



**GEF**

# **Global Environment Facility**

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GEF Council  
May 15-17, 2002  
Agenda Item 6

## **RELATIONS WITH CONVENTIONS**

**Recommended Council Decision**

The Council, having reviewed document GEF/C.19/5/Add.1 which provides the Council with information on the decisions relevant to the GEF of the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity, requests the Secretariat, in consultation with the Implementing Agencies, to take these decisions into account in the development of projects and programs in the biodiversity focal area and in its continuing collaboration with the Secretariat of the Convention.

## SIXTH MEETING OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY

1. As noted in the previous report to Council on Convention Relations, the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP) and the third Meeting of the Intergovernmental Committee for the Cartagena Protocol on Biosafety (ICCP) took place in the Hague, Netherlands, respectively from April 8-19 and 22-26, 2002.
2. The timing of this note did not allow for detailed review and analysis of the COP 6 outcomes. The six meeting of the Conference of the Parties adopted two decisions which directly relate to the GEF (see attached in the Annex). Decision VI/17 *Financial mechanism under the Convention* includes the additional guidance to the financial mechanism and other activities between the GEF and CBD. Decision VI/16, *Additional financial resources*, requests the GEF to explore its catalytic role in identifying and promoting co-financing resources.
3. In the context of reviewing the Convention's activities in light of the upcoming World Summit on Sustainable Development (WSSD), the Parties recognize "The Global Environment Facility as the institutional structure operating the financial mechanism of the Convention, ... has made significant contributions to the progress in the implementation of the Convention by Parties in the last decade, particularly through multi-stakeholder processes."<sup>1</sup>
4. At the COP, the GEF and CBD Secretariats worked closely to respond to countries' requests for assistance in preparing relevant decisions. The two Secretariats also co-chaired a training course on access to GEF financial resources for indigenous people.

### **Replenishment of the GEF**

5. During the COP, the GEF witnessed a general recognition of its contribution in the implementation of the Convention and a strong support for a substantial third replenishment of the GEF.
6. In decision VI/16, the Conference of the Parties

"5. urges donor countries to substantially replenish the Global Environment Facility to levels higher than the current for supporting developing countries, in particular the least developed and the small island developing States, and countries with economies in transition, to implement the Convention on Biological Diversity."

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<sup>1</sup> See decision VI/21, *Annex to The Hague Ministerial Declaration of the Conference of the Parties to the Convention on Biological Diversity*.

7. Decision VI/17

“welcomes the strong support for a substantial third replenishment of the Global Environment Facility, expressed by both developing and developed countries at the sixth meeting of the Conference of the Parties...”

8. In addition, in decision VI/21 the Conference of the Parties:

“(m) invites Member States and international organizations to renew their commitments to leveraging and providing the necessary financial resources, promoting the transfer of technology and cooperation, and building capacities in order to facilitate more effective implementation of the Convention, in particular through the full replenishment of the Global Environment Facility and securing additional financial resources from the private sector.”

**Additional guidance**

9. Decision VI/17, *Financial mechanism under the Convention*, provides additional guidance to the GEF in the provision of financial resources. The decision requests the GEF to report on the implementation of this decision at its seventh meeting. The priorities identified by the Conference of the Parties for the GEF to provide financial resources are:

- (a) elaboration, development and revision of national biodiversity strategies and action plans;
- (b) national capacity-building in biosafety, in particular for enabling effective participation in Biosafety Clearing-House and the implementation of the Action Plan for Building Capacities for the effective Implementation of the Cartagena Protocol on Biosafety;
- (c) implementation of the expanded work programme on forest biological diversity;
- (d) country-driven capacity building activities by developing country Parties, in particular, least developed countries and small island developing States among them for the implementation of the Global Strategy for Plant Conservation;
- (e) enhancing capabilities to address the impacts of mortality related to coral bleaching and physical degradation and destruction of coral reefs;
- (f) national and regional taxonomic capacity building as a basis for implementing the programme of work for the Global Taxonomy Initiative;
- (g) projects which assist with the implementation of the Plan of Action for the International Initiative for the Conservation and Sustainable Use of Pollinators;
- (h) building capacity of developing country Parties, in particular least developed countries and small island developing States, to participate effectively in the

preparatory process for the first report on the state of world's animal genetic resources;

- (i) projects which assist with the implementation of the programme of work on biological diversity of inland water ecosystem;
- (j) projects which assist with the implementation of the programme of work on incentive measures;
- (k) projects which assist with the development and implementation, at national and regional levels, of the invasive alien species strategies and action plans;
- (l) preparation of national reports in a timely manner;
- (m) projects which assist with the implementation of the Action Plan on Capacity-building for Access and Benefit-sharing in support of the implementation of the Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefit Arising out of their Utilization;
- (n) national capacity for the establishment and maintenance of mechanisms to protect traditional knowledge at national and subnational levels, and for building the capacity of indigenous and local communities to develop strategies and systems for the protection of traditional knowledge; and
- (o) capacity development and country-driven projects prioritized in the Global Initiative on Communication, Education and Public Awareness.

10. In addition to the above guidance, the Conference of the Parties made the following requests to the GEF:

- (a) a reiterated call to the GEF for improving and further streamlining its process for increased flexibility and improving access to GEF resources;
- (b) to consider the benefits to Parties, in particular small island developing States, of an appropriate balance between national and regional projects in the implementation of decisions of the Conference of the Parties;
- (c) in consultation with the Executive Secretary of the Convention and others, to explore funding modalities for facilitating the preparation of future national reports and thematic reports from Parties;
- (d) in consultation with the Executive Secretary of the Convention, to initiate a dialogue to more effectively implement the guidance to the financial mechanism;
- (e) in its plan of action to respond to the second Overall Performance Study, to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism and to report to the Conference of the Parties on how it has done so; and

- (f) with the Executive Secretary of the Convention, to explore possible synergies between the review processes of the Convention and the GEF and make suggestions on the arrangements for the third review of the effectiveness of the financial mechanism.

### **Additional financial resources**

11. The main purpose of decision VI/16, *Additional financial resources*, is to promote the provision of financial resources additional to those of the financial mechanism to assist countries to implement the convention.
12. In paragraph 9 of the decision, the Conference of the Parties “requests the Global Environment Facility to explore opportunities to further develop, enhance and strengthen its catalytic role in identifying and promoting co-financing resources, and, also to take definitive actions to explore and examine innovative and creative financing modalities to leverage increased funds from the private sector and non-traditional sources of funding.”
13. In addition, in paragraph 11(a) the Conference of the Parties requests the Executive Secretary of the Convention “in collaboration with the Global Environment Facility, to promote coordination, coherence, and synergies in financing for biological diversity among donor Parties and Governments, bilateral, regional and multilateral funding institutions and development agencies in order to avoid duplication of work, identify gaps in activities, and identify necessary activities and funding.”
14. The Executive Secretary is also requested in paragraph 11 (b), to consult with the GEF in making available, through the clearing-house mechanism, relevant funding information including success stories and best practices of utilizing available financial resources.
15. In paragraph 11(d) of the decision the Executive Secretary is requested, in collaboration with the GEF, to explore with interested partners opportunities of developing a global initiative on banking, business and biodiversity, taking into account the existing mechanisms and institutions and other global and regional initiatives or processes, with a view to increasing funding for biodiversity and mainstreaming biodiversity into the financial sector.

### **Third Meeting of the Intergovernmental Committee for the Cartagena Protocol on Biosafety**

16. The third meeting of the ICCP continued its preparations for the entry into force of the Cartagena Protocol. The GEF informed the meeting of its ongoing activities and organized a side-event to present the progress on its funding for biosafety. The ICCP welcomed the GEF’s ongoing support for the development of biosafety frameworks and demonstration projects aimed at building capacity for implementing such frameworks.

## ANNEX

### VI/17. Financial mechanism under the Convention

#### *The Conference of the Parties*

*Recalling* the relevant provisions of the Convention on Biological Diversity its decisions I/2, II/6, III/5, III/8, IV/11, IV/13, V/12 and V/13,

*Taking note of* the report of the Global Environment Facility (UNEP/CBD/COP/6/9 and Add.1), and the Second Overall Performance Study of the Global Environment Facility (UNEP/CBD/COP/6/INF/29),

*Taking note also of* the compilation of past guidance to the financial mechanism (UNEP/CBD/COP/6/INF/3), the executive summary and the final report of the independent evaluator commissioned for purposes of the second review of the effectiveness of the financial mechanism (UNEP/CBD/COP/6/13, UNEP/CBD/COP/6/13/Add.1 and UNEP/CBD/COP/6/INF/4),

*Noting* with satisfaction the strong and growing collaboration established between the secretariats of the Convention on Biological Diversity and the Global Environment Facility,

*Welcomes* the strong support for a substantial third replenishment of the Global Environment Facility, expressed by both developing and developed countries at the sixth meeting of the Conference of the Parties,

1. *Notes* the strong support expressed by developing countries, in particular the least developed and the small island developing States amongst them, and countries with economies in transition, as well as developed countries, for GEF assistance in the implementation of the Convention;

2. *Noting* the importance of the GEF Small Grants Programme, *welcomes* its continued expansion to other developing countries, in particular the least developed countries and the small island developing States;

3. *Noting* the efforts of the Global Environment Facility in providing financial resources to Parties with economies in transition for biodiversity-related projects, *welcomes* the continuation of these efforts;

4. *Reiterates* the call to the Global Environment Facility for improving and further streamlining its processes for increased flexibility and improving access to GEF resources, taking into consideration the findings included in the second overall performance study of the GEF and the second review of the effectiveness of the financial mechanism;

5. *Requests* the GEF to consider the benefits to Parties, particularly small island developing States (SIDS), of an appropriate balance between national and regional projects in the implementation of decisions of the Conference of the Parties;

6. *Requests* the Global Environment Facility, in consultation with the Executive Secretary and other multilateral and bilateral organizations, to explore funding modalities for facilitating the preparation of future national reports and thematic reports from Parties, taking into account the comments made by Parties on their experience in accessing relevant funds during the sixth meeting of the Conference of the Parties as well as the recommendations included in the second Overall Performance Study of the GEF and the second review of the effectiveness of the financial mechanism;

7. *Requests* the Global Environment Facility in consultation with the Executive Secretary of the Convention to initiate a dialogue to more effectively implement the guidance to the financial mechanism, drawing from the experiences and lessons learnt from GEF-funded projects and programs, and explore opportunities for streamlining the guidance;

8. *Requests* the Global Environment Facility, in its plan of action to respond to the second Overall Performance Study, to take into consideration the recommendations of the second review of the effectiveness of the financial mechanism, and report to the Conference of the Parties on how it has done so;

9. *Requests* the Executive Secretary and the Global Environment Facility to explore possible synergies between the review processes of the Convention and the Global Environment Facility, and make suggestions on the arrangements for the third review of the effectiveness of the financial mechanism;

10. *Decides* to provide the following additional guidance to the GEF in the provision of financial resources, in accordance with Article 20 and Article 21, paragraph 1 of the Convention and in conformity with decisions I/2, II/6, III/5, IV/13 and V/13 of the Conference of the Parties. In this regard, the Global Environment Facility shall provide financial resources to developing countries Parties, taking into account the special needs of the least developed countries and the small island developing States amongst them, for country-driven activities and programmes, consistent with national priorities and objectives, recognizing that economic and social development and poverty eradication are the first and overriding priorities of developing countries, and taking fully into consideration all relevant decisions from the Conference of the Parties. The Global Environment Facility as the institutional structure operating the financial mechanism should provide financial resources:

(a) As a priority, for the elaboration, development, and revision as necessary, of national biodiversity strategies and action plans, and for activities which assist their implementation consistent with guidance to the GEF from the Conference of the Parties;

(b) For national capacity-building in biosafety, in particular for enabling effective participation in the Biosafety Clearing-House and in the implementation of the Action Plan for Building Capacities for the Effective Implementation of the Cartagena Protocol on Biosafety proposed by the Intergovernmental Committee on Cartagena Protocol at its second meeting, and for other needs identified in the recommendations of the Intergovernmental Committee at its second meeting for assisting developing countries to prepare for the entry into force of the Protocol;

(c) For country-driven projects focusing on the identified national priorities, as well as regional and international actions that assist the implementation of the expanded work programme considering conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits from genetic resources in a balanced way, underscoring the importance of ensuring long-term conservation, sustainable use, and benefit-sharing of native forests;

(d) For country-driven capacity building activities by developing country Parties, in particular, least developed countries and small island developing States among them, for the implementation of the Global Strategy for Plant Conservation;

(e) For country-driven activities aimed at enhancing capabilities to address the impacts of mortality related to coral bleaching and physical degradation and destruction of coral reefs, including developing rapid response capabilities to implement measures to address coral-reef degradation, mortality and subsequent recovery;

(f) For national and regional taxonomic capacity building, as a basis for implementing the programme of work for the Global Taxonomy Initiative, with particular attention to funding country-driven pilot projects identified under the Global Taxonomy Initiative, taking into consideration the special needs of least developed countries and small island developing States;

(g) For projects which assist with the implementation of the Plan of Action for the International Initiative for the Conservation and Sustainable Use of Pollinators by developing country Parties, in particular, least developed countries and small island developing States;



(h) To build capacity of developing country Parties, in particular least developed countries and small island developing states, to participate effectively in the preparatory process for the first report on the state of world's animal genetic resources;

(i) For projects which assist with the implementation of the programme of work on biological diversity of inland water ecosystems;

(j) For projects which assist with the implementation of the programme of work on incentive measures, taking into consideration the specific circumstances of countries, in particular, least developed countries and small island developing States;

(k) As a priority, for projects which assist with the development and implementation, at national and regional levels, of the invasive alien species strategies and action plans called for in paragraph 6 of decision V/8, in particular those strategies and actions related to geographically and evolutionarily isolated ecosystems, paying particular attention to the needs of least developed countries and small island developing States, including needs related to capacity-building;

(l) In a timely manner, to eligible Parties for the preparation of national reports;

(m) For projects which assist with the implementation of the Action Plan on Capacity-building for Access and Benefit-sharing in support of the implementation of the Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefit Arising out of their Utilization,

(n) For the enhancement of national capacities for the establishment and maintenance of mechanisms to protect traditional knowledge at national and subnational levels, and for building the capacity of indigenous and local communities to develop strategies and systems for the protection of traditional knowledge;

(o) For capacity development and country-driven projects prioritized in the Global Initiative on Communication, Education and Public Awareness;

9. *Requests* the Global Environment Facility to report on the implementation of the present decision to the Conference of the Parties at its seventh meeting.

## VI/16. Additional financial resources

*The Conference of the Parties,*

*Recalling* the commitments made by all Parties in Articles 20 and 21 of the Convention on Biological Diversity,

*Taking note of* the report by the Executive Secretary on additional financial resources (UNEP/CBD/COP/6/14), the report of the Workshop on Financing for Biological Diversity held in Havana on 16-17 July 2001 (CBD-GEF/WS-Financing/2) and the first *CBD News Supplement on Financing for Biological Diversity*, as well as the outcomes of the International Workshop on Financial Support for the Development of National Biosafety Frameworks organized by the United Nations Environment Programme in Havana on 14 July 2001,

*Taking note of* the importance of additional financial resources to implement the Strategic Plan of the Convention,

*Recognizing* that the Global Environment Facility has made a significant contribution to the implementation of the Convention,

*Noting* that the level of official development assistance is of concern to all Parties to the Convention on Biological Diversity, and *emphasizing* the need for a substantial increase of international financial support to the implementation of the Convention and the easier flow of such assistance,

*Welcoming* the positive outcome of the United Nations International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002 as reflected in the Monterrey Consensus, which represents a crucial step towards achieving the goals of poverty eradication, sustained economic growth and promotion of sustainable development,

1. *Commends* the Executive Secretary for the information concerning access to funding for biodiversity projects that has been provided on the website of the Convention;

2. *Commends also* the efforts made by some Governments and organizations to develop partnerships aiming at promoting financial investments in biodiversity;

3. *Notes* the recent initiation of the Conservation Finance Alliance (CFA) facilitated by The Nature Conservancy, the Bureau of the Convention on Wetlands (Ramsar, Iran, 1971) and the Wildlife Conservation Society, involving non-governmental organizations, bilateral and multilateral agencies;

4. *Welcomes* the strong support for a substantial third replenishment of the Global Environment Facility, expressed by both developing and developed countries at the sixth meeting of the Conference of the Parties;

5. *Urges* donor countries to substantially replenish the Global Environment Facility to levels higher than the current for supporting developing countries, in particular the least developed and the small island developing States, and countries with economies in transition, to implement the Convention on Biological Diversity;

6. *Invites* Parties and Governments, funding institutions and development agencies, as well as other donors to communicate to the Executive Secretary their funding procedures, eligibility criteria and programme priorities in relation to biological diversity as well as their experience in mainstreaming biodiversity into funding operations;

7. *Invites* Parties and Governments to:

(a) Share, through the clearing-house mechanism, their experiences on developing and implementing financial measures for supporting national biodiversity strategies and action plans, such as biodiversity trust funds and promotion of the private sector in supporting biological diversity;

(b) Review national budgets and monetary policies, including the effectiveness of official development assistance allocated to biological diversity, with a view to promoting the conservation and sustainable use of biological diversity, paying particular attention to positive incentives and their performance as well as perverse incentives and ways and means for their removal or mitigation;

8. *Urges* Parties and Governments, the World Bank, the International Monetary Fund, the United Nations Development Programme and other relevant institutions to take concrete action to review and further integrate biodiversity considerations in the development and implementation of major international development initiatives, such as the Highly Indebted Poor Countries (HIPC) Initiative, Poverty Reduction Strategies (PRSs), and Comprehensive Development Frameworks (CDF), as well as in national sustainable development plans and relevant sectoral policies and plans;

9. *Requests* the Global Environment Facility to explore opportunities to further develop, enhance and strengthen its catalytic role in identifying and promoting co-financing resources, and, also, to take definitive actions to explore and examine innovative and creative financing modalities to leverage increased funds from the private sector and non-traditional sources of funding;

10. *Encourages* the Organisation for Economic Co-operation and Development to integrate data collection efforts on aid targeting the implementation of the Convention on Biological Diversity into its regular data-collection activities, and invites the Organisation for Economic Co-operation and Development to provide information on financial flow statistics relating to the objectives of the Convention on Biological Diversity to the Conference of the Parties at its seventh meeting;

11. *Requests* the Executive Secretary:

(a) In collaboration with the Global Environment Facility, to promote coordination, coherence, and synergies in financing for biological diversity among donor Parties and Governments, bilateral, regional and multilateral funding institutions and development agencies in order to avoid duplication of work, identify gaps in activities, and identify necessary activities and funding;

(b) In consultation with the Global Environment Facility, to make available, through the clearing-house mechanism, relevant funding information including success stories and best practices of utilizing available financial resources;

(c) To explore possible cooperation with relevant institutions to address the need for centralizing information on biodiversity related activities of funding institutions and other donors;

(d) In collaboration with the Global Environment Facility, to explore with interested partners opportunities of developing a global initiative on banking, business and biodiversity, taking into account the existing mechanisms and institutions, and other global and regional initiatives or processes, with a view to increasing funding for biodiversity and mainstreaming biodiversity into the financial sector;

(e) To follow up on the outcomes of the World Summit on Sustainable Development that are relevant to additional financial resources;

(f) To compile information concerning the impacts of external debts on the conservation and sustainable use of biodiversity, and examine the possibility of utilizing debt for nature initiatives for supporting the implementation of the Convention on Biological Diversity, and make this information available on the website of the Convention;

(g) To prepare a progress report on the implementation of this decision for consideration by the Conference of the Parties at its seventh meeting.