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ELEMENTS OF A GEF OPERATIONAL PROGRAM ON CONSERVATION AND SUSTAINABLE USE OF BIOLOGICAL DIVERSITY IMPORTANT TO AGRICULTURE

Recommended Council Decision

The Council reviewed document GEF/C.15/7, *Elements of a GEF Operational Program on Conservation and Sustainable Use of Biological Diversity Important to Agriculture*, and approves the elements as a basis for preparing an operational program, subject to the comments made during the Council meeting. The Council requests the Secretariat to develop and publish the operational program, in consultation with concerned partners and stakeholders, including the Implementing Agencies, STAP and the Secretariat of the Convention on Biological Diversity.

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INTRODUCTION

1. Agricultural biodiversity is of fundamental significance to society, encompassing socio-cultural, economic and environmental benefits. It is essential to food security and poverty alleviation; much of the knowledge about agricultural biodiversity is maintained by farmers themselves, many of whom are women. The diversity of domesticated crops and animals, resulting from human management of biological diversity, is dynamic and constantly responding to new challenges to maintain and increase productivity. The conservation and sustainable use of agricultural biodiversity itself presents opportunities for enhancing soil fertility, naturally controlling pests, reducing the use of pesticides while increasing yields and incomes. A large proportion of crops depend on a diverse variety of insect pollinators for good yields, and the genetic variability of the landraces and wild relatives of domesticated plants and animals are essential breeding sources. Diversified agricultural production and polycultural systems also offer opportunities to expand new markets and to further stimulate the conservation of biodiversity important to agriculture.

2. The underlying causes for the loss of agricultural biodiversity are complex. They are closely related to the needs for meeting increasing food demands, growing market pressure, conventional patterns and policies of economic and agricultural development, and other demographic, economic and social factors. Unsustainable agricultural practices have caused negative impacts on biological diversity at all levels - ecosystems, species and gene pools - in both natural and cultural landscapes. Inappropriate reliance on monoculture, mechanization, and misuse of agricultural chemicals diminish the diversity of fauna, flora, and micro-organisms. Such loss of biological diversity may be accompanied by the loss of soil fertility and impoverishment.

3. Taking into account these benefits and threats, conserving and sustainably using biological diversity important to agriculture is to a large extent in the local, national and regional development interest of the countries concerned. The global interest in maintaining agricultural biodiversity is linked to the fact that most species important to agriculture are, or may be, of benefit not only to the region of their origin, but other regions of the globe as well. Additionally the conservation and sustainable use of associated agricultural biodiversity can contribute to maintaining the health and quality of the global environment by, for example, providing habitats for wildlife, protecting watersheds, and reducing the use of harmful chemicals. Consequently, maintaining and better using agricultural biodiversity may provide environmental, economic and socio-cultural benefits on national, regional and global scales. GEF support would therefore help integrate global environmental imperatives into existing sustainable development efforts in the appropriate regions and countries.

DEVELOPING A GEF OPERATIONAL PROGRAM ON AGRICULTURAL BIODIVERSITY

4. GEF activities in the area of agricultural biodiversity are consistent with the GEF Operational Strategy in biodiversity. In accordance with that strategy, all GEF-funded activities in biodiversity will be in full conformity with the guidance provided by the Conference of the Parties to the Convention on Biological Diversity (CBD). The main strategic considerations guiding GEF financed activities to secure global biodiversity benefits are:

- (a) integrating conservation and sustainable use of biodiversity within national and, as appropriate, subregional sustainable development plans and policies;
- (b) helping to protect and sustainably manage ecosystems through targeted and cost effective interventions;
- (c) integrating efforts to achieve global benefits in other focal areas like climate change and international waters, where feasible, and in the cross-sectoral area of land degradation, primarily desertification and deforestation;
- (d) developing a portfolio that encompasses representative ecosystems of global biodiversity significance; and
- (e) targeting and designing GEF activities to help recipient countries achieve agreed biodiversity objectives in strategic and cost effective ways.

AGRICULTURAL BIODIVERSITY PROGRAM OBJECTIVES

5. The objective of this operational program is to promote: the positive impacts and mitigate the negative impacts of agricultural systems and practices on biological diversity in agricultural ecosystems and their interface with other ecosystems; the conservation and sustainable use of genetic resources of actual and potential value for food and agriculture; and the fair and equitable sharing of benefits arising out of the use of genetic resources. These objectives will contribute to the objectives of the CBD in the area of agricultural biodiversity, in accordance with the Parties' guidance as well as the objectives of the Convention to Combat Desertification (CCD). Because agricultural biodiversity affects rural farming communities, which are among the worlds poorest, GEF support will indirectly contribute to alleviating poverty while maintaining biodiversity. The operational program is not intended to substitute for the existing GEF operational programs 1 to 4 on conservation of biodiversity in various ecosystems, but rather to provide an operational framework for additional activities more specific to the conservation and sustainable use of agricultural biodiversity and alleviation of problems associated with land degradation.

The Objectives of Conservation, Sustainable Use and the Sharing of Benefits.

6. Activities in this operational program will aim at maintaining the functions of biological diversity in agricultural ecosystems in order to maintain or enhance the goods and services provided by such biological diversity, including both those which support agricultural production

and wider services such as provision of clean water, prevention of erosion, and moderation of climatic effects. In this way the impact of agriculture on the environment would be integrated into the analysis and management of the wider ecosystem. GEF activities will be focused on maintaining goods and services which are positive externalities and on overcoming barriers to the realization of benefits, global and local, derived from such goods and services, through, for example, capacity building, better valuation of biodiversity-derived benefits and access to information.

7. Activities will be sought both within and adjacent to conservation areas and in the wider agricultural landscape giving attention to areas that are particularly important for their agricultural biodiversity and/or threat of genetic erosion or other forms of biodiversity loss. These efforts will take into account priority areas identified pursuant to Annex 1 of the CBD, national priorities identified pursuant to Articles 7 and 8, as well as scientific assessments completed under the Convention and other international agreements. While certain activities may emphasize one or another of the three objectives of the CBD, most are likely to address all of them simultaneously.

8. The operational program will support biodiversity conservation and sustainable use in the management of both natural and modified areas. This includes human uses of ecosystems ranging from full protection through various forms of multiple use, with conservation easement, to full-scale use -- such as agriculture, forestry, aquaculture, livestock production, and urban development. Activities that involve biodiversity management within the productive sectors of the economy promote long term sustainability because they will help address the underlying causes of biodiversity loss and contribute to enhancing ecosystem structure and function.

ELEMENTS OF A GEF OPERATIONAL PROGRAM ON CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY IMPORTANT TO AGRICULTURE

Responding to Convention Guidance (GEF Operational Principle 1)

9. The Third Meeting of the Conference of the Parties to the Convention on Biological Diversity adopted decision III/11 on the conservation and sustainable use of agricultural biological diversity. The decision established a multi-year program of activities aimed at promoting the positive impacts and mitigating the negative impacts of agricultural practices on biological diversity in agro-ecosystems and their interface with other ecosystems

10. Decision III/5 further called on the Global Environment Facility, in accordance with decision III/11, to provide financial resources to developing countries for country-driven activities and programs, consistent with national priorities and objectives, for supporting, as a priority, efforts for the conservation and sustainable use of biological diversity important to agriculture.

11. Decision IV/6 welcomed the efforts being made by the financial mechanism in the development of its operational policy framework on agricultural biological diversity and urged the early completion of this framework in line with decision III/11, to provide effective implementation support to Parties and Governments in all agricultural ecosystems. The goal of this operational program is to promote the objectives of the Convention in the area of agricultural

biodiversity in line with the relevant decisions of the Conference of the Parties notably, III/11 (Buenos Aires, 1996) and IV/6 (Bratislava, 1998). It responds to decisions III/5 and IV/6 within the GEF mandate, which is to operate as a mechanism for the purposes of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits.

Ensure Country Ownership (GEF Operational Principle 4)

12. Activities implemented under this operational program will be country driven and based on assessments of agricultural biodiversity needs at the national level. The activities also take into account priorities identified by the countries in their national environmental action plans, which also include national biodiversity action plans. The operational program will assist countries in meeting their obligations under the CBD as well as the CCD.

Involve local constituencies (GEF Operational Principle 7)

13. Agricultural biodiversity is significant to society, encompassing socio-economic, cultural and environmental benefits. It is essential to food security and poverty alleviation and much of the knowledge about agricultural biodiversity is maintained by farmers themselves, most of whom are women. One of the key operational principle of the GEF is to support projects providing for executing agencies and countries in consultation with, and participation as appropriate of, beneficiaries and affected groups of people. Special attention will be given to participation of local stakeholder groups, especially local communities, indigenous groups and women. This principle will guide program design and implementation under this operational program.

Maintain Flexibility to Respond (GEF Operational Principle 5)

14. Domesticated crops and animals result from human management of biological diversity, which is constantly responding to new challenges of maintaining and increasing productivity. Biological diversity itself presents opportunities for enhancing soil fertility, controlling pests naturally and reducing the use of pesticides, while maintaining yields. This operational program will be implemented in a flexible way in order to respond appropriately to changing local, national and global trends.

Reducing Additional Project Risks. (GEF Operational Principle 5)

15. A key assumption in GEF biodiversity activities is that Implementing Agencies, in their regular programs, will assist countries to analyze the causes of biodiversity loss at the ecosystem level, which could include demographic and economic factors, and to identify and implement national action plans that address such root causes. It is assumed that commitments for these baseline activities will be made in a timely manner to complement the proposed GEF activities. In the case of agricultural biodiversity, a particularly important assumption is that the countries' proposed plans and actions for taking advantage of new opportunities offered by this operational program are fully achievable, economically viable, and socially acceptable within the overall policy framework of the country.

Balance Portfolio Diversification and Strategic Concentration of Resources (GEF Operational Principle 3)

16. GEF activities in agricultural biodiversity will be based on a broad array of interventions, which will rely on a baseline of sustainable development activities within the country. Diversified agricultural production offers opportunities for opening up new markets and reducing market risks, which make the agricultural production system more sustainable. GEF will in this respect support information sharing to facilitate the application of best practices.

Encourage Conducive Policy Environments. (GEF Operational Principle 3)

17. Successful implementation of policies aiming at the sustainable use of agricultural biodiversity largely depend on the degree of public awareness and understanding of its basic importance to society. Development and management of land resources and the achievement of multiple objectives related to sustainable agricultural and rural development requires a whole systems (or holistic) approach which recognizes the need for an integrated and multidisciplinary approach to planning. GEF assistance in agricultural biodiversity will encourage stocktaking and assessments to identify essential policy reforms needed to address the root causes of biodiversity loss in agricultural systems.

Encouraging Partnerships and GEF Catalytic Role. (GEF Operational Principle 9)

18. There are many institutions like the CGIAR and FAO and stakeholders who have experience in the complex issues of agricultural biodiversity. Some have specific mandates in this field and many have facilitated development of agreed action plans which set out major objectives and commitments of countries in the conservation and sustainable use of biological diversity important to agriculture. Such action plans include the Global Plan of Action for the Conservation and Utilization of Plant Genetic Resources for Food and Agriculture, which was adopted at the International Technical Conference, Leipzig, 1996 and supported through decision III/11, and the Global Strategy for the Management of Farm Animal Genetic Resources, which is under development. The GEF will support eligible activities carried out under such programs. The GEF will work in partnership with these institutions and stakeholders, building on existing strengths and comparative advantages thus avoiding duplication and overlap. Although the GEF does not provide support for international institutions or networks of organizations to carry out their mandates -- even when these mandates include protection of the global environment -- such institutions and networks may often be well placed to execute specific country-driven projects for the GEF. In such partnerships, costs would be shared: the GEF would finance specific incremental project costs while the partner organizations that execute the project would finance their own overheads, out-of-country expenses, and the cost of implementing their regular mandates and work program.

Creating new opportunities for GEF support in Agricultural Biodiversity (GEF Operational Principles 2 and 9)

19. Despite the work of many international and national organizations and the promise of both domestic and global benefits, current patterns of agricultural land use based on limited numbers of species and varieties have diminished the biological diversity within ecosystems where agriculture is practiced and are undermining the long term sustainability of agricultural production itself. Consequently, there is a need for additional country-driven efforts to identify such opportunities to enhance the sustainable use and conservation of agricultural biodiversity and to meet any transitional challenges in adopting new approaches. Such activities could incur incremental costs and would be eligible for support through the GEF. This support will build on a firm “baseline” of sustainable development activities in the conventional agricultural sector, necessitating close coordination and partnership with all stakeholders.