective implementation of its policies, strategies and programme priorities, that the Global Environment Facility explore the possibility of promoting diverse forms of public involvement and more effective collaboration between all tiers of government and civil society, including the feasibility of a programme of grants for medium-sized projects.

Such exploration should take into account the eligibility criteria set out by the Conference of the Parties in Annex I to decision I/2 on financial resources and mechanism, contained in document UNEP/CBD/COP/1/17;

11. Requests the interim institutional structure to implement the relevant provisions of the following decisions: II/3 on clearing-house mechanism, II/7 on consideration of Articles 6 and 8 of the Convention, II/8 on preliminary consideration of components of biological diversity particularly under threat and action which could be taken under the Convention, and II/17 on form and intervals of national reports by Parties;

12. Requests the Executive Secretary to present a report to the Conference of the Parties at its third meeting on the implementation of the present decision.

### **Decision II/7: CONSIDERATION OF ARTICLES 6 AND 8 OF THE CONVENTION**

The Conference of the Parties,

Mindful of the crucial importance of the provisions of Articles 6 and 8 in the fulfillment of the objectives of the Convention,

1. Urges all Parties and Governments and other interested stakeholders to exchange relevant information and share experience on measures taken for the implementation of Articles 6 and 8;

2. Stresses the importance of regional and international cooperation for the implementation of Articles 6 and 8 of the Convention;

3. Requests the Executive Secretary to make available through the clearing-house mechanism such information and lessons drawn from national experience and also to make available relevant information on the implementation of Articles 6 and 8 contained in national reports submitted by Parties in accordance with Article 26 of the Convention as well as decision II/17 adopted at its second meeting;

4. Further requests the Executive Secretary:

(a) To compile and disseminate that information as widely as possible, including experience of relevant Conventions, United Nations bodies and intergovernmental and nongovernmental organizations in dealing with the provisions of Articles 6 and 8;

(b) To prepare, on the basis of available information, suggestions on how the collection and sharing of relevant information and experience might be enhanced;

5. Encourages Parties, in preparing and implementing their national strategies and action plans, to collaborate with relevant organizations and, if so desired, to take into consideration existing guidelines such as "National Biodiversity Planning" published by the United Nations Environment Programme, the World Resources Institute and the World Conservation Union (IUCN);

6. Emphasizes the importance of capacity-building as well as the availability of adequate financial resources to assist Parties in the implementation of Articles 6 and 8 of the Convention, and in this context requests the interim financial mechanism under the Convention to facilitate urgent implementation of Articles 6 and 8 of the Convention by availing to developing country Parties financial resources for projects in a flexible and expeditious manner;

7. Also requests the Executive Secretary to present to it a report on the implementation of this decision for consideration at its third meeting.

**Decision II/8: PRELIMINARY CONSIDERATION OF COMPONENTS OF BIOLOGICAL DIVERSITY PARTICULARLY UNDER THREAT AND ACTION WHICH COULD BE TAKEN UNDER THE CONVENTION**

The Conference of the Parties,

1. Reaffirms that the conservation and sustainable use of biological diversity and its components should be addressed in a holistic manner, taking into account the three levels of biological diversity and fully considering socio-economic and cultural factors. However, the ecosystem approach should be the primary framework of action to be taken under the Convention;

2. Endorses paragraphs 2, 4 and 5 of recommendation I/3 on preliminary consideration of components of biological diversity that are particularly under threat and the action that could be taken under the Convention, adopted by the first meeting of the Subsidiary Body on Scientific, Technical and Technological Advice, held in Paris, at the headquarters of the United Nations Educational, Scientific and Cultural Organization, from 4 to 8 September 1995;

3. Stresses that, as reflected in paragraph 3 of recommendation I/3, it is essential to identify the driving forces determining the status and trends of components of biological diversity, so that appropriate action can be taken to control them;

4. Stresses also the importance of making full use of existing knowledge and available expertise;

5. Emphasizes the need for capacity-building as well as adequate financial resources for the implementation of the tasks identified in this decision;

6. (i) Encourages Parties, as part of their first national report which will focus particularly on Article 6, to identify priority issues specifically related to those components of biological diversity under threat, based upon paragraphs 1, 2, 4 and 5 of recommendation I/3 of the report of the first meeting of the Subsidiary Body on Scientific, Technical and Technological Advice to the second meeting of the Conference of the Parties;

(ii) Requests the Executive Secretary to prepare a paper which identifies issues of common concern in the context of examining the national reports;

(iii) Directs the Subsidiary Body on Scientific, Technical and Technological Advice to consider the findings of the Executive Secretary's paper and to identify possible options for actions to be considered by the Conference of the Parties;

7. Further requests the Subsidiary Body at its second meeting to address the issue of the lack of taxonomists, who would be needed for the national implementation of the Convention, and to advise the Conference of the Parties at its third meeting on ways and means to overcome this problem, taking into account existing studies and ongoing initiatives while adopting a more practical direction of taxonomy linked to bio-prospecting and ecological research on conservation and sustainable use of biological diversity and its components.

## **Decision II/9: FORESTS AND BIOLOGICAL DIVERSITY**

The Conference of the Parties,

1. Decides to invite its President to transmit the Statement contained in the annex to this decision to the Intergovernmental Panel on Forests at its second meeting;

2. Requests the Executive Secretary:

(a) To provide advice and information pertaining to the relationship between indigenous and local communities and forests, as invited by the Inter-Agency Task Force of the Intergovernmental Panel on Forests;

(b) To commission and carry out work on forests and biological diversity, with a view to producing a background document on the links between forests and biological diversity in order to consider, at its third meeting, whether further input to the Intergovernmental Panel on Forests is required, and to transmit this document to the Intergovernmental Panel on Forests for information;

(c) To invite all Parties, relevant intergovernmental agencies and bodies to contribute to the preparation of the documents on forests and biological diversity to be prepared by the Executive Secretary, and to welcome the input of other Governments, non-governmental organizations and indigenous and local communities;

3. Invites all Parties to include expertise on forest biological diversity in their delegations to the Intergovernmental Panel on Forests;

4. Invites the Secretariat of the Intergovernmental Panel on Forests to communicate progress on issues relevant to forests and biological diversity to the third meeting of the Conference of the Parties.

### **Annex to decision II/9**

## **STATEMENT ON BIOLOGICAL DIVERSITY AND FORESTS FROM THE CONVENTION ON BIOLOGICAL DIVERSITY TO THE INTERGOVERNMENTAL PANEL ON FORESTS**

1. The Conference of the Parties to the Convention on Biological Diversity welcomes the decision by the Commission on Sustainable Development to establish an open-ended Intergovernmental Panel on Forests (IPF) to pursue consensus and coordinated proposals for action to support the management, conservation and sustainable development of forests.



2. Wishing to avoid duplication of efforts and coordinate with other relevant organizations on issues of biological diversity, the Conference of the Parties stands ready to contribute to the fulfilment of the mandate of the IPF.

3. Keeping in mind the crucial role of forests in maintaining global biological diversity, the Conference of the Parties wishes to establish a dialogue with the IPF on issues related to forests and biological diversity.

4. Together, tropical, temperate and boreal forests provide the most diverse sets of habitats for plants, animals and micro-organisms, holding the vast majority of the world's terrestrial species. This diversity is the fruit of evolution, but also reflects the combined influence of the physical environment and people.

5. The maintenance of forest ecosystems is crucial to the conservation of biological diversity well beyond their boundaries, and for the key role they play in global climate dynamics and biogeochemical cycles. Forests provide ecological services and, at the same time, livelihoods or jobs for hundreds of millions of people worldwide.

6. Forest biological diversity results from evolutionary processes over thousands and even millions of years which, in themselves, are driven by ecological forces such as climate, fire, competition and disturbance. Furthermore, the diversity of forest ecosystems (in both physical and biological features) results in high levels of adaptation, a feature of forest ecosystems which is an integral component of their biological diversity. Within specific forest ecosystems, the maintenance of ecological processes is dependent upon the maintenance of their biological diversity. Loss of biological diversity within individual ecosystems can result in lower resilience.

7. Forests are becoming degraded and their biological diversity is being lost. The loss of forest biological diversity is linked to the substantial deforestation, fragmentation and degradation of all types of forests. The reasons for the loss of forest biological diversity are many, both direct and indirect, and the Conference of the Parties takes note of the Terms of Reference of the IPF in this regard. (IPF Agenda item I.2.)

8. Forests and forest biological diversity play important economic, social and cultural roles in the lives of many indigenous and local communities. The Convention on Biological Diversity addresses specifically the need to respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities relevant for the conservation and sustainable use of biological diversity, as well as the need to protect and encourage customary use of biological resources in accordance with traditional cultural practices. It also encourages countries to cooperate in the development and use of indigenous and traditional technologies, and encourages the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices, in pursuance of the objectives of the Convention. Articles 8(j), 10(c) and 18.4 of the Convention provide the general framework for this.

9. In addition, the Convention on Biological Diversity recognizes in Article 15 the sovereign rights of States over their genetic resources and also recognizes that the authority to determine access to these resources rests with the national Governments and is subject to national

legislation. It also states that each Contracting Party shall endeavour to create conditions to facilitate access to genetic resources for environmentally sound uses by other Contracting Parties and not to impose restrictions that run counter to the objectives of the Convention. Such access, including forest-based genetic resources, shall be subject to prior informed consent by the Party providing such resources and shall be on mutually agreed terms. Measures shall be taken with the aim of sharing in a fair and equitable way the results of research and development and the benefits arising from the commercial and other utilization of genetic resources with the party providing such resources. Such sharing shall be on mutually agreed terms.

10. The Conference of the Parties emphasizes and requests the IPF to acknowledge the need to integrate the conservation and sustainable use of biological diversity into relevant sectoral and cross-sectoral plans, programmes and policies (Convention on Biological Diversity Article 6 (b)). The Conference of the Parties requests the IPF to note that it intends to explore how the conservation and sustainable use of forest biological diversity could be assisted by the establishment of specific environmental goals in the forest and other sectors. The Conference of the Parties also requests the IPF to consider appropriate Environmental Impact Assessment of sectoral activities, plans, programmes and policies with expected negative impact on forest ecosystems (Convention on Biological Diversity Article 14). (IPF Agenda item I.2)

11. The Conference of the Parties notes the mandate of the IPF concerning methods for the proper valuing of the multiple benefits derived from forests. In this context, it requests the IPF to consider the economic (monetized and non-monetized) benefits, the environmental services and non-consumptive values provided by forest biological diversity, including the important cultural, religious and recreational values of forests. (IPF Agenda items III.1 and IV.1.)

12. The Conference of the Parties recognizes the need to develop and implement methods for sustainable forest management which combine production goals, socioeconomic goals of forest-dependent local communities, and environmental goals, particularly those related to biological diversity. Sustainable forest management should ensure that components of biological diversity are used in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs of present and future generations (Convention on Biological Diversity Article 2). Sustainable forest management should take an ecosystem approach and aim at securing forest quality as related to the Convention on Biological Diversity, comprising such elements as forest composition, natural regeneration, patterns of ecosystem variation, ecosystem functions and ecosystem processes over time. Special attention should be paid to components of biological diversity under threat. (IPF Agenda items III.2 and I.5.)

13. In-situ forest conservation activities in accordance with Article 8 of the Convention on Biological Diversity, including the establishment and management of protected areas, have an important role to play in the achievement of biological diversity goals for sustainable forest management, and should be integrated in national forest and land-use plans. In this context, the conservation of primary/old-growth and ecologically mature secondary forest ecosystems is of particular importance. All stakeholders, in particular managers, should engage in an open, transparent and participatory decision-making process that can explicitly incorporate the multiple functions of forests and involve all interested Parties, including indigenous and local communities. (IPF Agenda item I.1.)

14. The issue of public education and awareness has not been explicitly addressed in the Terms of Reference of the IPF. The importance of education and awareness-raising at all levels of society, including local communities, local and national policy makers, forest managers, and users of forests and forest products, related to the importance of biological diversity, especially those components under threat, should have a high priority in both national and international efforts. (Convention on Biological Diversity Article 13.)

15. More effort on biological diversity is needed in research, training and other capacity-building activities (Convention on Biological Diversity Article 12). Important topics include development of policies, criteria and indicators, methodologies and technologies for sustainable forest management, and the impact of utilization of components of biological diversity, particularly those under threat, on ecological processes. (IPF Agenda items III.1 and III.2.)

16. In response to the invitation of the IPF, the Conference of the Parties has requested its Executive Secretary to provide advice and information pertaining to the relationship between indigenous and local communities and forests. The Conference of the Parties has further requested the Executive Secretary to provide advice and information concerning the contents, work and medium-term programme of work of the Convention relevant to the Terms of Reference of the IPF. Such advice and information will be provided in time for the Panel's third session.

17. The IPF may also receive substantive inputs from the Convention following the third meeting of the Conference of the Parties on, inter alia, the underlying causes of biological diversity loss in forest ecosystems, components and dynamics of biological diversity, and ways and means for the effective protection and use of traditional forest-related knowledge, innovations and practices of forest dwellers, indigenous and local communities, as well as fair and equitable sharing of benefits arising from such knowledge, innovations and practices.

## **Decision II/10: CONSERVATION AND SUSTAINABLE USE OF MARINE AND COASTAL BIOLOGICAL DIVERSITY**

The Conference of the Parties,

Recalling that the Conference of the Parties decided to address, at its second meeting, advice from the Subsidiary Body on Scientific, Technical and Technological Advice on the scientific, technical and technological aspects of the conservation and sustainable use of marine and coastal biological diversity,

Being deeply concerned at the serious threats to marine and coastal biological diversity caused by factors including physical alteration, destruction and degradation of habitats, pollution, invasion of alien species, and over-exploitation of living marine and coastal resources,

1. Takes note of recommendation I/8 on scientific, technical and technological aspects of the conservation and sustainable use of marine and coastal biological diversity, adopted by the first meeting of the Subsidiary Body on Scientific, Technical and Technological Advice, held in Paris

at the headquarters of the United Nations Educational, Scientific and Cultural Organization, from 4 to 8 September 1995, and;

- (a) Affirms that it represents a solid basis for future elaboration of the issues presented;
- (b) Supports the recommendations in paragraphs 10-19 of recommendation I/8, subject to Annex I of the present decision and its further elaboration by the Subsidiary Body on Scientific, Technical and Technological Advice and the Conference of the Parties;
- (c) Reaffirms the importance of future work by the Subsidiary Body on Scientific, Technical and Technological Advice to provide a balanced perspective on the remaining issues presented by the recommendations in I/8 and Annex I of the present decision relevant to the conservation and sustainable use of marine and coastal biodiversity;

2. Encourages the use of integrated marine and coastal area management as the most suitable framework for addressing human impacts on marine and coastal biological diversity and for promoting conservation and sustainable use of this biodiversity;

3. Encourages Parties to establish and/or strengthen, where appropriate, institutional, administrative, and legislative arrangements for the development of integrated management of marine and coastal ecosystems, plans and strategies for marine and coastal areas, and their integration within national development plans;

4. Takes note of the recently finalized Food and Agriculture Organization of the United Nations Code of Conduct for Responsible Fisheries, the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, and the Washington Declaration and Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, and supports their implementation, including that by Parties, in ways that are consistent with, and conform to, the objectives of the Convention on Biological Diversity;

5. Welcomes the International Coral Reef Initiative as a means to address threats to coral reefs and related ecosystems and encourages participation in International Coral Reef Initiative activities to implement its Framework for Action;

6. Reaffirms that under Article 25 the Subsidiary Body on Scientific, Technical and Technological Advice is the only scientific, technical and technological authority under the Convention to provide advice to the Conference of the Parties;

7. Instructs the Executive Secretary to provide, in accordance with Annex II, the Subsidiary Body on Scientific, Technical and Technological Advice with scientific, technical, and technological advice and options for recommendations to the Conference of the Parties in further elaborating the recommendations contained in recommendation I/8, with the exception of paragraphs 3 and 4;

8. Offers the Executive Secretary the following guidance for conducting the work described in paragraph 6:

- (a) Solicit input from all Parties and, as appropriate, from other countries and relevant bodies;
- (b) Establish, on the basis of country input, a roster of experts with specialization appropriate to the work described in paragraph 6;
- (c) The roster will draw upon expertise from scientific, technical, technological, social, management, economic, policy, legal, and indigenous and traditional knowledge;
- (d) Convene, as appropriate, meetings of experts, drawn from the roster to support the Secretariat in advancing the work described in paragraph 6. Each meeting shall be for a duration of no longer than five days, and shall be comprised of no more than 15 experts with due regard to geographical representation and to the special conditions of least-developed countries and small island developing States;

9. Welcomes the offer from Indonesia to be host country for the first such meeting of Experts on Marine and Coastal Biological Diversity;

10. Decides to forward this decision and its annexes to the next session of the Commission on Sustainable Development for its information when considering its review of Agenda 21, chapter 17, on oceans;

11. Decides to forward this decision and annexes to the Global Environment Facility, other funding agencies and other relevant international bodies, to be taken into account in considering activities related to the conservation and sustainable use of marine and coastal biological diversity;

12. Requests the Executive Secretary, in consultation with the United Nations Office for Ocean Affairs and the Law of the Sea, to undertake a study of the relationship between the Convention on Biological Diversity and the United Nations Convention on the Law of the Sea with regard to the conservation and sustainable use of genetic resources on the deep seabed, with a view to enabling the Subsidiary Body on Scientific, Technical and Technological Advice to address at future meetings, as appropriate, the scientific, technical, and technological issues relating to bio-prospecting of genetic resources on the deep seabed;

13. Invites international and regional bodies responsible for legal instruments, agreements and programmes which address activities relevant to the conservation and sustainable use of marine and coastal biodiversity, including the United Nations General Assembly, the Food and Agriculture Organization of the United Nations, the United Nations Environment Programme, the International Maritime Organization, the United Nations Office for Ocean Affairs and the Law of the Sea, the United Nations Educational, Scientific and Cultural Organization including its Intergovernmental Oceanographic Commission, the World Conservation Union (IUCN), the Commission on Sustainable Development, the International Coral Reef Initiative, regional fisheries bodies, migratory species agreements, secretariats of regional agreements for the conservation of the marine environment and other relevant international and regional organizations and institutions, to review their programmes with a view to improving existing measures and developing new actions which promote conservation and sustainable use of marine biological diversity, taking into account the recommendations for action by the Parties to the Convention on Biological Diversity adopted by the Conference of the Parties at its second meeting, and provide information on their actions on a regular basis to the Conference of the

Parties and, in a first instance, as soon as possible through the Executive Secretary. Furthermore, these various institutions are invited to cooperate with the Conference of the Parties through the Subsidiary Body on Scientific, Technical and Technological Advice in planning and implementation of programmes affecting marine and coastal biological diversity, so as to reduce any unnecessary duplication or gaps in coverage;

14. Decides to request the Subsidiary Body on Scientific, Technical and Technological Advice to carry out a summary review at its next meeting of the first report from the Executive Secretary and to submit in its report to the Conference of the Parties its recommendation on the work of the Executive Secretary.

**Annex I to decision II/10**  
**ADDITIONAL CONCLUSIONS ON RECOMMENDATION I/8 ADOPTED BY THE**  
**SUBSIDIARY BODY ON SCIENTIFIC, TECHNICAL AND TECHNOLOGICAL**  
**ADVICE AT ITS FIRST MEETING (UNEP/CBD/COP/2/5)**

(i) Some delegations indicated their concern that paragraphs 10-19 were unbalanced in that they over-emphasized fishery issues, rather than some other issues such as pollution. Other delegations had an interest in highlighting the impacts of unsustainable fishing activities on marine and coastal biodiversity.

(ii) In relation to paragraph 10, crucial components of integrated marine and coastal area management are relevant sectoral activities, such as construction and mining in coastal areas, mariculture, mangrove management, tourism, recreation, fishing practices and land-based activities, including watershed management. Parties should, where appropriate and practical, prevent physical alteration, destruction and degradation of vital habitats and pursue restoration of degraded habitats, including spawning areas, nurseries of stocks of living marine resources, bearing in mind the objectives of the Convention on Biological Diversity and the need to provide a balanced approach to the use and conservation of marine and coastal biological diversity.

(iii) Parties are encouraged to undertake and exchange information on demonstration projects as practical examples of integrated marine and coastal area management.

(iv) In relation to paragraph 11, critical habitats for living marine resources should be an important criterion for the selection of marine and coastal protected areas, within the framework of integrated marine and coastal area management, taking into consideration the objectives of the Convention on Biological Diversity. Conservation measures should emphasize the protection of ecosystem functioning, in addition to protecting specific stocks.

(v) In reference to paragraph 12, the present mono-species approach to modelling and assessment should be augmented by an ecosystem process-oriented approach, based on research of ecosystem processes and functions, with an emphasis on identifying ecologically critical processes that consider the spatial dimension of these processes. Models of ecosystem processes should be developed through trans-disciplinary scientific groups (ecologists, oceanographers, economists, and fisheries experts) and be applied in the development of sustainable land and coastal resource use practices.

(vi) Paragraph 13 refers to the draft Food and Agriculture Organization of the United Nations Code of Conduct for Responsible Fisheries. The Code was adopted by the 28th session of the Conference of the Food and Agriculture Organization of the United Nations, in October 1995. The Food and Agriculture Organization of the United Nations is now undertaking the development of technical guidelines for the implementation of the Code. The Conference of the Parties can offer the technical expertise of the Subsidiary Body on Scientific, Technical and Technological Advice in the elaboration and implementation of these guidelines, in line with the objectives and provisions of the Convention on Biological Diversity.

(vii) In relation to paragraph 14(a), the inclusion of subsidies was contentious. Some delegates stressed that the issue of subsidies was politically sensitive, with potential trade implications. It was noted that these issues address one of the underlying causes of biological diversity loss, viz, the result of over-fishing, and this consideration remained an important recommendation from the report of the Subsidiary Body on Scientific, Technical and Technological Advice. It was also noted that there were a variety of other subsidies which had impacts on the conservation and sustainable use of marine and coastal biological diversity. The Executive Secretary is entitled to evaluate these aspects using a meeting of experts. Some delegations argued that the phrase "subsidies for fisheries" appeared ambiguous. Government subsidies related to fishing activities have a great variety in their modalities. In addition, subsidies should not be evaluated alone. Evaluation of subsidies for fisheries should be conducted in relation to, or in conjunction with, considerations of fisheries management. It would be most appropriate to examine the various existing subsidies in the light of Article 11, which refers to economically and socially sound incentive measures.

(viii) Also, in relation to paragraph 14, cooperation between regional fisheries bodies and regional organizations for protection and conservation of the marine environment should be promoted.

(ix) In relation to paragraph 15, the Parties should enhance and improve the knowledge regarding the genetic structure of the local populations of marine species subjected to stock enhancement and sea-ranching activities. Considering that the captive-bred populations are likely to interact genetically and ecologically with wild populations, this knowledge should be used in the management of breeding stocks according to sound genetic principles that take into account the use of local populations for stock selection, minimum breeding numbers and the renewal frequency of the breeding stock from the wild population.

(x) Mariculture (paragraph 15) is assumed to include culture-based fisheries and is defined here to be aquaculture in marine or brackish water. According to the Food and Agriculture Organization of the United Nations, "aquaculture is the farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants. Farming implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. Farming also implies individual or corporate ownership of the stock being cultivated". Although the Food and Agriculture Organization of the United Nations requires "ownership of the stock being cultivated" in its definition, no such restriction is adopted here for the purpose of this document.

(xi) Some Parties thought paragraph 15(I)(e) would be better expressed as "because of the difficulties of complete containment, introduction of alien species, products of selective breeding, and living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of marine and coastal biodiversity should be responsibly conducted using the precautionary approach. Therefore, adherence to international codes of practice such as the Food and Agriculture Organization of the United Nations Code of Conduct for Responsible Fisheries, the International Commission for the Exploration of the Sea, and the Organisation Internationale Epizootique should be a minimum requirement. Assessments and an appropriate monitoring programme should be put in place if introduction goes ahead. Preference should be given to the use of local species. Furthermore, development of technology to ensure a more complete containment should be encouraged."

**Annex II to decision II/10**  
**DRAFT PROGRAMME FOR FURTHER WORK ON MARINE AND COASTAL**  
**BIOLOGICAL DIVERSITY**

1. The Executive Secretary will use as the basis of work recommendation I/8 of the Subsidiary Body on Scientific, Technical and Technological Advice (contained in document UNEP/CBD/COP/2/5), this decision and further inputs, if any, from the Conference of the Parties.

2. The Executive Secretary should use the roster of experts on Marine and Coastal Biodiversity to address the following topics:

(a) Identify options for a pragmatic but comprehensive approach in addressing marine and coastal biological diversity on the basis of an ecosystems approach, including its components at the levels of species and genetic resources, distinguishing regions at relevant scales. Use the results from this activity in identifying the gaps in knowledge of the distribution and abundance of marine and coastal biodiversity;

(b) Identify the particular needs for conservation and sustainable use of marine and coastal biological diversity in the context of activities which will impact on marine resources;

(c) Review the mandates and activities under international agreements that affect marine and coastal biological diversity, and develop analyses that can be offered by the Conference of the Parties to the relevant institutions as to the implications of the Convention on Biological Diversity for these activities.

3. In addressing these issues, the following approaches should be applied:

(a) The work should not be impeded by the lack of full scientific information and will incorporate explicitly the precautionary approach in addressing conservation and sustainable use issues;

(b) The Executive Secretary may interact with a wide range of agencies and organizations competent in the aspects of marine and coastal biodiversity under deliberation to avoid unnecessary duplication and ensure effectiveness and cost-effectiveness;



(c) Recommendations should be made for scientific, technical and technological needs for capacity-building and technology transfer for the conservation and sustainable use of marine and coastal resources at the national, regional, and international levels in the context of the issue being addressed;

(d) The scientific, technical, and technological knowledge of local and indigenous communities should be incorporated, as appropriate, as well as community and user-based approaches, in the conservation and sustainable use of marine and coastal biodiversity;

(e) Use should be made, as appropriate, of the clearing-house mechanism and national reports of Parties.

4. The Executive Secretary shall produce, among other relevant documents, the following outputs:

(a) Options for the conservation and sustainable use of biological diversity and its components in the implementation of marine and coastal management and planning practices, including options for the development of integrated marine and coastal area management at regional and national levels;

(b) Annual reports to the Subsidiary Body on Scientific, Technical and Technological Advice, submitted 90 days prior to each meeting of that body. The first annual report will include a three-year work plan.

#### **Decision II/17: FORM AND INTERVALS OF NATIONAL REPORTS BY PARTIES**

The Conference of the Parties,

1. Takes note of the note prepared by the Secretariat on form and intervals of national reports by Parties, document UNEP/CBD/COP/2/14;

2. Endorses recommendation I/5 on "Scientific and Technical Information to be contained in the national reports", adopted by the first meeting of the Subsidiary Body on Scientific, Technical and Technological Advice;

3. Decides that the first national reports by Parties will focus in so far as possible on the measures taken for the implementation of Article 6 of the Convention, "General Measures for Conservation and Sustainable Use", as well as the information available in national country studies on biological diversity, using as a guide the annex to this decision;

4. Decides that the first national reports will be due at the fourth meeting of the Conference of the Parties in 1997;

5. Decides that, at its fourth meeting in 1997, the Conference of the Parties will determine the intervals and form of subsequent national reports. This determination will be based on the experience of Parties in preparing their first national reports and taking into account the state of implementation of the Convention;

6. Decides that Parties shall submit their national reports in one of the working languages of the Conference of the Parties and, for the benefit of others, encourages Parties to also make available their reports electronically and, where possible, on the Internet;
7. Decides that national reports submitted by Parties will not be distributed as official documents of the Conference of the Parties, but will be made available to Parties, upon request, and in the language of submission;
8. Requests that the Subsidiary Body on Scientific, Technical and Technological Advice instruct any technical panels that it may establish on topical issues to comment on the feasibility and practicalities of developing technical guidelines for national reporting on the subject matter being considered by the panels, and report to the meeting of the Conference of the Parties in 1997;
9. Requests the Executive Secretary to prepare a report based on the synthesis of information contained in national reports and other relevant information and containing also suggested next steps, for consideration by the Conference of the Parties;
10. Requests also the Executive Secretary to make available to Parties, through the clearing-house mechanism for technical and scientific cooperation, relevant information contained in national reports submitted by Parties in accordance with Article 26 of the Convention;
11. Urges all Parties to submit their first national reports to the Secretariat no later than 30 June 1997 to allow consideration of this item by the Conference of the Parties at its fourth meeting;
12. Urges the financial mechanism under the Convention to make available financial resources to developing country Parties to assist in the preparation of their national reports;
13. Commends the guidance provided in the document "Guidelines for Preparation of Biodiversity Country Studies", prepared by the United Nations Environment Programme, and the document "National Biodiversity Planning: Guidelines Based on Early Country Experiences", prepared by the World Resources Institute, the United Nations Environment Programme and the World Conservation Union (IUCN), and its relevance in assisting Parties to implement Article 6 of the Convention and in the preparation of national reports.

**Annex to decision II/17**  
**SUGGESTED GUIDELINES FOR NATIONAL REPORTING ON THE**  
**IMPLEMENTATION OF ARTICLE 6**

- (a) Executive summary: a brief summary of the action plan report, stating succinctly the importance of biodiversity, the commitment to the Convention, the mandate, the participants list, the biotic wealth and national capacity, the goals and gaps, strategic recommendations and characteristics of the action (who will do what, when, where, with what means and funding).
- (b) Introduction: describe why biodiversity is important to the country and its local communities. Explain the Convention and the nation's commitment to its provisions. Present the aim of the national biodiversity action plan and specify to whom it is directed.

(c) Background: describe the legal and policy framework that provides the mandate and instructions for preparing the action plan report. Provide a short summary of the nation's biotic assets, capacity (human resources, institutions, facilities, and funding) and ongoing programmes. Explain the institutional arrangements and responsibilities, with a view to informing people of the manner in which the strategic recommendations will be implemented.

(d) Goals and objectives: state the vision for biodiversity and its place in the society, focusing on its protection, scientific understanding, sustainable use, and on the equitable sharing of its benefits and costs. The specific targets to meet the local, national, and international goals in terms of protecting, assessing, utilizing, and benefiting from biodiversity and its components need to be determined.

(e) Strategy: summarize the gaps between the current situation in the country and the stated vision, goals and objectives. Summarize the strategic recommendations, including the activities, policies, and tasks that have been selected for implementation to cover the gaps. Assign relative priorities to each.

(f) Partners: describe the public and private entities, communities and industries that have participated in the process and have agreed to be responsible for particular activities and investments.

(g) Action: present the detailed activities, tasks and policies to be implemented. Explain which partner (Ministry, industry, indigenous group, NGO, or university) will implement each item, where, and what measures the partners will employ.

(h) Schedule: present a timetable for the implementation of the various tasks, reflecting the priorities that have been assigned. Note signposts to help signal progress or delay.

(i) Budget: provide the budget for the plan of action, showing funding requirements for operating expenses, capital purchases, transport, field costs, etc. List the personnel needed by category of skill or background, the facilities and services required, and possible international technical and financial cooperation.

(j) Monitoring and evaluation: explain the measures to be used for tracking the results of the action plan and for monitoring changes in the economy, environment and society. Give the indicators that will be used. Present the individuals and organizations who will carry these responsibilities and how they were selected. Note the audience for the reports, along with the document's content and timing of implementation.

(k) Sharing of national experience: present information and case studies which reflect the range of experiences of countries encountered in the implementation of Article 6, taking into account local and external factors.

## **Decision 2/SBI.1**

### **Arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism**

The Subsidiary Body for Implementation,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Recalling also decision 10/CP.1 of the Conference of the Parties at its first session which requested the secretariat, in consultation with the secretariat of the Global Environment Facility and bearing in mind comments made at the seventh session of the Intergovernmental Negotiating Committee, to prepare draft arrangements for consideration by the Subsidiary Body for Implementation at its first session and adoption by the Conference of the Parties at its second session,

Having considered the draft Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility, prepared by the secretariat in consultation with the secretariat of the Global Environment Facility, and approved by the Council of the Global Environment Facility at its fifth session (FCCC/SBI/1995/3),

1. Recommends that the Conference of the Parties adopt the draft decision below and the draft Memorandum of Understanding annexed thereto, subject to the necessary editorial adjustments;
2. Requests the secretariats of the Convention and the Global Environment Facility to elaborate jointly the annex to the Memorandum of Understanding on procedures to facilitate the joint determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, as referred to in paragraph 9 of the Memorandum;
3. Decides to consider the above-mentioned annex after its adoption by the Council of the Global Environment Facility and prior to its adoption by the Conference of the Parties at its second session.

#### **DRAFT DECISION OF THE CONFERENCE OF THE PARTIES**

#### **Arrangements between the Conference of the Parties and the operating entity or entities of the financial mechanism**

The Conference of the Parties,

Recalling Article 11.3 of the United Nations Framework Convention on Climate Change,

Recalling also its decision 9/CP.1 on the maintenance of the interim arrangements referred to in Article 21, paragraph 3, of the Convention,

Having considered the recommendation of the Subsidiary Body for Implementation,

1. Takes note of section III (a), paragraph 5, of the addendum to the report of the Conference of the Parties at its first session which states that the Conference of the Parties should receive and review at each of its sessions a report from the Global Environment Facility;
2. Adopts the Memorandum of Understanding annexed to the present decision; \*/
3. Authorizes the Executive Secretary to enter into an arrangement, on its behalf, with the Chief Executive Officer of the Global Environment Facility on the basis of the text approved by the Conference of the Parties and report on the outcome to the Conference of the Parties.

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## **ANNEX C**

### **DRAFT ANNEX TO MOU (FCCC)**

#### **"Determination of Funding Necessary and Available for Implementation of the Convention"**

In accordance with Article 11.3(d) of the Convention which calls for arrangements to determine in a predictable and identifiable manner the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, the Conference of the Parties and the Council will jointly determine the aggregate GEF funding requirements for the purpose of the Convention in accordance with the following procedures.

1. In anticipation of a replenishment of the GEF, the COP will make an assessment of the amount of funds that are necessary to assist developing countries, in accordance with the guidance provided by the COP, in fulfilling their commitments under the Convention over the next GEF replenishment cycle, taking into account:
  - a. the information communicated to the Conference of the Parties under Article 12 of the Convention;
  - b. national programs formulated under Article 4.1(b) of the Convention and progress made by Parties in the implementation of such national programs and towards the achievement of the Convention's objective;
  - c. information communicated to the Conference of the Parties from the GEF on the number of eligible programs and projects that were submitted to the GEF, the number that were approved for funding, and the number that were turned down owing to lack of resources;
  - d. other sources of funding available for the implementation of the Convention.
2. The GEF replenishment negotiations will take into account the COP's assessment.
3. On the occasion of each replenishment, the GEF will, in its regular report to the COP provided for in paragraphs 6 and 7 of this MOU, indicate how it has responded during the replenishment cycle to the COP's previous assessment prepared in accordance with paragraph 1 of this annex, inform the COP of the conclusion of replenishment negotiations and indicate the amount of new and additional funding to be contributed to the GEF Trust Fund in the next replenishment cycle

for the purposes of the GEF, including the implementation of the Convention. The COP may, in its responses to the GEF reports, comment on the adequacy of the resources available for the implementation of the Convention.

4. The reiteration of this process on the occasion of each replenishment will present the opportunity to review the amount of funding necessary and available for the implementation of the Convention in accordance with Article 11.3 (d).