

GLOBAL
ENVIRONMENT
FACILITY

DECISION OF THE FIRST MEETING OF THE PARTIES
TO THE CONVENTION ON BIOLOGICAL DIVERSITY
ON FINANCIAL RESOURCES AND MECHANISM

GEF Council Meeting
Washington, D.C.
February 22 - 24, 1995

GEF/C.3/Inf.6

RECOMMENDED DRAFT COUNCIL DECISION

The Council is invited to review this document and to consider adopting the following decision:

The Council, having reviewed the *Decision of the First Meeting of the Parties to the Convention on Biological Diversity, Nassau, 28 November - December 9, 1994 on Financial Resources and Mechanism*, document GEF/C.3/Inf.6, takes note of the policy, strategy, programme priorities and eligibility criteria adopted by the Conference of the Parties and requests the Secretariat to reflect fully this guidance in the development of the GEF operational strategy for biological diversity and in 1995 programming activities.

The Council also notes the intention of the Conference of the Parties, through its Secretariat, to consult with the GEF on the content of a memorandum of understanding to govern the relations between the Conference of the Parties and the GEF, and authorizes the Secretariat to carry out the appropriate consultations with the Secretariat of the CBD and to inform the Council of the results of such consultations.

1. At its first meeting held in Nassau from November 28 to December 9, 1994, the Meeting of the Parties to the Convention on Biological Diversity adopted a decision entitled "Financial Resources and Mechanism". The full text of the decision is attached as Annex A.

2. Several paragraphs of the decision are of direct importance for the GEF. These include the following:

"The Conference of the Parties:

1. *Decides* to adopt the policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources contained in annex I to this decision...;

2. *Decides* also that the restructured Global Environment Facility (GEF) shall continue to serve as the institutional structure to operate the financial mechanism under the Convention on an interim basis...;

3. *Decides* to instruct the restructured Global Environment Facility to take prompt measures to support programmes, projects and activities consistent with the policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources contained in annex I to this decision;

4. *Authorizes* the Secretariat, on behalf of the Conference of the Parties ...to consult with the restructured Global Environment Facility on the content of a memorandum of understanding which should be formally considered at the second meeting of the Conference of the Parties."

3. The Council is invited to take note of the policy, strategy, programme priorities and eligibility criteria adopted by the Conference of the Parties and to request the Secretariat to reflect fully the guidance in the development of the GEF operational strategy for biological diversity and in 1995 programming activities.

4. The Council is also invited to note the intention of the Conference of the Parties, through its Secretariat, to consult with the GEF on the content of a memorandum of understanding to govern the relations between the Conference of the Parties and the GEF. The Council is requested to authorize the Secretariat to carry out the appropriate consultations with the Secretariat of the CBD, and to inform the Council of the results of such consultations.



Convention on
Biological Diversity

Secretariat

28 December 1994

Dear Mohamed,

I have pleasure in conveying to you the decision of the first meeting of the Conference of the Parties to the Convention on Biological Diversity regarding financial resources and the financial mechanism established under the Convention. This decision is contained in document UNEP/CBD/COP/1/L.6 including annexes I to III and corrigendum 1 to document L.6. The text of the decision will be finalized as part of the final report of the meeting and will be conveyed to you in due course.

May I take this opportunity to extend congratulations to you and to the Global Environment Facility for having been nominated as the institutional structure to operate the financial mechanism under the Convention on an interim basis.

I thank you for making the time available to attend the meeting to address it on the operations of the GEF during its pilot phase, as well as the process of putting into operation the restructured GEF. I hope that it was a satisfying opportunity for you.

You will note that the decision contains instructions to the GEF and to the Secretariat to the Convention. I will be in touch with you separately about how we might proceed to give effect to this decision.

Yours sincerely,



Angela Cropper
Executive Secretary

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CONFERENCE OF THE PARTIES
TO THE CONVENTION ON
BIOLOGICAL DIVERSITY
First meeting
Nassau, 28 November - 9 December 1994
Agenda sub-items 6.1, 6.2 and 6.3

FINANCIAL RESOURCES AND MECHANISM

Draft decision submitted by the Chairman of the Committee of the Whole

The Conference of the Parties

1. *Decides* to adopt the policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources contained in annex I to this decision, and the list of developed country Parties and other Parties which voluntarily assume the obligations of developed country Parties contained in annex II to this decision;
2. *Decides* also that the restructured Global Environment Facility (GEF) 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;
3. *Decides* to instruct the restructured Global Environment Facility to take prompt measures to support programmes, projects and activities consistent with the policy, strategy, programme priorities and eligibility criteria for access to and utilization of financial resources contained in annex I to this decision;
4. *Authorizes* the Secretariat, on behalf of the Conference of the Parties (COP) and taking account of the views of participants in the Conference of the Parties, which should be provided in writing by 1 February 1995, to consult with the restructured Global Environment Facility on the content of a memorandum of understanding which should be formally considered at the second meeting of the Conference of the Parties;

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071294 (as adopted 091294,
incorporating Corr.1)

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UNEP/CBD/COP/1/L.6
Page 2

5. *Decides* pending the adoption of the memorandum of understanding, to adopt the interim guidelines for monitoring and evaluation of the utilization of financial resources by the restructured Global Environment Facility contained in annex III to this decision;
6. *Requests* the Secretariat to present to the Conference of the Parties at its second meeting, a report on the financial mechanism, in order that decisions can be adopted by the Conference of the Parties at its second meeting, on the timetable and nature of the review required in Article 21, paragraph 3 of the Convention;
7. *Requests* also the Secretariat to present to the Conference of the Parties at its second meeting, a study on the availability of financial resources additional to those provided through the restructured Global Environment Facility, and on the ways and means for mobilizing and channeling these resources in support of the objectives of the Convention, taking into account the views expressed by participants on the subject at the Conference of the Parties at its first meeting;
8. *Further requests* the Secretariat to include items on the agenda of Conference of the Parties at its second meeting, which would enable the latter to review the financial resources and, bearing in mind Article 39 of the Convention, to take a decision at that meeting on which institutional structure shall be designated in accordance with Article 21 of the Convention.

Annex IPOLICY, STRATEGY, PROGRAMME PRIORITIES AND ELIGIBILITY CRITERIA FOR
ACCESS TO AND UTILIZATION OF FINANCIAL RESOURCES

I. Policy and Strategy

Financial resources should be allocated to projects that fulfil the eligibility criteria and are endorsed and promoted by the Parties concerned. Projects should contribute to the extent possible to build cooperation at the sub-regional, regional and international levels in the implementation of the Convention. Projects should promote utilization of local and regional expertise. The institutional structure should over time assist all eligible countries to fulfil their obligations under the Convention. Policy and strategy may be revised, as necessary, by the Conference of the Parties.

II. Eligibility Criteria

Only developing countries that are Parties to the Convention are eligible to receive funding upon the entry into force of the Convention for them. In accordance with the provisions of the Convention, projects that seek to meet the objectives of conservation of biological diversity and sustainable use of its components are eligible for financial support from the institutional structure.

III. Programme Priorities

1. The conservation of biological diversity and sustainable use of its components is one of the key elements in achieving sustainable development and therefore contribute to combating poverty.
2. All the actions contemplated in the Convention will have to be carried out at the national and international level, as appropriate. However, for the purpose of giving direction to the interim structure operating the financial mechanism, a list of programme priorities is given in paragraph 4 below. The list may be revised by the Conference of the Parties, as necessary.

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3. Programme priorities should promote utilization of regional and local expertise and be flexible to accommodate national priorities and regional needs within the aims of the Convention.
4. The programme priorities are as follows:
- (a) Projects and programmes that have national priority status and that fulfil the obligations of the Convention;
 - (b) Development of integrated national strategies, plans or programmes for the conservation of biological diversity and sustainable use of its components in accordance with article 6 of the Convention;
 - (c) Strengthening conservation, management and sustainable use of ecosystems and habitats identified by national Governments in accordance with article 7 of the Convention;
 - (d) Identification and monitoring of wild and domesticated biodiversity components, in particular those under threat, and implementation of measures for their conservation and sustainable use;
 - (e) Capacity-building, including human resources development and institutional development and/or strengthening, to facilitate the preparation and/or implementation of national strategies, plans for priority programmes and activities for conservation of biological diversity and sustainable use of its components;
 - (f) In accordance with Article 16 of the Convention, and to meet the objectives of conservation of biological diversity and sustainable use of its components, projects which promote access to, transfer of and cooperation for joint development of technology.
 - (g) Projects that promote the sustainability of project benefits; that offer a potential contribution to experience in the conservation of biological diversity and sustainable use of its components which may have application elsewhere; and that encourage scientific excellence;
 - (h) Activities that provide access to other international, national and/or private sector funds and scientific and technical cooperation;

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- (i) Innovative measures, including in the field of economic incentives, aiming at conservation of biological diversity and/or sustainable use of its components, including those which assist developing countries to address situations where opportunity costs are incurred by local communities and to identify ways and means by which these can be compensated, in accordance with article 11 of the Convention;
- (j) Projects that strengthen the involvement of local and indigenous people in the conservation of biological diversity and sustainable use of its components;
- (k) Projects that promote the conservation and sustainable use of biological diversity of coastal and marine resources under threat. Also, projects which promote the conservation of biological diversity and sustainable use of its components in other environmentally vulnerable areas such as arid and semi-arid and mountainous areas;
- (l) Projects that promote the conservation and/or sustainable use of endemic species;
- (m) Projects aimed at the conservation of biological diversity and sustainable use of its components which integrate social dimensions including those related to poverty.

Annex IILIST OF DEVELOPED COUNTRY PARTIES AND OTHER PARTIES
WHICH VOLUNTARILY ASSUME THE OBLIGATIONS OF
DEVELOPED COUNTRY PARTIESA. List of developed country Parties

Australia	Luxembourg
Austria	Monaco
Canada	Netherlands
Denmark	New Zealand
Finland	Norway
France	Portugal
Germany	Spain
Greece	Sweden
Iceland	Switzerland
Italy	United Kingdom of Great Britain and Northern Ireland
Japan	

B. List of Parties which voluntarily assume the obligations of
developed country Parties

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Annex IIIINTERIM GUIDELINES FOR MONITORING AND EVALUATION OF UTILIZATION
OF FINANCIAL RESOURCES BY THE RESTRUCTURED GEF

1. The Conference of the Parties (COP) 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 COP 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 COP.
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 COP, 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 disclosure of information.