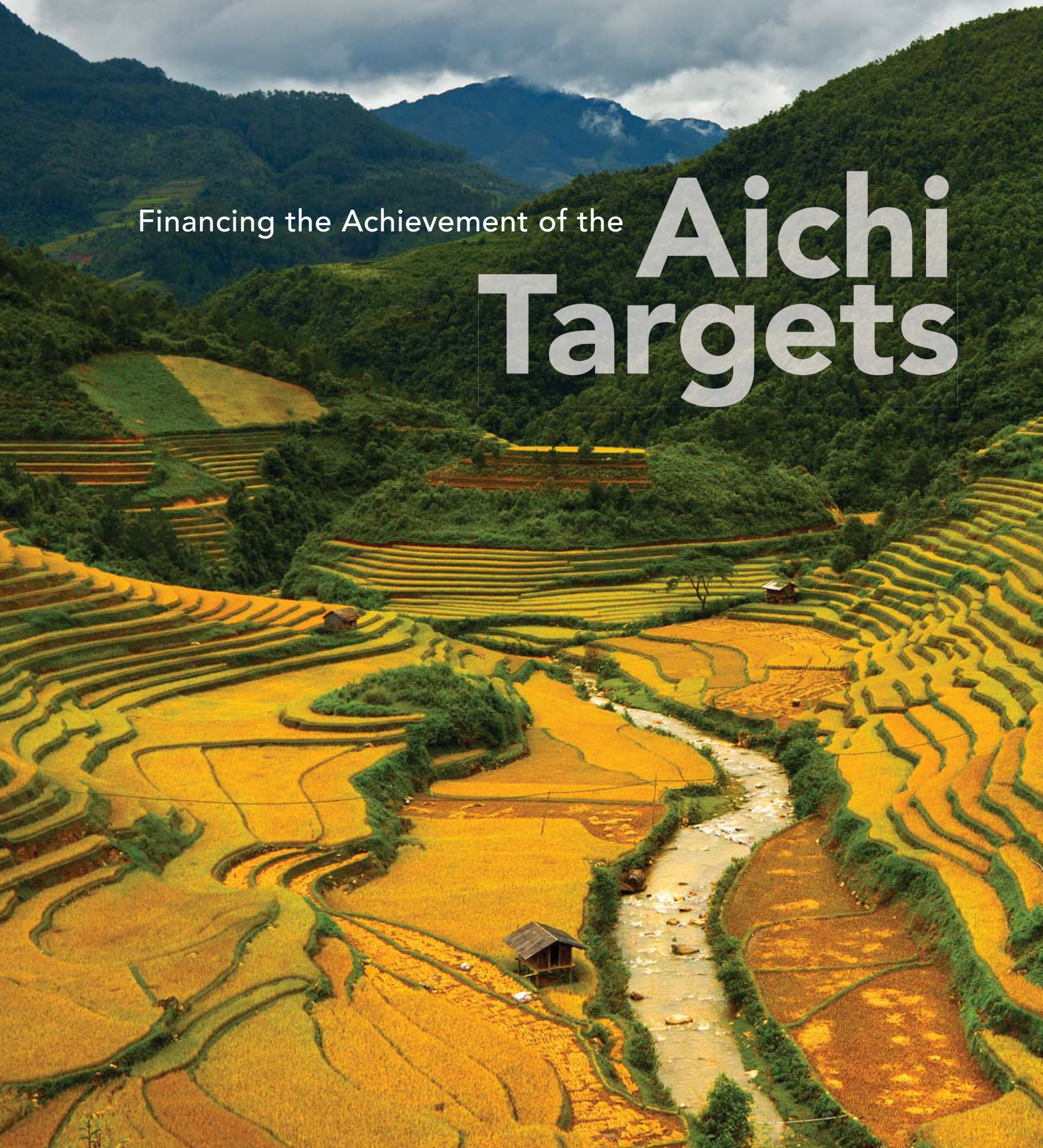




GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET

Financing the Achievement of the

# Aichi Targets







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Unless otherwise noted, amounts are in USD.



An aerial photograph of a large, irregularly shaped lake in a dry, brown landscape. The sun is low on the horizon, creating a golden glow and long shadows. The sky is filled with wispy clouds, and the water reflects the light. In the distance, a range of dark mountains is visible under a hazy sky. A semi-transparent green rectangular box is overlaid on the upper right portion of the image, containing the word "Foreword" in white text.

# Foreword



**Dr. Naoko Ishii,**  
CEO and Chairperson  
Global Environment Facility

*It is my great pleasure to present in this publication a detailed account of the accomplishments of the GEF in the biodiversity focal area, having recently taken the helm of the facility as its newly elected CEO and Chairperson. This testimony reinforces my firm belief that the conservation and sustainable use of biodiversity are essential foundations of a green economy, without which human well-being objectives will be forever compromised. Because of this, the failure of the global community to achieve the 2010 target set forth by the Convention on Biological Diversity (CBD) of significantly reducing the rate of biodiversity loss was a sobering reminder of the serious challenges facing the global commons and national aspirations alike.*

Such realization prompted the CBD COP-10, held in Nagoya, Japan, to adopt an ambitious 10-year Strategic Plan and, most importantly, a series of associated targets to be accomplished by 2020 - the Aichi Targets. The plan provides the inspiration and drive for broad-based action on the part of a wide array of stakeholders, all directed at the better management of the world's biodiversity patrimony. I am convinced that the official financial mechanism of the CBD must also align itself in support of the Nagoya road map with its own revised strategy, which I call the GEF 2020 vision, currently under development.

Clearly, a plan of such scope and vision as the CBD's will require creative responses from all stakeholders, particularly directed at finding the necessary financial resources to translate political commitments into action on the ground. The climate change community started addressing the financial needs challenge many years ago, and we need a similar process directed at biodiversity. It is thus auspicious that, for the first time, the CBD decided to inform the next replenishment of the GEF Trust Fund with a detailed assessment of the global financing requirements for implementation of the strategic plan. Several partners have rallied behind this effort leading up to the 6<sup>th</sup> replenishment, including the CBD, in consultation with the GEF Secretariat, aided by the analyses being conducted by the High-Level Panel on the Global Assessment of Resources, generously co-sponsored by the Governments of India and the United Kingdom. Reinforcing these top-down exercises, the GEF is supporting more than 100 countries in the revision of their National Biodiversity Strategies and Action Plans (NBSAPs). These revisions will provide for not only for a bottom-up process that better refine the financial need scenarios, but also become crucial inputs to resource mobilization strategies that will help close the funding gap at the national level.

The GEF, in its role as the financial mechanism of the CBD and consistent with its mandate, is poised to provide the catalytic funding necessary to help countries achieve the Aichi Targets. However, achieving the Aichi Targets will require more than money. To have the transformational results that the Strategic Plan aspires will demand landscape-level and sector-wide approaches that integrate the sustainable management of biodiversity into multiple sectors. If biodiversity remains solely in the purview of the environment sector, the achievement of the Aichi Targets will prove impossible.

But I believe we can have a positive outlook for 2020. This publication highlights projects and programs that successfully employed integrated and multi-sectoral approaches to conserve and sustainably use biodiversity. The GEF investments highlighted in this document provide evidence that well designed initiatives that seek to maximize the global environmental benefits provided by biodiversity can be leveraged to the necessary scale required to achieve the Aichi-Targets, particularly if endowed with commensurate financial resources.

We look forward to building on this body of evidence to begin designing and implementing a new generation of biodiversity investments matching the scope of the challenge. As such, I commit to work together with the CBD, GEF agencies, donors and recipient countries towards the joint achievement of the Aichi Targets.



# key accomplishm

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Since 1991, the GEF biodiversity focal-area program has provided approximately \$3.1 billion in grants and leveraged about \$9 billion in co-financing in support of more than 1,000 biodiversity projects in more than 155 countries.

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As the largest funding mechanism for protected areas (PAs) worldwide, the GEF has invested in over 2,809 PAs, covering more than 708 million ha. The GEF has provided more than \$2.2 billion to fund protected areas, leveraging an additional \$5.55 billion in co-financing from project partners.

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**The GEF has supported 60 countries to implement system-wide protected area finance strategies**

through a combination of conservation trust funds (40 worldwide totaling \$300 million), payment for ecosystem services schemes, revolving funds, tourism fees, ecosystem service valuation and other financial mechanisms to provide steady, reliable funding for protected area management and biodiversity conservation.

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**The GEF has supported the mainstreaming of biodiversity in 274 million ha of productive landscapes and seascapes.**



# ments

OF THE GEF IN FINANCING  
THE IMPLEMENTATION OF THE CBD

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**The GEF has supported 233 projects supporting marine protected area management totaling \$1.4 billion of GEF resources from all GEF focal areas, which has leveraged \$6.8 billion for a total of \$8.2 billion.**

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**The GEF has supported the development of National Biosafety Frameworks in 123 countries, contributing to a rapid ratification by countries of the Cartagena Protocol on Biosafety (CPB); it has also built capacity for the countries' effective participation in the Biosafety Clearing House mechanism (BCH).**

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**The GEF is recognized as the first provider of capacity building in the area of biosafety, where it has invested more than \$75 million and leveraged more than \$50 million.**

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**The GEF has funded more than 57 projects for a total of \$239 million in grants to build capacity in Access and Benefit Sharing (ABS). The grants leveraged approximately \$593 million in co-financing from various partners for a total of \$832 million directed toward ABS objectives.**

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**The GEF has developed strong partnerships with civil society organizations (CSOs), including non-governmental organizations (NGOs) and indigenous and local communities, through its biodiversity program.**

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The GEF Small Grants Programme has supported more than 7,827 community-based biodiversity projects totaling \$185 million, leveraging a further \$139 million in cash co-financing, and \$137 million in in-kind contributions. Between 2007 and 2010, the SGP supported over 11.9 million ha of PAs and indigenous peoples' and community-conserved areas and territories (ICCAs), with at least 618 projects in critical landscapes such as World Heritage sites, Biosphere Reserves, biological corridors, hotspots, important bird areas and flyways.

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The Critical Ecosystem Partnership Fund (CEPF), with its program budget of more than \$223 million, has reached out to more than 1,600 CSOs and researchers in 100 countries and territories to help conserve the world's most important biodiversity hotspots. To date, CEPF has helped improve management of 30 million ha of key biodiversity areas and 3.5 million ha of production landscapes, as well as helped create more than 12 million ha of new protected areas.



A young girl with dark hair and a joyful expression is carrying a large, heavy bundle of harvested rice stalks on her head. She is shirtless and wearing a simple, light-colored wrap around her waist. The background is a bright, slightly blurred outdoor setting, likely a rice field. The word "Preamble" is overlaid in white text on a semi-transparent green rectangular background in the upper right quadrant of the image.

# Preamble





**Jayanthi Natarajan**  
Minister of State  
(Independent Charge),  
Environment and Forests

*I am pleased to note that the Global Environment Facility (GEF) has brought out this publication for the 11<sup>th</sup> Meeting of the Conference of Parties (COP-11) to the Convention on Biological Diversity (CBD) being hosted by India at Hyderabad on Oct 1 – 19, 2012. The GEF is the financial mechanism of CBD and has been consistently contributing towards meeting its objectives. India congratulates the GEF for its outstanding work.*

India is one of the founding members of the GEF. Over the years, a strong partnership has been forged between India and the GEF. Though a sizeable GEF contribution to India is in the area of climate change, several innovative projects under the biodiversity focal area have also been developed. One such example is the "Eco-development project" which not only strengthened the protection and management of seven protected areas (PAs) in the country but also successfully demonstrated a model for replication. The lessons learned from this project were very useful to us in our wildlife conservation efforts. The role of the GEF in improving the management practices of over 2,809 PAs covering more than 708 million ha the world over is significant and admirable. Over the years, the GEF's biodiversity strategy has evolved towards mainstreaming conservation practices in the major developmental sectors. Though GEF has kept pace with the emerging challenges in conserving biodiversity, its financial base has never been strong enough to address these appropriately.

As the host of COP-11, India stands committed to strengthen national as well as global efforts towards meeting Aichi Targets for biodiversity management. One of the main agenda items before COP-11 is "Strategy of Resource Mobilization" for achieving the Aichi Targets. In this context, India sees an important role for the GEF which is well positioned to provide crucial insights and facilitate a way forward. I hope that GEF receives a substantial replenishment in the next cycle to address the concerns related to biodiversity management in a better way.

As we assume the responsibility of the COP-11 presidency, India looks forward to strengthening its partnership with the GEF for conserving biological resources and its sustainable use.



A landscape photograph showing a dirt road on the left, a thatched hut on the right, and a forest in the background under a cloudy sky. The text 'Introduction' is overlaid on a yellow rectangular background in the upper right.

# Introduction





**Braulio Ferreira de Souza Dias,**  
Executive Secretary of the  
Convention on Biological Diversity

*The 192 country signatories to the Convention on Biological Diversity (CBD) expressed their strongest acknowledgement to biodiversity's role as the basis for life-support systems in 2010 by committing themselves to a 10-year strategic plan to halt its decline globally. This is indeed an ambitious plan considering that the 2005 Millennium Ecosystem Assessment noted that almost 60 percent of ecosystems are being degraded or used unsustainably globally and that an international study, "The Economics of Ecosystem and Biodiversity" (TEEB), estimated annual biodiversity loss to be worth around \$2.0 – \$4.5 trillion.*

The key drivers or direct causes of the loss in biodiversity include land-use changes and fragmentation, loss of habitats due to conversion of land into other uses such as agriculture and urbanization, unsustainable use of natural resources and invasive alien species, as well as climate change and pollution (GBO3, 2010).

This trend has continued due to insufficient awareness, knowledge and information on the importance and value of biodiversity, as well as weaknesses in governance and institutional and policy frameworks.

Reversing this negative trend requires re-directing substantial financial investments to change practices that achieve relatively short-term economic growth at significant cost to long-term natural capital. Moreover, the loss to livelihood and indigenous cultures directly dependent on this natural capital would probably be irreplaceable.

While biodiversity loss holds such great risks, sustainable management of ecosystems embedded into the 2020 Aichi Biodiversity Targets holds the potential of achieving poverty alleviation and food security, sustaining indigenous cultures and helping mitigate and adapt to climate change. As the TEEB report points out, the return on investments in conserving biodiversity remains significantly high as long as its social and economic value is fully recognized.

Getting the world to adopt such a sustainable investment strategy would necessitate mobilizing finances from all possible sources such as official development assistance (ODA) and domestic budgets at national and local levels, as well as from different sectors, private capital and philanthropy. While political will is required to increase public funds, it would be important that additional finance also be generated by tapping new sources or by engaging new partners, including the private sector. Countries

have repeatedly cited lack of adequate, sustainable and predictable financial resources as one of the key obstacles to achieving sustainable use of biological resources.

In this context, the financial mechanism of the CBD has been playing a vital role in providing catalytic funding for developing countries to plan and implement the globally agreed targets and strategies. Studies have hinted that a potential exists to use such catalytic funding for significantly scaling-up and re-directing financing required for conserving and sustainable use of biological diversity. We are also seeing encouraging signs of new and innovative ways of biodiversity financing, including both market-based and non-market-based mechanisms. For example, Mexico has generated over \$300 million for forest conservation in the past years through its "Payments for Hydrological Environmental Services of Forests" scheme. Such excellent initiatives, which are being initiated in many countries, need to be replicated widely and the GEF's role of developing capacities and providing catalytic funding is vital. Recognizing this role, the CBD Parties have agreed to conduct a financial needs assessment to enable the GEF to help developing countries achieve the 2020 Aichi Biodiversity Targets. This needs assessment, to be discussed at the 11<sup>th</sup> meeting of the Conference of Parties in Hyderabad, India, will be forwarded to the

GEF Council for its consideration at the sixth replenishment of the financial mechanism.

The CBD looks forward to the GEF playing a more active role in leveraging financing of projects in the developing world, which contain the bulk of the world's biodiversity, to ultimately generate sustainable financing to maintain its natural capital. The value of all this work is not only to identify the financial resources required to achieve the Convention objectives, but to look at possible mechanisms that could deliver the funds and associated activities.

The issue of mobilizing financial resources is unfinished business from the otherwise immensely successful COP-10 held in Nagoya, Japan. The Convention needs to agree to feasible targets to mobilize the technical, human and financial resources to enable Parties to achieve the 2020 Aichi Biodiversity Targets. The 11<sup>th</sup> meeting of the Conference of Parties (COP-11) to be held in Hyderabad, India on 8-19 October this year is expected to adopt targets to mobilize financial resources from all sources to achieve the Aichi Biodiversity Targets.

Therefore, the current GEF publication "Financing the Achievement of the Aichi Targets" is a timely and welcome addition to bring attention to this important subject.











# GEF Support to the Implementation of the Convention on Biological Diversity: Background and Context

## THE STATE OF BIODIVERSITY

Biodiversity is defined by the CBD as “the variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems.”<sup>1</sup> As such, biodiversity is life itself, but it also supports all life on the planet, and its functions are responsible for providing the food, water and materials necessary for the survival of human societies.

Biodiversity is under heavy threat and its loss is considered one of the most critical current challenges to humankind. Of all environmental ills, biodiversity loss is the only one likely to be irreversible.

The IUCN Red List of Threatened Species keeps track of species trends. As of 2012, out of 63,837 species assessed for their conservation status, 19,817 are considered as threatened with extinction — 247 more than the year before.<sup>2</sup> Most alarming is that the current rate of extinction exceeds natural extinction rates in the fossil record by a factor that ranges between 100–1,000 times.

Biodiversity loss at this scale is threatening the life-support systems that sustain societies and economies. The Millennium Ecosystem Assessment, a major global effort to assess the consequences of ecosystem change for

human well-being, and to establish the scientific basis for actions needed to conserve and sustainably use ecosystems, reported that 15 of 24 ecosystem services evaluated are being degraded or used unsustainably.<sup>3</sup> The degradation of these ecosystems and their functions has serious consequences for life on the planet. Ecosystem loss and

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*Since the GEF’s inception, the biodiversity program has awarded the most grant money of all the GEF focal areas.*

degradation further accelerate the loss of species, reduce current and future services to societies and disproportionately impact poor people. “The Economics of Ecosystem and Biodiversity” (TEEB) study estimated annual biodiversity loss to be worth around \$2.0 – \$4.5 trillion.

In short, at the beginning of the third millennium, humankind is witnessing the destruction of life at unparalleled rates, with unknown but likely very severe consequences for the future of human societies and all life on the planet.

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1 Convention on Biological Diversity.

2 IUCN 2012. *The IUCN Red List of Threatened Species. Version 2012.1*. <<http://www.iucnredlist.org>>

3 Millennium Ecosystem Assessment 2005, *Ecosystems and Human Well-being: Synthesis*, Island Press, Washington, DC.



## THE GEF AND THE CONVENTION ON BIOLOGICAL DIVERSITY

The Convention on Biological Diversity (CBD), which has 193 Parties, provides the global policy framework to address biodiversity issues and is the only binding multi-lateral agreement in this area. The CBD also provides the guidance under which the GEF — as the CBD’s financial mechanism — operates to assist countries in meeting their obligations under the Convention.

The objectives of the CBD are defined in Article 1 as “... the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies, taking into account all rights over those resources and to technologies, and by appropriate funding.”<sup>4</sup>

A Memorandum of Understanding rules the relationship between the Conference of the Parties (COP) of the CBD and the GEF.<sup>5</sup> In accordance with Article 21 of the Convention, the COP determines policy, strategy, program priorities and eligibility criteria for access to and use of financial resources available through the financial mechanism, including monitoring and evaluation. In translating the COP guidance to operational policy for implementation, the Secretariat, in consultation with the GEF agencies, assesses how the guidance can best be implemented. The GEF defines new or strengthened strategic objectives and approaches, modalities, operational criteria, procedures and any other process needed and presents them for GEF Council approval. In applying COP guidance in project operations, the GEF and its agencies support country-driven, national priority projects and programs endorsed by relevant GEF focal points.

4 Article 1: Objectives.

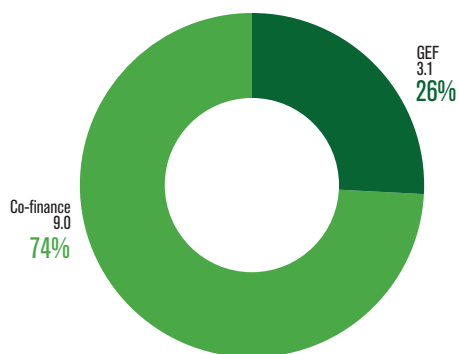
5 Decision III/6: Memorandum of Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility.



## GEF FUNDING FOR BIODIVERSITY

Achieving global biodiversity benefits often comes at a cost above national development and national environmental priorities. Thus, the GEF funds the incremental cost of achieving the global benefits of biodiversity conservation and sustainable use. The GEF's biodiversity portfolio has been the largest focal area portfolio in terms of grant money awarded since the Facility began operations. The GEF biodiversity portfolio accounts for about 30 percent of total GEF grants to developing countries and those with economies in transition. This is closely followed by the climate change portfolio at about 29 percent. Since 1991, the GEF has provided \$3.1 billion in grants and leveraged \$9 billion in co-financing in support of more than 1,000 projects to conserve and sustainably use globally significant biodiversity in more than 155 countries (see Figure 1).

FIGURE 1 TOTAL GEF AND LEVERAGED BIODIVERSITY FUNDING FY1991-2012 (US\$BILLION)







# Evolution of the GEF Biodiversity Strategy: From GEF Inception to the Present

## GEF OPERATIONAL STRATEGY AND OPERATIONAL PROGRAMS

Until the formulation of the GEF's first biodiversity strategy for GEF-3 (2003-2006), the GEF biodiversity portfolio was built on the GEF Operational Strategy and Operational Programs (OPs), as well as the guidance provided to GEF from the COP. The GEF Operational Strategy defines the 10 operational principles for development and implementation of the GEF's work program. The GEF OPs defined, by ecosystem type, specific criteria by which GEF projects were further characterized and evaluated. Earlier implementation of the GEF biodiversity program emphasized eligibility based on a fit with one or more of the five biodiversity operational programs.<sup>6</sup>

## THE FIRST STEP TOWARD THE STRATEGIC INVESTMENT OF GEF RESOURCES

In response to two external evaluations of the biodiversity program — the Second Program Study of the GEF Biodiversity Program and the Second Overall

Performance Study — the GEF developed a strategy for GEF-3 to focus its investment strategy on four priorities:

1. Catalyzing the Sustainability of Protected Areas
2. Mainstreaming Biodiversity into Production Landscapes/Seascapes and Sectors
3. Capacity Building for the Implementation of the Cartagena Protocol on Biosafety
4. Generation and Dissemination of Best Practices for Addressing Current and Emerging Biodiversity Issues.

Sharpening the investment focus was intended in part to apply scarce GEF resources in a manner that most effectively catalyzes actions to maximize global environmental benefits. The strategy for GEF-3 internalized the most pertinent recommendations that had emerged from the evaluation exercises and provided a framework for the entire portfolio that:

- placed greater emphasis on sustainability of results and the potential for replication;
- moved beyond the current projects-based emphasis, where appropriate, to more strategic approaches that systematically target country enabling-environments

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*The goal of the GEF's biodiversity program is the conservation and sustainable use of biodiversity and the maintenance of the ecosystem goods and services that biodiversity provides to society.*

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<sup>6</sup> Arid and semi-arid ecosystems, coastal-marine and freshwater ecosystems, forest ecosystems, mountain ecosystems and agro-biodiversity.



to address conservation and sustainable use of biodiversity over the long term;

- integrated biodiversity within other sectors by mainstreaming it into the wider sustainable development context and economic sectors;
- engaged with the private sector more effectively;
- increased support for CBD objectives on sustainable use and benefit sharing;
- addressed stakeholder participation more systematically;
- continued to strengthen the GEF's role as brokers in the development agenda within the context of country-driven Poverty Reduction Strategy Papers (PRSPs), Country Assistance Strategies (CAS) and other national planning tools; and
- improved dissemination of tools, lessons learned and best practices among broader audiences.

## FURTHER REFINEMENT OF THE GEF'S BIODIVERSITY STRATEGY

The GEF revised and refined its strategy for GEF-4 and GEF-5 based on the implementation experience gained during GEF-3 and in response to evolving thinking in the conservation community about the drivers of biodiversity loss. The GEF-5 biodiversity strategy addresses a subset of the direct and indirect drivers of biodiversity loss as identified in the Millennium Ecosystem Assessment and focuses on the highest leverage opportunities for the GEF to contribute to sustaining biodiversity.<sup>7</sup>

The goal of the GEF-5 biodiversity strategy is the conservation and sustainable use of biodiversity and the maintenance of the ecosystem goods and services that biodiversity provides to society. To achieve this goal, the GEF-5 strategy encompasses five objectives:

- improve the sustainability of protected area systems;
- mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors;
- build capacity to implement the Cartagena Protocol on Biosafety;
- build capacity on access to genetic resources and benefit sharing; and
- integrate CBD obligations into national planning processes through enabling activities.

The strategy is consistent with the integrated approaches to biodiversity conservation and sustainable use promoted by the ecosystem approach, the primary framework for action under the CBD.<sup>8</sup>

## RESPONDING TO THE AICHI TARGETS

The GEF-5 biodiversity strategy was developed and approved before the Conference of the Parties agreed to the new Strategic Plan for Biodiversity 2011-2020 and the associated Aichi Targets. However, given the comprehensiveness of the strategy, the coherence between the GEF-5 strategy and the new Strategic Plan is evident as depicted in Table 1 below.

<sup>7</sup> The GEF-5 biodiversity strategy can be found at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/document/GEF-5\\_Bio\\_strategy.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/document/GEF-5_Bio_strategy.pdf)  
<sup>8</sup> Decision CBD COP V/6.



**TABLE 1 GEF-5 BIODIVERSITY STRATEGY (FY 2011-2014) AND THE STRATEGIC PLAN 2011-2020 GOALS AND THE AICHI TARGETS**

| GEF-5<br>FY 2011-2014 STRATEGY OBJECTIVES  | STRATEGIC PLAN<br>2011-2020 GOALS   | AICHI TARGETS  |
|--|---|--|
| <p>Objective One: Improve Sustainability of Protected Area Systems:</p> <ul style="list-style-type: none"> <li>- Increase financing of PA systems;</li> <li>- Expand ecosystem and threatened species representation within protected area systems; and</li> <li>- Improve management effectiveness of existing protected areas.</li> </ul>  | <p>Strategic Goal A</p> <p>Strategic Goal B</p> <p>Strategic Goal C</p> <p>Strategic Goal D</p> <p>Strategic Goal E</p> | <p>Target 5</p> <p>Targets 10, 11 and 12</p> <p>Targets 14 and 15</p> <p>Targets 18, 19 and 20</p>                           |
| <p>Objective Two: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/Seascapes and Sectors:</p> <ul style="list-style-type: none"> <li>- Strengthen Policy and Regulatory Frameworks;</li> <li>- Implement Invasive Alien Species Management Frameworks; and</li> <li>- Strengthen Capacities to Produce Biodiversity-friendly Goods and Services.</li> </ul> | <p>Strategic Goal A</p> <p>Strategic Goal B</p> <p>Strategic Goal C</p> <p>Strategic Goal D</p> <p>Strategic Goal E</p> | <p>Targets 3, 4, 5 and 6</p> <p>Targets 7, 8, 9, 10, 11, 12 and 13</p> <p>Targets 14 and 15</p> <p>Targets 18, 19 and 20</p> |
| <p>Objectives One and Two as above.</p> <p>Objective Three: Build Capacity for the Implementation of the Cartagena Protocol on Biosafety</p> <p>Objective Four: Build Capacity on Access to Genetic Resources and Benefit Sharing</p> <p>Objective Five: Integrate CBD Obligations into National Planning Processes through Enabling Activities</p>  | <p>Strategic Goal A</p> <p>Strategic Goal D</p> <p>Strategic Goal E</p>   | <p>Target 2</p> <p>Target 17</p> <p>Targets 19 and 20</p>  |
| <p>Objective Four: Build Capacity on Access to Genetic Resources and Benefit Sharing</p>   | <p>Strategic Goal D</p> <p>Strategic Goal E</p>   | <p>Target 16</p> <p>Target 20</p>  |
| <p>Objective One: Improve Sustainability of Protected Area Systems:<br/>c) Improve management effectiveness of existing protected areas</p> <p>Objective Two: Mainstream Biodiversity and Sustainable Use into Production Landscapes and Seascapes and Sectors</p> <p>Objective Three: Build Capacity for the Implementation of the Cartagena Protocol on Biosafety</p>                        | <p>Strategic Goal E</p>   | <p>Target 20</p>   |





# The GEF Biodiversity Strategy in Action

The GEF's biodiversity strategy has evolved from focusing solely on site-specific action to complementing project-based interventions with investments that address systemic barriers to sustaining biodiversity over the medium- to long-term. This section briefly summarizes some of the key objectives of the GEF biodiversity strategy that have received the most investment to date, while highlighting areas of innovation and success in dealing with some key barriers to sustaining biodiversity. These include project and program interventions that make direct contributions to achieving the Aichi Targets through strengthening protected area systems to deliver conservation outcomes; promoting market-based solutions that sustainably use biodiversity; implementing biosafety frameworks to safeguard biodiversity; or securing multiple benefits (such as forest conservation, climate change mitigation and sustainable livelihoods) through sustainable forest management.

## CATALYZING THE SUSTAINABILITY OF PROTECTED AREA SYSTEMS

### Background

Protected areas continue to be one of the main tools for biodiversity conservation identified within the CBD processes, and for the conservation community as a whole. In the new strategic plan of the CBD, countries committed to conserve at least 17 percent of terrestrial and inland water, and 10 percent of coastal and marine areas through protected areas and other effective area-based conservation measures as defined in Aichi Target 11.

As the largest financial supporter for protected areas globally, the GEF has invested in more than 2,809 protected areas, covering more than 708 million ha, with at least 700 globally threatened species.

SUPPORT TO AICHI TARGETS

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*The GEF has invested in over 2,809 protected areas, covering more than 708 million ha. The GEF has provided more than \$2.2 billion to fund protected areas, leveraging an additional \$5.5 billion in co-financing from project partners.*

The GEF has provided more than \$2.2 billion to fund protected areas, leveraging an additional \$5.5 billion in co-financing from project partners.

In addition, the resources allocated to supporting protected area (PA) system projects have increased during each successive GEF replenishment cycle. In GEF-5 (2010-2014), approximately \$1.2 billion was allocated to the biodiversity focal area, of which \$700 million is notionally allocated to supporting the management of protected area systems.

The GEF defines a sustainable protected area system as one that: a) has sufficient and predictable financial resources available, including external funding, to support protected area management costs; b) effectively protects ecologically viable representative samples of the country's ecosystems and provides adequate coverage of threatened species at a sufficient scale to ensure their long-term persistence; and c) retains adequate individual and institutional capacity to manage protected areas such that they achieve their conservation objectives. GEF support will strengthen these fundamental aspects of protected area systems to accelerate their current trajectory toward long-term sustainability.

GEF-5 support to improve sustainability of protected area systems focuses on the following four kinds of project interventions: a) increase sustainable financing of protected area systems; b) expand marine and terrestrial ecosystem representation; c) expand threatened species representation; and d) improve management effectiveness of existing protected areas.

To promote the CBD's objectives effectively, the GEF focuses on systems of protected areas rather than on individual protected areas alone. The focus at the system level includes integrating protected area management within the management of the broader landscape and seascape, which is consistent with the focus of Aichi Target 11. This approach acknowledges the important role of ecological corridors for conservation and sustainable use, while enhancing connectivity between protected areas and addressing the need to manage external threats. In this way, protected areas can better fulfill their fundamental conservation objective, while contributing to poverty alleviation and economic development in rural areas.

## Innovation in Enhancing the Sustainability of Protected Area Systems

### SECURING SUSTAINABLE FINANCING

The GEF has been supporting developing countries to establish and implement various innovative financial

mechanisms. In particular, the GEF is recognized as a pioneer in supporting more than 40 conservation trust funds worldwide, investing more than \$300 million in total. In addition, the GEF has supported the diversification of revenue streams to fund protected area management costs through the use of payments for ecosystem services (PES), tax incentives and other mechanisms. The following examples provide detail on success stories of GEF support to the creation of sustainable financing for protected area systems around the world.

### Support to Aichi Target 20: *Ensuring a Secure Financial Future for Protected Areas*

Several financial mechanisms for protected area management were created or strengthened under the Peru *Participatory Management of Protected Areas Project* (GEF grant: \$14.8 million; co-finance: \$15.9 million) implemented by the World Bank. The mechanisms included further capitalization of the National Trust Funds for Protected Areas (locally known as PROFONANPE), development of a financing strategy for SINANPE (Peru's National Protected Areas System) and introduction of "Administration Contracts" for management of protected areas. The annual contribution from the trust fund is modest, but remains a steady and important source of income for protected area management in Peru.

The financing strategy looks forward to future needs, which is consistent with the current GEF-5 biodiversity strategy to support business planning for protected area system management; this includes a range of options such as payment for ecosystem services (focusing on water) and other innovations. The Administration Contracts (ACs) were the unique financial mechanism within the project as they represented a practical way to meet a management imperative while simultaneously increasing revenue for PA management. The ACs are long-term agreements between the national protected area authority and NGOs, or the national protected area authority and an association of an NGO with a local academic institution. Selection of contractors is competitive and the contracted party commits to secure and contribute at least an equivalent

### SUPPORT TO AICHI TARGET 20

*GEF is recognized as a pioneer in supporting more than 40 conservation trust funds worldwide, investing more than \$300 million.*



**TABLE 2 SUPPORT TO AICHI TARGET 20: TRUST FUNDS ESTABLISHED WITH THE SUPPORT OF THE GEF**

| COUNTRY OR REGION    | TRUST FUND   |
|----------------------|--|
| Africa Region        | Congo Basin Trust Fund   |
| Africa Region        | Fondation Tri-National de la Sanga   |
| Albania              | Butrint Conservation Fund  |
| Benin                | International Trust Fund for Biodiversity Conservation                                       |
| Bhutan               | Trust Fund for Environmental Conservation  |
| Bolivia              | FUNDESNA — Bolivian Foundation for the Development of the National System of Protected Areas |
| Bolivia              | PUMA — Foundation for Protection and Sustainable Use of Environment Bolivia                  |
| Brazil               | Brazilian Biodiversity Fund (FUNBIO)   |
| Caribbean Region     | Caribbean Conservation Trust Fund  |
| Colombia             | Colombian National Protected Areas Conservation Trust Fund                                   |
| Congo                | Protected Area Trust Fund  |
| Congo DR             | National Environment Fund  |
| Costa Rica           | FONAFIFO — The National Forestry Financing Fund  |
| Cote d'Ivoire        | Foundation for Financing of Protected Areas  |
| Ecuador              | FAN — Ecuador National Environmental Fund  |
| Europe Region        | Caucasus Protected Area Trust Fund   |
| Europe Region        | Foundation for Eastern Carpathian Biodiversity Conservation                                  |
| Gabon                | Conservation Trust Fund  |
| Gambia               | Conservation Trust Fund  |
| Ghana                | Investment Fund for Coastal Wetland Management   |
| Guatemala            | Protected Area Trust Fund (FCG)  |
| Guinea Bissau        | Guinea Bissau Biodiversity Conservation Trust Fund   |
| Jamaica              | Jamaica Conservation Fund  |
| Jordan               | Conservation Trust Fund  |
| Kazakhstan           | Biodiversity Conservation Fund   |
| Latin America Region | MAR Fund — Mesoamerican Reef Fund  |
| Laos                 | Environmental Protection Fund  |
| Liberia              | Conservation Trust Fund  |
| Madagascar           | Madagascar Foundation for Protected Areas and Biodiversity                                   |
| Malawi               | Mulanje Mountain Conservation Fund   |
| Mexico               | FMCN — Mexican Nature Conservation Fund  |
| Mozambique           | BIOFUND Mozambique   |
| Pakistan             | Mountain Areas Conservation Fund   |
| Papua New Guinea     | Mama Graun Conservation Trust Fund   |
| Peru                 | National Trust Funds for Protected Areas (PROFONANPE)  |
| Russia               | Salmonid Diversity Conservation Fund   |
| Russia               | Kamchatka Biodiversity Trust Fund  |
| South Africa         | Table Mountain Fund  |
| Sri Lanka            | Protected Area Conservation Fund   |
| Suriname             | SCF — Suriname Conservation Fund   |
| Tanzania             | Eastern Arc Mountains Conservation Fund  |
| Uganda               | Bwindi-Mgahinga Impenetrable Forest Conservation Trust                                       |
| Vietnam              | Vietnam Conservation Fund  |
| Yemen                | Socotra Conservation Fun   |

amount of resources toward managing a particular protected area or implementing whatever aspect of the management plan is specified in the contract. While a 1:1 ratio is the basic requirement, some contractors have brought in as much as 4:1 co-financing, and amounts of up to \$2 million. At the time of project closure, the three ongoing ACs had secured an additional \$8.2 million for protected area management. Since project closure, eight more contracts have already been signed for a 20-year period and existing contracts have been extended for 10 years.

In 2012, ACs will bring at least \$23 million for management of eight protected areas; it is expected that additional funds will be leveraged by the end of the contracts on top of the government's current annual contribution of about \$5 million. Given only 8 of the country's 36 PAs are benefiting from ACs, there may be an unrealized potential to scale-up further. In the meantime, the legal, regulatory and institutional framework for ACs (which the GEF project helped establish over the course of project implementation) has led to the largest single source of revenue currently supporting management of Peru's PA system.

#### **Support to Aichi Targets 14 and 20: *Diversifying Revenue Streams for Protected Area Management***

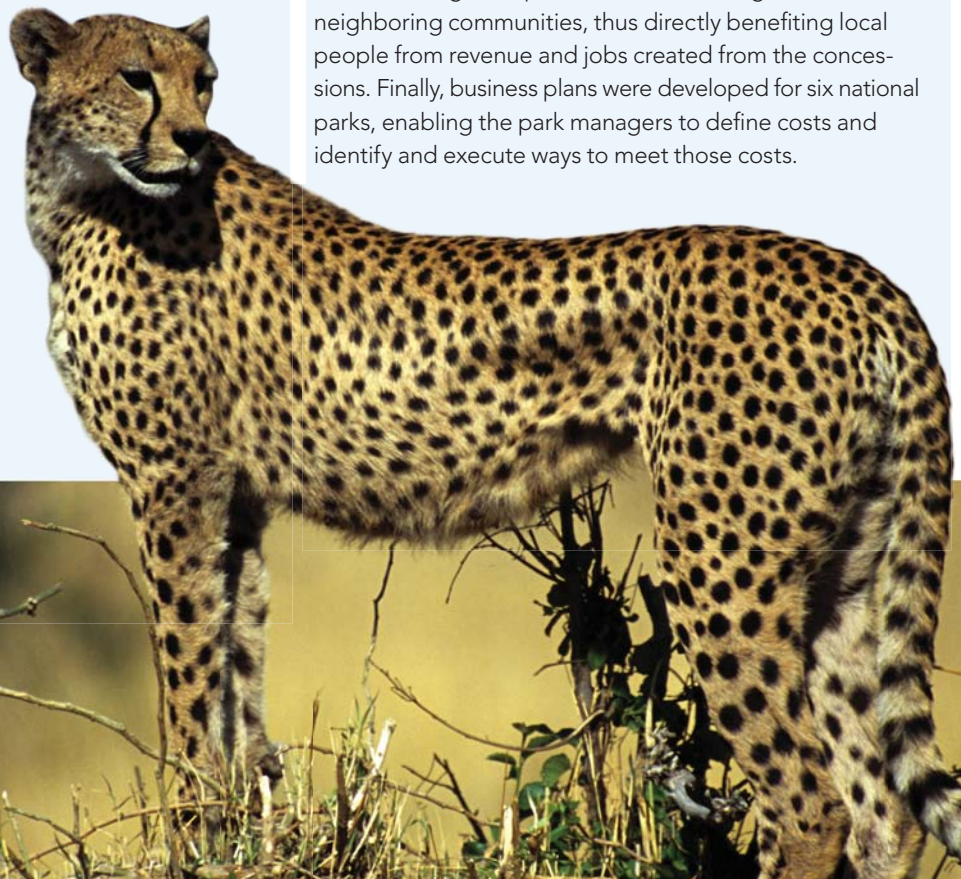
Namibia lies at the heart of the species-rich Namib-Karoo-Kaokoveld Desert, one of the WWF's Global 200 Ecoregions. The country has a high level of endemism and is an evolutionary hub for groups of organisms, including melons, succulent plants, false spiders, geckos and tortoises. Namibia has established an impressive system of state-managed protected areas as the centerpiece of its conservation program. The country's conservation efforts have also made it a stronghold for populations of large animals such as black rhinoceros (almost a third of the world's population) and cheetah.

The PA system comprises 20 national protected areas, covering 17 percent of the country's 823,680 square km of

terrestrial area. The GEF project (GEF grant: \$8.550 million; co-finance: \$33.677 million), *Strengthening the Protected Area Network (SPAN)*, implemented by UNDP, was designed to maximize the full potential of the protected area system by: improving the policy framework for financial support for protected areas; increasing management capacity; and implementing new protected area management partnerships.

The project has achieved impressive results to date, none more so than the economic analysis undertaken and associated advances in protected area financing. A comprehensive analysis of the PA system indicated that protected areas contributed 3.1 – 6.3 percent of the GDP through park-based tourism alone, without including other ecosystem services values; if the tourism concession potential is fully realized, the economic rate of return on the government investment over 20 years would be as much as 23 percent.

Using these study results, the government increased the annual budget for park management and development by 300 percent over the last four years. The Ministry of Finance also agreed to reinvest 25 percent of park entrance revenue in park and wildlife management through a trust fund, providing up to \$2 million in additional sustainable financing per year. In addition, in 2007, Cabinet approved the National Policy on Tourism and Wildlife Concessions on State Land to maximize the economic potential of protected areas. In the last two years since the policy has been implemented, more than 20 new tourism and hunting concessions were approved, generating over \$1 million per year in fees payable to the government. Most of these concession rights in protected areas were granted to neighboring communities, thus directly benefiting local people from revenue and jobs created from the concessions. Finally, business plans were developed for six national parks, enabling the park managers to define costs and identify and execute ways to meet those costs.



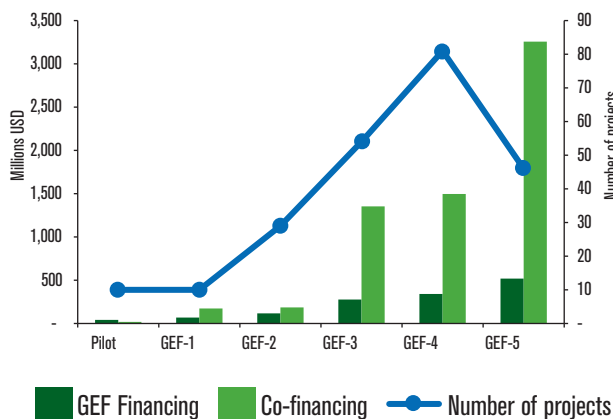


## EXPANDING ECOSYSTEM REPRESENTATION

An essential element of a sustainable protected area system is the effective protection and management of ecologically viable representative samples of a country's ecosystems and adequate coverage of threatened species at a sufficient scale to ensure their long-term persistence. Many protected area systems were not initially designed to achieve this important objective; thus, the GEF has continued to support country efforts to expand ecosystem and species coverage to fill in important representation gaps at the national and global levels. The GEF was widely recognized for its pivotal contribution to the global achievement of the 10 percent coverage target for terrestrial ecosystems; GEF support to marine protected areas has also been an important element of the protected area portfolio.

Figure 2 summarizes GEF investment in marine protected areas from all focal areas (predominantly biodiversity and international waters). It also demonstrates a steady increase in GEF financing, co-financing and number of projects from the pilot phase of the GEF to the midway point of GEF-5. This is particularly important to note, given the priority that countries have placed on increasing the number and extent of marine protected areas. Progress toward this goal, identified in Aichi Target 11 as a key priority, has lagged globally from a coverage perspective. Since the GEF's inception, support to marine protected areas has steadily increased with robust amounts of co-financing being leveraged with the GEF investments. Overall, since its

**FIGURE 2 TOTAL GEF AND CO-FINANCING INVESTMENTS IN MARINE PROTECTED AREAS SINCE GEF INCEPTION THROUGH JUNE 30, 2012**



inception to the mid-point of GEF-5, the GEF has supported 233 projects supporting marine protected area management with GEF resources from all GEF focal areas totaling \$1.4 billion; this has leveraged \$6.8 billion for a total of \$8.2 billion. The ability of the GEF to use resources from two critical focal areas for marine protected areas and leverage that investment to secure considerable co-finance bodes well for achieving Aichi Target 11 by 2020.

## SUPPORT TO AICHI TARGETS

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*Since its inception, the GEF has supported 233 projects supporting marine protected area management totaling \$1.4 billion of GEF resources; this has leveraged \$6.8 billion for a total of \$8.2 billion.*

### Support to Aichi Targets 1, 6, 11, 12 and 14:

*Strengthening the National MPA System of Turkey*

The project, "Catalyzing Sustainability of Marine and Coastal Protected Areas" (GEF: \$2.2 million; co-finance: \$4.02 million), implemented by UNDP, aims to strengthen the ability of the MPA system to protect biodiversity, while optimizing its ecological service functions. Turkey had previously made significant efforts to establish a system of MPAs to protect its marine biodiversity from threats. However, the scale, design and ecological representativeness of the MPA network were inadequate, and, as a result, the system was not achieving its conservation goals. Numerous commercial fish species were being depleted by a combination of over fishing and illegal fishing, the presence of alien species and marine pollution, as well as habitat degradation and loss. In addition, the rapid

growth of tourism facilities has seriously affected the well-being of species like turtles and monk seals.

At the mid-term of its implementation, the project has exceeded its original targets: MPA coverage has been extended by 125,000 ha and six No Fishing Areas (NFAs) covering 1,914 ha have been established. A business development unit has been set up within the General Directorate for Protection of Natural Assets. Since the project's establishment, income generated has increased significantly, contributing 16 percent of the overall budget for PA management from an original baseline of only 10 percent. Since the establishment of the NFAs, a 40 percent increase for juvenile grouper and a 20 percent increase for adult grouper populations have been recorded. Groupers contribute the main catch for the fishing community within the targeted MPAs. As an indirect impact, nesting of the endangered loggerhead turtle (*Caretta caretta*) has increased about 20 percent on the project's sites.

The value of ecosystem services for six MPAs was calculated: the estimated value of an MPA located on the northeast part of the Mediterranean, for example, was \$400 million per year, taking into account the service provided for fisheries, carbon sequestration, erosion protection, waste treatment and tourism creation. The results were shared with the public to increase awareness about the economic benefits provided by marine protected areas. Notably, this was the first national-level initiative to value marine ecosystem services.

The project approach to link the MPA system to the provision of environmental goods and services effectively, including those related to fisheries, anchors the MPAs as a contributing force to sustainable development; it also facilitates participation of all concerned actors in MPA development processes. In so doing, the project approach ensures ownership and long-term viability of the system.

### **Support to Aichi Targets 6, 11, 14 and 19: Global Program on Areas Beyond National Jurisdiction (ABNJ)**

This program promotes efficient and sustainable management of fisheries resources and biodiversity conservation in the ABNJ. The GEF is providing grants of \$50 million (\$25 million from the biodiversity focal area set aside and \$25 million from the international waters focal area). This investment has leveraged more than \$269.7 million in co-financing from public and private partners, including: the Food and Agriculture Organization, the World Bank, the United Nations Environment Programme, the Tuna and Deep Sea Regional Fisheries Management Organizations, the US National Oceanic and Atmospheric Administration, the International Coalition of Fisheries Associations, the International Seafood Sustainability Foundation, the South Indian Ocean Fisheries Agreement, Birdlife International, Conservation International, the International Union for Conservation of Nature, the World Wildlife Fund and the Global Oceans Forum.

The ABNJ Program is comprised of four projects:

**Sustainable Management of Tuna Fisheries and Biodiversity Conservation in the ABNJ:** The project will pilot Rights-Based Management systems and other sustainable fishing practices; reduce illegal, unreported and unregulated (IUU) fishing and reduce by-catch and other adverse ecosystem impacts on biodiversity.

**Sustainable Fisheries Management and Biodiversity Conservation of Deep-Sea Ecosystems in the ABNJ:** The sustainability of deep-sea living resources and biodiversity conservation in the ABNJ will be enhanced through the systematic application of an ecosystem approach to improve sustainable management practices for deep-sea fisheries and area-based planning for deep-sea ecosystems.







**Ocean Partnership Facility (OPF):** By providing the links between coasts, Exclusive Economic Zones and the ABNJ, this project aims to secure healthy ocean ecosystems, biodiversity conservation and food security through sustainable fisheries.

**Strengthening Global Capacity to Effectively Manage ABNJ:** The goal is to improve the global and regional coordination, including exchange of information, of marine ABNJ. This will be accomplished through providing the necessary integrated information systems, advocacy platforms and social networks, as well as facilitating more dialogues with decision-makers, including Ministries of Finance and Fisheries.

The ABNJ Program responds to guidance from the CBD concerning Ecologically or Biologically Significant Areas (EBSAs) beyond national jurisdiction. It will also help UN member states better fulfill their obligations under the United Nations Convention on the Law of the Sea (UNCLOS), in particular Articles 116 to 119 on conservation and management of the living resources of the high seas.

The ABNJ Program also addresses global calls to reduce as much as possible Illegal, Unreported and Unregulated (IUU) fishing, as specifically requested in various fisheries instruments such as the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (the Compliance Agreement); the Agreement on Port State Measures to Prevent, Deter and Eliminate IUU fishing (Port State Measures Agreement); the Code of Conduct for Responsible Fisheries (the Code); and the International Plan of Action to Prevent, Deter and Eliminate IUU Fishing (IPOA-IUU).

**Support to Aichi Targets 6, 10, 11, 12, 14, 15 and 19: Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI-CFF) Program**

The program supports the protection and sustainable management of coastal and marine resources in the Coral Triangle region, situated at the confluence of the Indian and Pacific Oceans and spanning 6.5 million square km over Indonesia, Malaysia, Papua New Guinea (PNG), Philippines, Solomon Islands and Timor-Leste. Specifically, the program supports the six goals of the CTI-CFF Regional Plan of Action (2009) which aims to: (i) introduce effective management systems for priority seascapes; (ii) apply an ecosystem approach to fisheries management; (iii) expand and improve management and representation of effectively managed marine-protected areas; (iv) support climate change adaptation measures to sustain economic development and global services from vulnerable coastal and marine ecosystems; and (v) improve threatened species status in coastal and marine ecosystems.

So far, the GEF Council has endorsed a program of \$63 million that covers biodiversity, international waters and adaptation to climate change activities. The program has been able to catalyze some \$300 million of co-financing from a range of partners including the Governments of Australia and the United States, the Asian Development Bank (ADB), the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the United Nations (FAO), Conservation International (CI), The Nature Conservancy (TNC) and World Wide Fund for Nature (WWF).

The CTI-CFF Program currently has eight approved projects under implementation: Coastal and Marine Resources Management in the Coral Triangle of the Pacific (CT-Pacific) Project (ADB); Coastal and Marine Resources

Management in the Coral Triangle of Southeast Asia (CT–SEA) Project (ADB); the Philippines Integrated Natural Resources Management (INREM) Project (ADB); Regional Cooperation on Knowledge Management, Policy and Institutional Support Project to the Coral Triangle (ADB); Sulu-Celebes Sea Large Marine Ecosystem and Adjacent Area Sustainable Fisheries Management (SCS) Project (UNDP); Arafura and Timor Seas Ecosystem Action (ATSEA) Program (UNDP); West Pacific-East Asia Oceanic Fisheries Management Project (UNDP); and Strategies for Fisheries Bycatch Management (FAO).

While still in the early stages of implementation, the program has made progress in a number of important foundational areas:

- At the regional level, it has assisted the six countries to develop a regional plan of action and complementary national plans of action, with associated budgets and financial plans.
- At the sub-regional level, the Sulu-Sulawesi Marine Ecoregion (SSME), covering an area of 1 million square km, has been designated as a priority seascape. Comprehensive action plans have been prepared covering migratory and threatened species management; a network of 58 priority conservation areas and MPAs; and sustainable fisheries management interventions. Implementation will be guided by a tri-national committee (see <http://www.adb.org/publications/comprehensive-action-plans-sulu-sulawesi-marine-ecoregion>).
- At an institutional level, coordination mechanisms have been established for the initiative through a Council of Ministers and an agreement has been signed to establish a permanent multi-country regional secretariat in Manado, Indonesia (ratification is now ongoing). Knowledge management systems have been established (see [www.coraltriangleinitiative.net](http://www.coraltriangleinitiative.net)) and the first State of the Coral Triangle Report was launched in July 2012; it provides a baseline for future monitoring and evaluation systems under the program. CTI Business Summits in 2010 and 2011 resulted in commitments from industry and governments towards the adoption of sustainable business practices, including the adoption of Marine Stewardship Council (MSC) certification standards. A Region-wide Early Action Plan for Climate Change has been prepared and a program of climate change vulnerability assessments has been initiated.

Across the CTI region, MPA management remains weak. For example, estimates of the proportion of MPAs managed effectively in Indonesia, Malaysia and the Philippines are 3 percent, 16 percent and 27 percent respectively (by site). For other countries — PNG, Solomon Islands and Timor-Leste — few MPAs have been designated, although there is a large network of locally managed marine areas.

To address these issues, the CT–Pacific Project (covering PNG, Solomon Is. and Timor-Leste) aims that, by the end of 2014, 10 – 30 percent of coral reefs, seagrass beds and mangrove forests will be designated as managed areas and will have effective management systems in place. Over the same period, the CT–SEA Project (covering Indonesia, Malaysia and the Philippines) targets that 10 – 20 percent of coral reefs, seagrass beds and mangrove forests will be designated as MPAs, with three MPAs in the SSME having improved management effectiveness. To date, improved management effectiveness over an area of 15 million ha of marine-managed areas has been supported through the USAID-funded Coral Triangle Support Program since 2009, while 10 million ha of production seascapes have improved management (USAID, CI, TNC and WWF). In addition, more than 28 policies, laws, regulations and agreements promoting integrated coastal resource management and marine conservation have been implemented.

## Future Challenges and Opportunities

While the size and number of protected areas are rapidly increasing, key discussions among practitioners and decision-makers involved in management of protected area systems are focused on how to ensure sustainable financing of these systems and how to ensure their resilience in the face of climate change.

Various studies estimate the total cost to governments for effective management of existing protected areas in developing countries ranges from \$1.1 billion to \$2.5 billion a year, with a funding shortfall of between \$1 billion and \$1.7 billion per year.<sup>9</sup> Since the CBD came into force in 1993, the world's protected areas have increased by nearly 100 percent in absolute numbers and by about 60 percent in total area. Yet, for the same period, international financing for biodiversity conservation grew at only about 38 percent.<sup>10</sup>

9 P. Gutman and S. Davidson. 2008. A Review of Innovative International Financial Mechanisms for Biodiversity Conservation: With a Special Focus on the International Financing of Developing Countries' Protected Areas, WWF-MPO, 5 Jan 2008.

10 *Ibid.*



### Box 1: Support to Aichi Targets 5 and 11: Award-Winning ARPA Program Expands Coverage of Protected Areas in the Amazon

The GEF-financed and World Bank-implemented Amazon Region Protected Areas (ARPA) program — the world's biggest rainforest conservation initiative — received a 2012 Development Impact Honors award from the U.S. Department of the Treasury for helping Brazil achieve a four-year decline in deforestation rates. The award recognizes effective projects implemented by multilateral development banks that promote growth and meet the needs of poor and vulnerable populations around the world. The ARPA program has two phases financed with grants from the GEF for a total of \$46 million.

Since its inception, ARPA has accounted for 37 percent of the decrease in deforestation in the country, and for 46 percent of all protected areas created in the world. The first phase of the program (2003-2008), supported by \$30 million in GEF grants, created 24 million ha of new protected areas, helping to protect biodiversity, build knowledge about the Amazon and foster respect for the

rights of local people. The second phase, backed by \$16 million in GEF grants and now under implementation, will create 13.5 million ha of additional new protected areas (an area larger than Greece) in the next four years, including parks, biological reserves, ecological stations, extractive reserves and sustainable development centers. This phase will also help consolidate 32 million ha of existing areas.

In financial terms, studies have shown that the creation of 13 PAs in the Amazon under ARPA from 2003 to 2007 is associated with the offset of emissions equivalent to 430 million tons of carbon by 2050 as compared to the business-as-usual scenario. Assuming the value of \$5 per ton of carbon, these PAs will account for \$2.2 billion of emissions reductions by 2050 or about \$54 million per year. With the total cost of the first phase of ARPA around \$84.5 million, the rate of return for this investment was approximately 22 percent.

Traditionally, protected areas are funded through government budgetary allocations, bilateral and multilateral agencies, tourism, NGOs and charities. In recent years, increased attention has been given to identifying new and innovative national and international financial mechanisms for protected areas to supplement these traditional sources and diversify revenue streams for protected areas management. A wide range of innovative financial mechanisms with considerable potential to increase revenues and reduce the funding gap has been identified and introduced, including taxation systems, joint implementation, green lotteries and markets, payments for ecosystem services and biodiversity offsets. The GEF is currently supporting successful pilots of these mechanisms, and will continue to support development and scaling-up of new and innovative mechanisms for financing protected area systems.

Since GEF-4, the biodiversity strategy has highlighted the opportunity for protected area projects to develop and integrate climate-resilience management measures as part of the project intervention strategy. The GEF recently approved the first project, *“Strengthening Management Effectiveness and Resilience of Protected Areas to Protect Biodiversity under Conditions of*

*Climate Change”* (GEF grant: \$10.17 million; co-finance: \$45.4 million) in the protected area portfolio to take advantage of this opportunity. The project, implemented by UNDP, will undertake a comprehensive approach to spatially configure and manage Mexico's protected area system to mitigate the adverse effects of climate change.

The project aims to transform management and coverage of terrestrial and coastal protected areas in Mexico to alleviate the direct and indirect impacts of climate change on globally significant biodiversity. This will be achieved through the development of management systems (monitoring and early warning systems, management decision-making tools and sustainable financing) to implement the national Climate Change Strategy for Protected Areas in Mexico, the expansion of protected areas by about 600,000 ha in landscapes to protect refugia and corridors for species as they move due to climate change and the testing of cost-effective adaptation actions and mechanisms in 12 priority, vulnerable PAs covering 2 million ha. Lessons generated from the design and implementation of this project may provide important guidance for future GEF biodiversity strategies and investments in strengthening the climate resiliency of protected area systems.

## Box 2: The Critical Ecosystem Partnership Fund

The Critical Ecosystem Partnership Fund (CEPF) represents a new approach to conserving the Earth's biologically richest regions or hotspots that provide benefits for both people and nature. Launched in 2000, CEPF is a partnership between the Agence Française de Développement, the GEF, the World Bank, Conservation International, the Government of Japan and the John D. and Catherine T. MacArthur Foundation. The contribution of these partners has now reached \$223 million in total.

The world's biodiversity hotspots are at the core of CEPF's investment approach. These areas cover only 2.3 percent of the planet's surface, but harbor more than 90 percent of its biodiversity. They also provide clean water and air, flood and climate control, soil regeneration, crop pollination, food, medicines and raw materials for people. Due to the crucial contribution of biodiversity to the planet's overall livability, threats to hotspots are threats to humanity. CEPF's investment in hotspots thus tackles the most important areas to biodiversity that provide key benefits to human societies. Since its inception in 2000, CEPF has invested in 21 of the 34 hotspots.

All of CEPF's investments:

- target biodiversity hotspots in developing countries for maximum impact;
- are guided by region-specific investment strategies developed with stakeholders;
- go directly to civil society groups to build this vital constituency for conservation alongside governmental partners;
- create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts; and
- achieve tangible results through an expanding network of partners working toward shared conservation goals.

CEPF bridges a gap between development and conservation, funding national and local groups that many donors find difficult to reach. Grant recipients range from small farming cooperatives to local and international NGOs. The program's flexible and agile structure and operations have enabled it to support many community groups and fledgling organizations that are often outside the reach of traditional funding mechanisms. Key achievements to date include:

- implementation of 21 hotspot strategies, covering 100 countries and territories;
- support to more than 1,600 different groups and researchers;
- \$140 million in awarded grants, which have leveraged an additional \$323 million;
- improved management of 30 million ha of key biodiversity areas and 3.5 million ha in production landscapes, as well as the creation of more than 12 million ha of new protected areas;
- promotion of sustainable use of biodiversity in production landscapes through stewardship, improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity and the development and adoption of a variety of alternative livelihood opportunities;
- strengthened protection of critical biological corridors through improved land-use planning, collaboration with the private sector and development of supportive policy and legislative frameworks; and
- successful piloting of new financing mechanisms, including payments for ecosystem services and successful interventions by civil society to influence development decisions.

CEPF also supported projects that:

- engaged more than 20 industries as partners in biodiversity conservation, including tourism, fisheries, cocoa, coffee, mining, rice, wine and forestry. Private sector partners include De Beers Namaqualand Mines in South Africa, Kuapa Kokoo Farmers Union in Ghana and Unilever in the Philippines.
- established more than 80 networks of civil society groups, creating a new model in regions where conservation historically has been characterized by isolated and fragmented approaches, such as in Sumatra and the Guinean Forests of West Africa.
- enabled the adoption of at least 25 sectoral policies, laws and regulations in support of biodiversity conservation and mainstreaming conservation into development policy at local and national levels. In the Philippines, Presidential Executive Order 578 declared all key biodiversity areas identified by CEPF to be "critical habitats."





SUPPORT TO AICHI TARGETS

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*CEPF improved management of 30 million ha of key biodiversity areas and 3.5 million ha of production landscapes, and helped create more than 12 million ha of new protected areas.*

### Box 3: The GEF Small Grants Programme

The GEF Small Grants Programme (SGP), implemented by UNDP on behalf of the GEF partnership, was launched at the time of the Earth Summit in 1992. The SGP responds to the request from the COP for a quick, flexible and responsive delivery modality to support Parties in the national implementation of the Convention's objectives. Through its decentralized governance mechanism, the SGP channels its support through civil society action by providing grants of up to \$50,000 directly to non-governmental organizations (NGOs), community-based organizations (CBOs) and indigenous peoples to undertake environmental projects that also contribute to poverty reduction and local empowerment. Particular attention is paid to sustainability so that all activities are based on good feasibility studies, sound management and replicability.

As of May 2012, at the start of the SGP 5<sup>th</sup> Operational Phase (OP5), which runs from 2011 to 2014, the programme has supported a cumulative total of more than 14,600 projects and strengthened more than 12,000 civil society groups in 125 countries across all the GEF areas of intervention. In the biodiversity focal area, SGP programming has supported more than 7,827 community-based biodiversity projects totaling \$185 million, leveraging a further \$139 million in cash co-financing and \$137 million in in-kind contributions.<sup>11</sup>

In each country where it operates, the SGP has sought to develop and implement tailor-made formats to directly reach the poor and marginalized in remote regions. At the global level, some 15 percent of the grant portfolio supports indigenous peoples. Capacity development operates at all levels in the SGP. Proposals to the SGP are accepted in national languages, and in some cases are developed with non-literate groups using innovative formats such as participatory video and community theatre, in order to facilitate local solutions and build on traditional knowledge.

Some key observations and results from this targeted GEF investment include the following:

■ The last comprehensive global evaluation of the SGP conducted by the GEF Evaluation Office found that *"If projects from all the phases are considered together, 90 percent of all SGP project grants reviewed were rated by*

*the evaluation in the satisfactory range... SGP project grants are on target to meet and exceed the benchmark of 75 percent of GEF Projects achieving satisfactory outcome rating that was agreed upon in the GEF-4 replenishment agreement"*<sup>12</sup>

■ The Independent Evaluation further found that *"in all 22 country programmes, SGP has contributed to the formulation and/or implementation of policies. They do so by cultivating relationships with civil society organizations, local, provincial and national governments, academic institutions, other global organizations and the private sector."*

According to the GEF Council decision GEF/C.36/4, during the GEF5 cycle, participating SGP countries have differential access to the OP5 core funding for the programme (with a priority given to new countries, least developed countries and small island developing states), aligned with criteria for governments to endorse a portion of their national GEF-5 System for Transparent Allocation of Resources (STAR) allocations to the programme.<sup>13</sup> During OP5, the SGP continues to support the GEF-5 objectives of biodiversity conservation in and around protected areas (PAs); the sustainable use of biodiversity in production landscapes and seascapes; and the appropriate protection and transmission of traditional knowledge and genetic resources by culturally appropriate means. Methods include the development of community biocultural protocols (BCPs), *in situ* seed banks, traditional knowledge journals and local socio-ecological assessments that are relevant to the GEF mandate under the Nagoya Protocol on ABS and the recently created Inter-Governmental Platform on Biodiversity and Ecosystem Services (IPBES).

In relation to Aichi Target 11 to expand the global coverage of terrestrial and inland waters protected areas from 12 percent to 17 percent by 2020, the SGP channels support both towards government-listed protected areas (including through a special focus on the co-management of World Heritage Sites and globally significant protected areas under the COMPACT approach developed with \$7 million in co-financing from the United Nations Foundation),<sup>14</sup> as well as "other effective area-based conservation measures," including the appropriate recognition of indigenous peoples' and community-conserved areas and territories (ICCAs).

11 Data compiled on 31 May 2012

12 GEF/ME/C.32/Inf.1 Joint Evaluation of the Small Grants Programme

13 <http://www.thegef.org/gef/node/150>

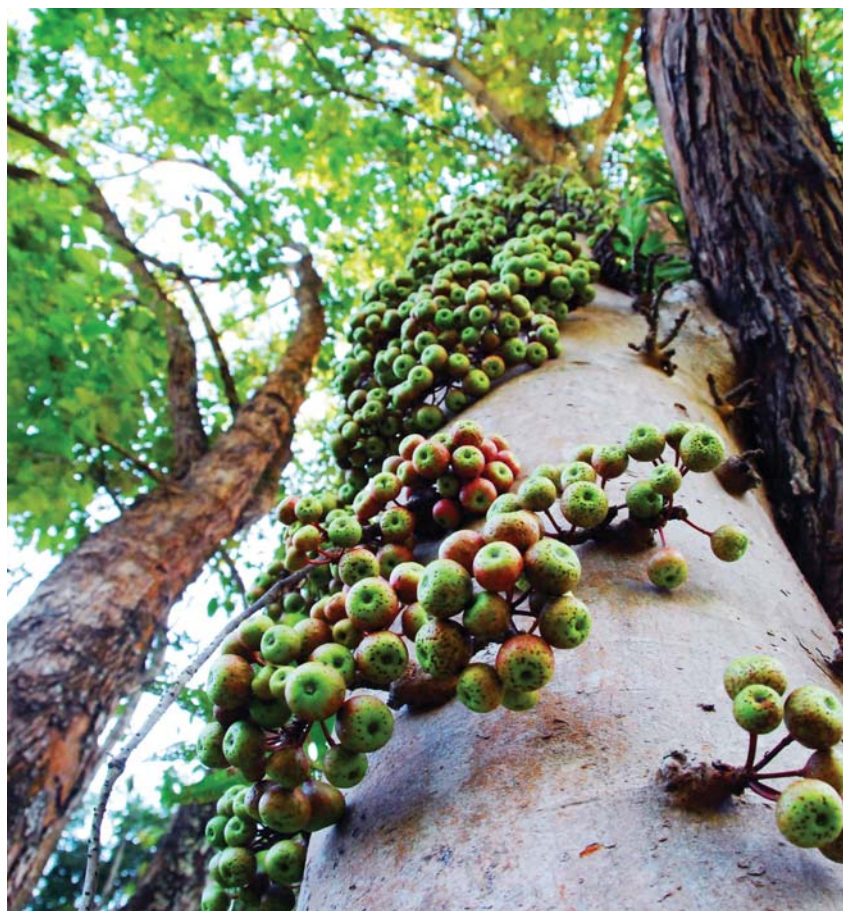
14 <http://sgp.undp.org/img/file/Compact%20Booklet-1.pdf>



The results of these global efforts towards the CBD Aichi 2020 Targets are being tracked through (i) the on-line SGP global database (<http://sgp.undp.org>); (ii) the UNEP-WCMC Global Registry on ICCAs ([www.iccaregistry.org](http://www.iccaregistry.org)) which the programme helped design and create; as well as (iii) the ICCA Consortium, a global membership-based organization of like-minded civil society organizations and networks ([www.iccaforum.org](http://www.iccaforum.org)). During the SGP 4<sup>th</sup> Operational Phase, the SGP supported over 11.9 million ha of PAs and ICCAs, with at least 618 projects in critical landscapes such as World Heritage sites, Biosphere Reserves, biological corridors, hotspots, important bird areas and flyways.

In production landscapes, the SGP finalized a catalogue on the sustainable use of biodiversity-based products in the Latin America and Caribbean region. In total, over 100 SGP-supported biodiversity products (including native plants and animals, fruits and nuts, cacao, coffees, insects, natural fertilizers, jams and jellies, drinks and juices, honey, cooking oils and vinegars, seafood and other marine products, artisanal handicrafts, medicinal plants, and bath and body products) were documented in the region with high-quality photographs.<sup>15</sup> In partnership with the Progreso Network, the SGP will now take forward an on-line portal ([www.biodiversity-products.org](http://www.biodiversity-products.org)) to profile its work on sustainable use at the global level and stimulate further interest with potential buyers and markets to increase opportunities for small producers.

In Brazil, which has been upgraded to become a separate Full-Size Project during GEF-5, the SGP has supported over 315 projects since 1992 (comprising a GEF investment of some \$6.5 million) relating to biodiversity from the threatened cerrado biome. This includes support to more than 50 sustainable-use supply chains and microenterprises from a range of products such as golden grass, baru nuts, native fruits and other non-timber forest products. The SGP mobilization of a network of cerrado producers culminated in an investment of 3.50 million Euros in the cerrado by the European Commission.



SUPPORT TO AICHI TARGETS

7

11

12

14

*The Small Grants Programme has supported more than 7,827 community-based biodiversity projects totaling \$185 million, leveraging a further \$139 million in cash co-financing, and \$137 million in in-kind contributions.*

15 <https://www.cbd.int/doc/newsletters/news-biz-2010-05-en.pdf>



## MAINSTREAMING BIODIVERSITY INTO PRODUCTION LANDSCAPES/SEASCAPES AND SECTORS

### Background

The persistence of biodiversity, including threatened species that are not solely dependent on site-based action, requires the sustainable management of landscape and seascape mosaics; these include protected areas and a variety of other land and resource uses outside of these protected areas. Thus, in order to complement its investments to strengthen the sustainability of protected area systems, the GEF promotes measures to help reduce the negative impacts of productive sectors on biodiversity (particularly outside of protected areas and those affecting landscape species) and highlights the contribution of all components of biodiversity to ecosystem functioning, economic development and human well-being — a set of actions often referred to as “mainstreaming.” As noted by the Millennium Ecosystem Assessment, the sustainable use of biodiversity will only be achieved once it is mainstreamed within production sectors.

Biodiversity-dependent production sectors and those with large ecological footprints that impact biodiversity-rich habitat (including habitat for threatened species dependent on landscape-scale measures) are targeted in the GEF’s mainstreaming work: agriculture, fisheries, forestry, tourism and the major extractive industries of oil and gas, as well as mining.

The GEF’s support for biodiversity mainstreaming focuses on the role and potential contributions of both the public and private sector. The strategy aims to

strengthen public sector capacity to manage and regulate the use of biological diversity in the productive landscape and seascape. At the same, it seeks to exploit opportunities to support production of biodiversity-friendly goods and services by resource managers and users, including the private sector. As such, GEF mainstreaming projects strengthen the policy and regulatory frameworks for mainstreaming biodiversity, including the prevention and control of invasive alien species, as well as build capacities to produce biodiversity-friendly goods and services.

Between 2003 and 2012, the GEF supported the sustainable use of biodiversity within the production landscape/seascape through biodiversity mainstreaming by funding 186 projects. These projects, which provided \$729 million of GEF resources, leveraged more than \$3.5 billion in co-financing (with \$1.00 from GEF leveraging about \$5.00 in co-financing). Most of the investments have been in the agriculture, forestry and fisheries sectors with a significant number of projects in support of tourism and payment for ecosystem services.

### Innovation in Biodiversity Mainstreaming

Judging by the increased number and funding allocation to biodiversity mainstreaming projects when compared to the protected area portfolio, countries are prioritizing these projects as part of their GEF-supported portfolios. With regards to learning from good practice and innovation in biodiversity mainstreaming, three areas of GEF investment merit attention: increasing access to finance for biodiversity businesses, the still untapped potential of payment for ecosystem services and the incentive provided by environmental certification. The approaches



## The GEF has supported the mainstreaming of biodiversity in 274 million ha of productive landscapes and seascapes.

and project investments described below have high potential to be replicated within national resource mobilization strategies for biodiversity. Thus, when properly designed and targeted, they can make significant contributions to the achievement of Aichi Target 20.

### Support to Aichi Targets 4, 7, 8 and 20: The Unexploited Potential of the Finance Sector

A UNDP project, CAMBIO — *Central American Markets for Biodiversity* (GEF: \$10.2 million; co-finance: \$17 million) aims to mainstream biodiversity conservation and sustainable use within small-, micro- and medium-sized enterprise (SMME) development and financing in five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua). To that end, the project will strengthen the financial sector's capacity to provide loans for SMMEs that generate revenues from conserving biodiversity. This is critical because SMMEs in the region tend to lack access to finance or technical assistance. Banks themselves do not understand green markets and avoid taking risks in investing in biodiversity-related SMMEs. The SMMEs themselves have weak business management and limited knowledge of and access to green markets, which make it difficult for them to develop successful business models and apply for credit. Additionally, national policies favor conventional SMMEs and not biodiversity-friendly ones.

To overcome these barriers, the project employs a multi-pronged approach: strengthening the financial sector's capacity to provide loans and the SMMEs' capacity to receive and manage loans, while improving the policy framework to stimulate biodiversity-friendly business

models. The strategy is to provide technical assistance and partial credit guarantees. This, in turn, enables the region's commercial financial institutions to provide the loans through their normal channels. Hence, each loan becomes a pilot to be mainstreamed into the providers' risk and loan approval processes.

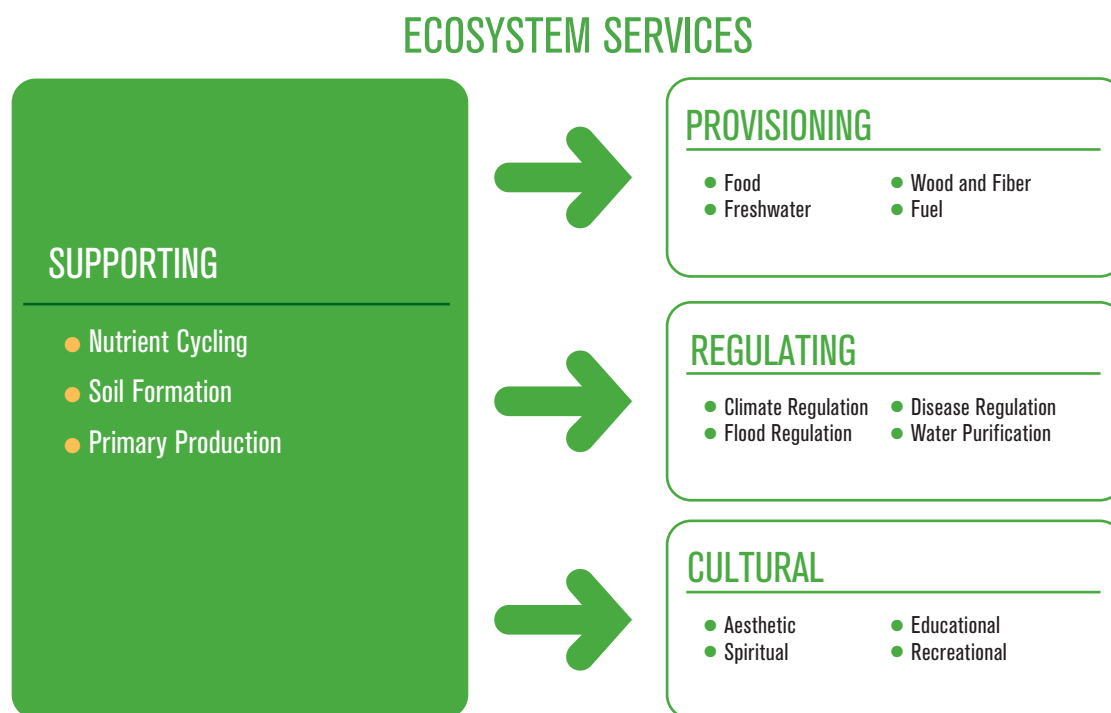
By project mid-term, and as of the most recently completed fiscal year of the project, financial institutions have approved more than \$13 million in loans and disbursed them to about 2,770 SMMEs — a significant increase over the \$2.5 million in loans cumulatively provided to nearly 300 final credit users in the previous year. Numerous biodiversity-friendly activities are being supported, including organic agriculture, organic certified coffee, agroforestry, sustainable forestry and tourism. By project mid-term, the only loan recipients that are already taking products to market are the certified coffee producers who have sold about 38 million tons of coffee for a total of \$192 million. Certification systems being applied include Rainforest Alliance, UTZ Kapeh, USDA Organic, BioLatina Organic and FLO-Fair Trade.

### GEF SUPPORT TO PAYMENT FOR ECOSYSTEM SERVICES (PES) SCHEMES

Humans are fundamentally dependent on the flow of ecosystem services. The Millennium Ecosystem Assessment defines ecosystem services as "the benefits people obtain from ecosystems."<sup>16</sup> Its "functional" classification of PES organizes ecosystem services into the following categories: supporting, provisioning, regulating and cultural (see Figure 3).

16 Millennium Ecosystem Assessment, 2005. *Ecosystems and Human Well-being: Synthesis*. Island Press, Washington, DC.

FIGURE 3 ECOSYSTEM SERVICES



Other schemes have classified ecosystem services based on geographical scale (local, regional, global), value to society (direct and indirect), the type of ecosystem providing the service (forest, coral reef, wetland, etc.), or the function provided (production of goods, regeneration processes, stabilizing processes, life-fulfilling functions).<sup>17</sup>

PES provides a promising area for GEF investment. Building on its experience, the GEF continues to support the design and implementation of PES schemes to compensate resource managers for off-site ecological benefits. This includes support to identify potential opportunities for PES schemes that incorporate private sector actors on the demand side.

The definition of “payments for ecosystem services” varies widely. It ranges from narrow market-based definitions with emphasis on direct transactions between providers and beneficiaries (sometimes with specifications on the nature and conditions of the transaction between buyers and sellers) to wide schemes where those who benefit from ecosystem services pay those who provide those services. It is important to remember that PES schemes are vehicles to help the provision of goods and services from nature become financially sustainable rather than goals in and of themselves.

The GEF has taken a pragmatic, wide-angle approach to supporting PES schemes. Overall, this has involved arrangements between buyers and sellers of environmental goods and services. On the one hand, buyers are fully aware of what they are paying for. On the other, sellers proactively and deliberately engage in resource-use practices aimed at securing the provision of the services.

By mid-2012, the GEF’s PES portfolio included 57 projects where PES is the main objective or a project component. Investments have been made in the development of national systems of PES; regional or local schemes with investments from the private sector; and public-private partnerships. GEF investments in PES projects have been significant: \$70 million in 14 projects where PES is central to the project’s design, which leveraged an additional \$395 million in co-financing. The GEF has also supported 15 projects where PES is part of the project design but not a core element (GEF \$73 million; \$281 million in co-financing), and another 28 projects where PES is only a minor element in the project (GEF \$82 million; \$918 million in co-financing). Only a very small portion of the budget for projects in these last two groups targeted the PES elements.

17 Huberman, D. and T. Leipprand. 2006. Developing International Payments for Ecosystem Services: A technical discussion. Economics and Trade Branch, UNEP, Geneva, Switzerland, August 2006.



## Support to Aichi Targets 1, 7, 12, 14, 15 and 20: *PES is Not Only About Water*

The early GEF portfolio mainly focused on establishing schemes focused on buyers and sellers of water as the ecosystem service. A completed World Bank project, *Mexico Environmental Services Project* (GEF: \$15.35 million; co-finance: \$166.79 million), strengthened and expanded two national PES programs in Mexico — the PSAH (Payments for Hydrological Environmental Services Program) system (which focuses mostly on hydrological services) and the CABSAs (Program to Develop Environmental Services Markets for Carbon Capture and Biodiversity and to Establish and Improve Agroforestry Systems), which seeks to provide incentive payments for carbon capture and biodiversity conservation. It aimed to conserve the ability of mountain forest ecosystems to provide several environmental services: watershed, carbon and biodiversity.

The key outcomes and outputs were:

- i. strengthening the capacity of CONAFOR (the National Forestry Commission), community associations and NGOs to increase flexibility and improve efficiency of existing service provision to support long-term development of the PSAH program in Mexico;
- ii. establishing and securing sustainable long-term financing mechanisms;
- iii. establishing legal, institutional and financial arrangements to pilot market-based mechanisms for payment for environmental services;
- iv. documenting links between land-use changes and water services improvements and biodiversity conservation; and
- v. defining good practices to replicate, scale-up and sustain market-based PES programs.

The project supported species and habitat conservation on 644,600 ha of land under the national PES program compared to an original target of 84,500 ha. In addition, another 2.5 million ha of land has been brought under PES contracts; the original target was 500,000 ha in additional land. In terms of replication, 30 contractual arrangements have been established, paying \$4.3 million per year and covering 122,500 ha; the original target was to establish two local mechanisms covering 5,000 ha with \$197,500 in payments. Finally, an endowment fund was established in CONAFOR with \$21.5 million, which will ensure sustainability and continued payments for the provision of biodiversity services. Hence, the project demonstrated how PES can serve to finance the provision of biodiversity benefits within and outside of protected areas through the provision of incentives.

## GEF SUPPORT TO ENVIRONMENTAL CERTIFICATION

The GEF biodiversity strategy has supported certification projects for more than a decade. Often partnering with executing agencies with a specialty in certification, GEF agencies have worked with partners to build producers' capacity to bring products to the certified market and to receive the premium provided. Perhaps the GEF's most dynamic and successful engagement to date has been with the Rainforest Alliance; here, the GEF, UNDP and UNEP are working in more than 20 countries and four continents to conserve biodiversity and improve the production practices of key commodities through alliances with local, national and regional governments, as well as local and international companies.

The GEF has invested \$5 million in a five-year UNEP project, *Greening the Cocoa Industry*, which will benefit 25,000 farmers in Africa, Asia and Latin America. Kraft Foods, Mars Incorporated and other companies sourcing Rainforest Alliance Certified™ cocoa are also joining these efforts and have helped contribute to the \$15 million in total co-financing. The project seeks to bring 10 percent of the world's cocoa production into a more sustainable production system that will improve biodiversity conservation in the tropics.

In 2006, the GEF invested \$12 million in a seven-year project implemented by UNDP, *Biodiversity Conservation in Coffee: Transforming Productive Practices in the Coffee Sector by Increasing Market Demand for Certified Sustainable Coffee*. It leveraged \$81 million in co-financing to increase production and demand for sustainable coffee from five Latin American countries. The growing availability and awareness of sustainable coffee has resulted in many companies — including McDonald's, Mars and Kraft Foods — sourcing Rainforest Alliance Certified™ coffee. In calendar year 2011, sales of the coffee produced in the project countries were 130 metric tons (an increase of 100 metric tons since the start of the project). To date, more than 500,000 ha (representing more than 95,000 farmers) in the project countries are Rainforest Alliance Certified™, an increase of more than 400,000 ha since the start of the project. In terms of benefits to producers, a recent study in El Salvador determined that Rainforest Alliance Certified™ farms increased their yield by 76 percent, compared to 22 percent in a control group.

## Future Challenges and Opportunities

Successful biodiversity mainstreaming would be arguably the most pivotal achievement for the conservation community to ensure biodiversity is sustained globally.

GEF project investments that seek to promote mainstreaming, however, often require dialogue and interaction among diverse public and private sector actors and changes in behavior that can be difficult to realize.

Advancing policy change through the phases of policy development, implementation, enforcement and monitoring requires long-term engagements and incentive frameworks at the national level that catalyze action. Within the GEF portfolio, success has often been achieved with small policy pilots to demonstrate potential impact before larger scale national-level initiatives were put in place. Experience has also shown that, within GEF project design and implementation strategies, enforcement is critical to ensure that policy changes actually have the desired outcome in the field.

PES offers an opportunity to secure the financial resources necessary to conserve and sustainably use biodiversity in perpetuity. Two main tracks have been developed to establish PES schemes: national systems and market-based schemes.

National systems internalize ecosystem services in national economies through the national taxation system. While this affords relative stability in the short term, the services remain exposed to changes in fiscal policies. In market-based PES schemes, a voluntary agreement links parties to deliver a service in exchange for payment.

While a number of successful pilot projects are operational focusing on carbon, water, biodiversity and scenic beauty, several issues must be addressed before scaling-up can take place. For carbon, funding for forests through REDD will remain limited until a wider climate change agreement is reached. A key issue for payments for water is to be able to develop and implement trans-boundary schemes in large watersheds. Developing approaches for biodiversity-focused PES continues to be the greatest challenge with biodiversity largely protected as a spin-off from carbon or water PES schemes. Realistically, while many areas have aesthetic value, only areas suitable for tourism that support charismatic fauna and flora are likely to benefit. Going forward, the GEF will continue to support PES, while extracting lessons learned to enhance the long-term sustainability of these approaches.

The GEF's Scientific, Technical and Advisory Panel (STAP) identified key challenges for GEF certification as a tool for biodiversity mainstreaming.<sup>18</sup> These included project design issues such as adverse self-selection and the

weak evidence base for demonstrating positive socioeconomic or environmental impacts of certification. Therefore, the GEF is requiring certification projects to carefully explain the pathways through which their projects will generate desired environmental, and perhaps socioeconomic, impacts. Moreover, designs must evaluate the environmental impacts of the certification program; in this way, credible inferences could be drawn about whether the project and its promotion of certification as a mainstreaming tool are contributing to changes in the status and trends of the biodiversity indicators.

### **Support to Aichi Target 9: Systemically Addressing the Threat of Invasive Alien Species in Island States (SIDS)**

Since 2008, the GEF has been financing through UNDP an innovative project in Seychelles titled *Integrated Ecosystem Management Programme: Mainstreaming Prevention and Control Measures for Invasive Alien Species into Trade, Transport and Travel across the Production Landscape* (GEF: \$2 million; co-finance: \$4.9 million). The project is executed by the Government of Seychelles and contributes directly to the national achievement of Aichi Target 9 on the threats to biodiversity caused by invasive alien species (IAS). More specifically, Target 9 proposes that IAS and pathways are identified and prioritized; that priority species are controlled or eradicated; and that measures are put in place to manage pathways to prevent their introduction and establishment. This is an ambitious target and highly significant for a SIDS like Seychelles.

IAS comprise the single greatest threat to native species and habitats in Seychelles — a biodiversity-rich country and part of the Mascarene Biodiversity Hotspot. Invasive plants out-compete and smother the native flora, while invasive animals similarly out-compete and prey on the fauna in Seychelles. In response, the project aims to combat the introduction of IAS through the movement of people and merchandise into and within the country. Working on the principle that “prevention is better than the cure,” the project is working on three important avenues of change.

First, the project is fostering Seychelles' systemic capacity to control the introduction and spread of IAS effectively through the development of an adequate policy and regulatory framework. A new Plant and Animal Health Services (PAHS) has been established and mandated to exert this control. An IAS Strategy and the broad Biosecurity Policy have been approved

18 Environmental Certification and the Global Environment Facility, A STAP Advisory Document, September 2010.



by Cabinet. The new Animal and Plant Biosecurity Bill will follow suit. A copy of the policy and legal framework package has been submitted to the World Trade Organization as part of Seychelles' WTO Accession process. The strategy, the policy statement and the bill to deal specifically with IAS are groundbreaking in Seychelles; the policy and strategy, in particular, are focused on the importance of prevention and on national capacity building.

Secondly, the project is strengthening the institutional capacity to prevent and control the introduction and spread of IAS. There has been extensive training of PAHS officers, other staff at the Seychelles Agricultural Agency, customs officers, public health and veterinary workers and other relevant government agencies and NGOs. Furthermore, a Biosecurity Operations Manual was developed and a new disembarkation procedure at the airport and port now include IAS screening. The project financed essential X-ray equipment for the

Mahe Airport, which detects organic material in all incoming baggage.

Thirdly, the project is improving the knowledge and learning capacities to control the introduction, establishment and spread of IAS. Public awareness and related efforts are raising the profile of IAS prevention, control and management in the country. All new Biodiversity, Environment, Trade, Public Health and Border Management policies and legislation being drafted consider the threats posed by IAS to native biodiversity and biosecurity issues in general. There is also extensive collaboration with other UNDP-GEF projects and other national and regional initiatives funded by other donors, e.g. EU IAS projects with NGOs and projects with the Indian Ocean Commission.

Altogether, the Seychelles IAS project embraces the challenges of preventing and controlling the impact of IAS in Seychelles from governance and mainstreaming points of view with very interesting results to show.

#### Box 4: Support to Aichi Target 12: *Save our Species Program (SOS)*

The conservation of threatened species serves many purposes beyond preventing the extinction of species science knows are on the verge of disappearing forever. These include raising public awareness, coalescing local communities around the plight of biodiversity conservation and protecting the habitats of many other less known species. Also, when the tide shifts for a particular species, it is often the case that natural resources management has taken a more sustainable path, and at various levels. This also indicates that capable institutions are being established, that adequate governing mechanisms are beginning to be put in place and that ecosystem services, such as clean water and soil fertility, are being provided by the local habitat.

The conservation community has made great strides in protecting globally relevant species, but there is a vital missing link to help scale-up these efforts effectively: the private sector. The Save Our Species program was established by the GEF (GEF \$4.9 million; co-financing \$8.8 million for a total cost of \$13.79 million), the World Bank and the International Union for Conservation of Nature (IUCN) as a scalable response to a global natural emergency. It presumes that businesses and corporations that have built their logos and brands based on thousands of species worldwide have a vested interest in becoming involved in this immediate crisis.

The World Bank and the GEF, as noted above, have each contributed about \$5 million to initiate the program. The program aims to match these funds through private sector engagement. Ultimately, the program wants to build a large species conservation fund by 2015. Considerable efforts are ongoing to complement the existing GEF and World Bank funding. In April 2011, for example, Nokia became a platinum member for three years (2011 to 2013). The French government, through its French Global Environment Facility (FFEM), signed an agreement with SOS for 1 million Euros in February 2012.

Since its inception, five pilot grants were awarded to regional programs of different conservation organizations. They all concluded between September 2011 and January 2012, reporting conservation impacts on more than 58 threatened species. Twenty-three new SOS projects (totaling approximately \$3.3 million) were selected for funding; grant agreements were negotiated and signed between December 2011 and January 2012.

Between 2010 and 2012, the SOS dedicated \$3,983,610 and leveraged \$6,997,791 in co-finance to conserve 75 threatened species in 34 countries, thus making a significant contribution to Aichi Target 12.

## IMPLEMENTING THE CARTAGENA PROTOCOL

### Background

Countries require management systems and frameworks to effectively manage living modified organisms that may have adverse effects or pose a risk to biodiversity. The GEF will continue to help build country capacity to implement the Cartagena Protocol on Biosafety (CPB). To that end, the GEF's strategy takes into account the guidance from the Conference of the Parties (COP)–Meeting of the Parties (MOP) and lessons and experiences emerging from the GEF biosafety portfolio. Priority will be given to activities for the implementation of the CPB specified in the COP guidance to the GEF with respect to biosafety. Of particular note are key elements in the *Updated Action Plan for Building Capacities for the Effective Implementation of the CPB*, agreed to at COP–MOP-3, and identified in a country's stock-taking analysis.

### Innovation in Implementing the Cartagena Protocol

The use of tools from modern biotechnology has proven to be a very contentious issue. There is little disagreement that the potential benefits of biotechnological applications can be offset by potential environmental and human health risks. These, in turn, must be addressed through the establishment of effective biosafety frameworks. The GEF began supporting biosafety capacity building in 1997 to help countries get ready for the entry into force of the Cartagena Protocol, and has increased its support since the entry into force of the CPB in 2003. GEF biosafety projects have helped many countries ratify the CPB more quickly than would otherwise have been the case. All countries (100) supported to complete National Biosafety Frameworks have ratified the Protocol.

The GEF supported the project *Building capacity for effective participation in the Biosafety Clearing House of the Cartagena Protocol* in 2004 (GEF \$4.6 million and \$350,000 in co-financing). The project's overall objective was to help eligible countries obtain the capacity to access and use the BCH in order to implement their obligations under the CPB. This project was extended to 89 countries in 2005 with an investment of \$8.9 million from the GEF, leveraging \$1.0 million in co-financing. A total of 123 countries have benefited from this project.

Building on results of the BCH project, the GEF invested in another project in support of the Biosafety Clearing House (BCH-2). Its objective was to strengthen national capacities to access and use BCH effectively, as well as to promote regional and sub-regional collaboration and networking, along with the exchange of experience for national and regional BCH management. BCH-2 will benefit 50 countries.

### Future Challenges and Opportunities

The GEF will focus on capacity building to help implement NBFs and the implementation of the Cartagena Protocol at national, sub-regional and regional levels. Priority will be given to activities that support the implementation of the CPB, particularly the key elements in the Updated Action Plan for Building Capacities for the Effective Implementation of the CPB (agreed at COP–MOP-3 and future guidance provided by the COP–MOP). A stock-taking assessment of participating countries will be a first step in project design and will guarantee tailored support to demonstrated country needs.

In addition to national, sub-regional and regional proposals, the GEF will support multi-country issue-specific projects. Potential issues include documentation needs and labeling, risk assessment and risk management, decision-making systems, monitoring for environmental impact, socioeconomic considerations and Living Modified Organisms (LMO) detection.





### Box 5: Support to Aichi Targets 7, 11, 14 and 18: Working together with Indigenous and Local Communities

Large populations of indigenous and local communities live in areas where the vast majority of the world's globally significant biodiversity is found. According to a recent study by the World Resources Institute, traditional indigenous territories encompass up to an estimated 22 percent of the world's land surface and 80 percent of the planet's biodiversity. Particularly, many protected areas of the world are found within or overlap with the lands, territories and resources of indigenous peoples. This convergence of significant biodiversity areas and indigenous territories presents an enormous opportunity, as well as a challenge to expand efforts to conserve biodiversity in protected areas and in the larger production landscape. Indigenous communities have preserved and maintained knowledge, innovations and practices that are highly relevant for the conservation and sustainable use of biodiversity. Based on their traditional knowledge, they have also made a substantial contribution to the conservation and sustainable use of globally significant biological resources. It is important to ensure that the rights, interests and livelihoods of indigenous peoples are taken into account to achieve conservation and sustainable use of biodiversity.

The GEF has been working closely with indigenous and local communities since its inception, recognizing that their effective public involvement is essential to the success of its projects. The CBD Aichi Target 18 also seeks to respect, fully integrate and reflect the traditional knowledge, innovations and practices of indigenous and local communities relevant for conservation and sustainable use of biodiversity, along with these communities' customary use of biological resources. Successful implementation of conservation projects affecting indigenous and local communities requires full and effective participation of these communities at all relevant levels.

The GEF recently prepared the Principles and Guidelines for Engagement with Indigenous Peoples. These reaffirm the existing GEF Principles related to Indigenous Peoples, including those articulated in *GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards and Policy on Public Involvement in GEF Projects*, and to further elaborate new guidelines that provide additional clarity and practical guidance on the application of these policies to GEF Partner Agencies and all stakeholders interested in GEF-financed projects. The paper also establishes mechanisms through which the GEF will strengthen its engagement with indigenous peoples. The mechanisms include, among others, the designation of an Indigenous Peoples focal point for effective engagement, as well as the creation of an Indigenous Peoples Advisory Group to advise on the operationalization of this Principles and Guidelines paper.

To date, the GEF has financed more than 160 biodiversity projects that involve indigenous peoples. The GEF-5 Biodiversity Focal Area Strategy also explicitly notes the role of indigenous and local communities, promoting their participation and capacity building in the design, implementation and management of protected area projects through established frameworks such as indigenous and community conserved areas (ICCAs). The GEF will also promote protected area co-management between government and indigenous and local communities where such management models are appropriate.

Many GEF projects that involve indigenous communities focus on capacity building and awareness raising, policy and institutional development, promotion of sustainable economic opportunities and practical and innovative conservation actions in protected areas and buffer zones, as well as in the larger production landscape. The GEF-supported project on the Indigenous Peoples' Network for Change supports indigenous and local communities, as well as activities to increase their awareness of and effective participation in the CBD and GEF processes. The project also developed communication and information mechanisms that promote an effective exchange of information.

*The Integrated Ecosystem Management in Indigenous Communities Project in Central America* (GEF: \$9.7 million; co-financing: \$39.88 million), implemented by the World Bank and the Inter-American Development Bank, represents one of the first large-scale GEF projects devoted to strengthening the role of indigenous peoples in biodiversity conservation and management. The total area inhabited by indigenous people in Central America is estimated to be as high as 170,000 square km, or almost 33 percent of the area of the seven countries that make up the region. The project aims to achieve effective conservation of biodiversity and natural resources in the seven Central American countries (Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica and Panama) by strengthening the capacity of indigenous communities to protect and manage their natural and cultural resources, as well as rescuing and reinforcing traditional land-use practices they have developed over centuries. The project has adopted a highly participatory approach in organizing consultations with the indigenous communities to begin project implementation, while ensuring that there was skilled and experienced project staff working with indigenous communities. The project has initiated conservation efforts in 135,000 ha of land; this complements the 30,100 ha already under community management practices. More than 193 indigenous and rural communities have been participating in the agro-ecological productive systems, which promote farming without chemical inputs.

## ACCESS AND BENEFIT SHARING

### Background

The GEF-5 strategy includes a specific objective on building capacity on access and benefit sharing that incorporated previous COP guidance and that supports implementation of Aichi Target 16. The strategy was developed prior to the successful completion of negotiations of an international regime on ABS that subsequently took place at COP-10 in Nagoya, Japan.

The GEF strategy identifies as a priority capacity building of governments for meeting their obligations under Article 15 of the CBD, as well as building capacity within key stakeholder groups (including indigenous and local communities, as well as the scientific community). Projects under this objective were to be consistent with the Bonn Guidelines on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising out of their Utilization, as well as the related action plan on capacity building for ABS adopted under the Convention. Going forward, the GEF will, of course, respond to formal guidance provided on implementation of the Nagoya Protocol.

Since its inception, through regular project support (not including enabling activities), the GEF has funded more than 57 projects for a total of \$239 million in grants to support ABS issues. The grants leveraged approximately \$593 million in co-financing from various partners for a total of \$832 million directed toward ABS objectives.

### Innovation in Supporting ABS: The Nagoya Protocol Implementation Fund

As the President of COP-10, Japan proposed a new multi-donor trust fund managed by the GEF to support implementation of the Nagoya Protocol. On February 18, 2011, the GEF Council subsequently approved the Nagoya Protocol Implementation Fund (NPIF). In addition, at its spring meeting of 2011, the Council approved proposed arrangements for the NPIF's operation.

The Government of Japan initially contributed JPY 1 billion (USD eq. 12.24 million). The Governments of Norway and Switzerland followed with contributions of NOK 6 million (USD eq. 1 million) and CHF 1 million (USD eq. 1 million) respectively. In addition, the Governments of the United Kingdom and France contributed \$500,000 and EUR 1 million (USD eq. 1.2 million) respectively. Contributions paid towards the NPIF as of June 30, 2012 amount to \$15.6 million.

#### Support to Aichi Target 16: Application of the Nagoya Protocol in Panama

The project, *Promoting the application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Panama* (NPIF: \$1.0 million; co-finance: \$3.42 million), implemented by UNDP, will concentrate on the discovery of nature-based products for the pharmaceutical and agrochemical industries; increase the scientific capacity of national research institutions; and promote the conservation of genetic resources in the Protected Areas System of Panama. This is a joint-venture with the



*Since its inception, the GEF has funded more than 57 projects for a total of \$239 million in GEF grants to support ABS. The grants leveraged approximately \$593 million in co-financing from various partners for a total of \$832 million directed toward ABS objectives.*

Government of Panama (National Environment Agency – ANAM), academic institutions (University of Panama, University of Utah and University of California, San Diego), research institutions (Institute of Advanced Scientific Investigations and High Technology Services of Panama – INDICASAT) and the private sector (Eisai Inc. Dow AgroScience and Centauri Technology Corporation).

In addition to the discovery of active compounds in protected areas, the project will work on the transfer of technology with the assistance of the private sector partners; on the improvement of Coiba National Park infrastructure; and on the enhancement of the national government's capacities to facilitate access and benefit-sharing agreements, as well as handling issues, under the Nagoya Protocol.

## SUSTAINABLE FOREST MANAGEMENT FOR MULTIPLE BENEFITS: GEF'S SFM/REDD + STRATEGY

### Background

For 20 years, the GEF has recognized the importance of forests for their role in sustaining biodiversity, their ability to provide a range of important environmental services and their potential contribution to many countries' sustainable development plans. Through its finance, the GEF has become an important supporter of a range of projects and programs working towards the conservation and sustainable use of forest resources in developing countries.

In its fifth replenishment cycle, the GEF has expanded and strengthened its support to Sustainable Forest Management (SFM) — including in the field of climate change mitigation — to take advantage of the priority and opportunities opening for forests on the international agenda. The GEF's SFM/REDD+ strategy seeks multiple global environmental benefits from the management of all types of forests and strengthening of sustainable livelihoods for people dependent on forest resources.

Forest ecosystems provide a variety of benefits at the global, sub-regional, national and local scales. Forests provide a wide range of goods and ecosystem services such as food, wood, fiber, water catchment protection, climate regulation and biological diversity.

Forest ecosystems also face a variety of pressures — from the impacts of climate change to the many drivers

### Box 6: Support to Aichi Targets 2 and 17

The GEF approved proposals from 102 countries, or 70 percent of GEF-eligible countries, to revise their National Biodiversity Strategy and Action Plan in accordance with the new Strategic Plan of the CBD and the Aichi Biodiversity Targets.

Within the context of these proposals, support was also provided for developing a resource mobilization strategy, conducting a technology needs assessment, supporting the clearing-house mechanism and producing the fifth national report. Nesting these activities within the NBSAP streamlined funding support and also encouraged the integration of assessments, strategies and reports within the framework of the NBSAP; this approach thus increased the likelihood of integrating outputs from these activities into both the NBSAP and associated development policy at the national level.

of deforestation and forest degradation. These threats pose complex challenges to managing existing forest ecosystems in a sustainable way, but also protect forests from being replaced by other land uses. SFM enables the creation of synergies, at a range of levels, between biodiversity, climate and livelihood benefits.

Today, forests are at the center of the international debate related to their contribution to addressing climate change, their range of vital ecosystem services and their role in providing sustainable livelihoods for rural populations around the world. As the agricultural frontier expands globally, pressure to convert tropical forests increases and forests are frequently seen simply as a location for alternative land uses. Across the tropics, in the 20 years to 2000, more than 55 percent of new agricultural land came at the expense of intact forests, and another 28 percent came from disturbed forests.<sup>19</sup> While deforestation shows signs of decreasing, it remains at a high rate in several countries. Globally, around 13 million ha of forests were lost each year between 2000 and 2010.<sup>20</sup> While deforestation and forest degradation cause an estimated 17.4 percent of global greenhouse gas emissions, analyses show that the world's existing forests are a large carbon sink, sequestering an estimated  $2.4 \pm 0.4$  Pg of carbon per year in the period 1990–2007, more than 7 percent of total annual greenhouse gas emissions in 2004.<sup>21</sup>

19 H. K. Gibbs, Ruesch A. S., Achard F., Clayton M. K., Holmgren P., Ramankutty N., and Foley J. A. (2010) Tropical forests were the primary sources of new agricultural land in the 1980s and 1990s *PNAS* vol. 107 no. 38 16732-16737.

20 FAO (2010) *Global Forest Resources Assessment*. Food and Agriculture Organization of the UN. Rome.

21 Yude Pan, Birdsey, R. and Fang, J. et al. (2011). A large and persistent carbon sink in the world's forests. *Science* 333(6045): 988–993.



## Innovation in Implementing SFM: Targeting Multiple Benefits

The GEF SFM/REDD+ strategy expands GEF support for a wide range of SFM tools such as protected area creation and management, integrated watershed management, certification of timber and non-timber forest products, payment for ecosystem services schemes, financial mechanisms related to carbon, development and testing of policy frameworks to slow the drivers of undesirable land-use change and work with local communities to develop alternative livelihoods to reduce emissions and sequester carbon.

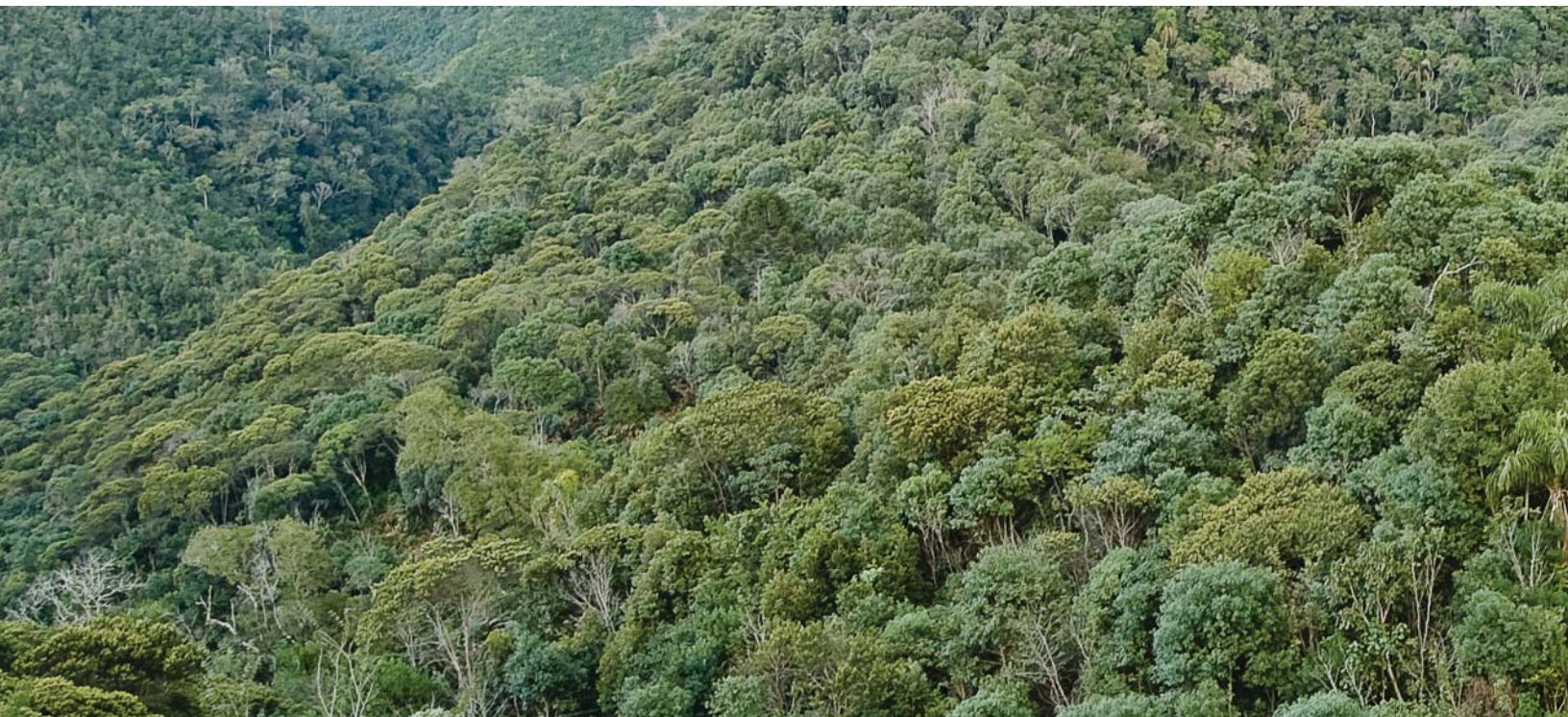
GEF-5 includes a separate \$250 million funding envelope for forests. This operates as an incentive mechanism for developing countries to invest up to \$750 million of their STAR allocations from biodiversity, climate change and land degradation in forests. Altogether, up to \$1 billion will be made available for SFM/REDD+ throughout GEF-5. The allocation of resources to projects and programs on SFM/REDD+ is made in a ratio of 3:1 i.e. for every three units of investment from a country's STAR resources, one unit will be released from the SFM/REDD+ incentive to the project.

To qualify for SFM REDD+ incentive funds, a country's combined allocations in the project must be above the minimum investment of \$2 million up to a maximum of \$30 million. Large allocation countries may also choose

to allocate additional resources for forests, but these would not be eligible for incentive funding beyond the \$30 million ceiling. The goal for GEF-5 investment in forests is to achieve multiple environmental benefits from improved management of all types of forests. The portfolio of projects and programs implemented under the SFM strategy provide effective forest ecosystem services and strengthen the livelihoods of people dependent on the use of forest resources.

GEF-5's SFM/REDD+ strategy is fully responsive to the guidance provided by the UNFCCC, UNCCD and CBD and specifically Aichi Targets 5, 7, 11, 12, 14 and the conservation aspects of Target 15. It also addresses the focus of the non-legally binding instrument (NLBI) on all types of forests of the United Nations Forum on Forests (UNFF).

The SFM REDD+ program is used to coalesce and augment multi-sector and multi-focal area investments in transformative initiatives in forests. The GEF has a significant comparative advantage in directing investments that support measures to deliver multiple global environmental benefits; these benefits include the protection of forest habitats, forest ecosystem services, mitigation of climate change and protection of international waters, reflecting the transversal nature of forests globally. The GEF-5 strategy works with and supports the calls for international cooperation and national action to reduce deforestation, prevent forest degradation, promote





sustainable livelihoods and reduce poverty for forest-dependent peoples.

Through the SFM-REDD+ program, the GEF has contributed \$401,335,113 toward SFM /REDD+ projects; this, in turn, has leveraged an additional \$3,462,058,589 in co-finance during GEF-5: this has been invested in three programmatic approaches and 31 stand-alone projects. These programs and projects have used approximately 36 percent of the initial \$250 million incentive. Regionally, GEF grant funds directed to forests through the SFM/REDD+ program are: Africa \$153.1 million, East Asia and the Pacific \$34.6 million, Europe and Central Asia \$29.4 million, Latin America and the Caribbean \$159.6 million and South Asia \$24.6 million.

The current portfolio is quite diverse with projects addressing all elements of SFM as defined by the United Nations Forum on Forests (UNFF). The following two projects approved in GEF-5 illustrate the unique design approaches underway to generate multiple global environmental benefits through SFM interventions.

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### **Support to Aichi Targets 3, 5, 7 and 15: *Multiple Benefits from Forests***

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In Cameroon, the project *Sustainable Forest Management Under the Authority of Cameroonian Councils* (GEF \$3,573,333; co-finance \$16,195,000), implemented by FAO, seeks to reverse deforestation

and forest degradation in forests under the authority of local councils in order to improve biodiversity conservation, reduce emissions and enhance carbon stocks. This project aims to improve the sustainable management of 400,000 ha of productive council-managed forests through the creation and management of 40,000 ha of strict PAs within the council forests, as well as the restoration of 50,000 ha of degraded forests. A comprehensive land-use plan for the council forests will be developed, along with detailed forest management plans. These activities will be complemented by capacity building to strengthen local stakeholders for biodiversity conservation and SFM in the council forests, as well as approaches to maintain and enhance forest carbon.

In India, the project *Integrated Biodiversity Conservation and Ecosystem Services Improvement Project* (GEF \$20,500,000; co-finance \$115,000,000), implemented by the World Bank, will strengthen institutional capacities to conserve globally significant biodiversity, enhance carbon sequestration and sustain the flow of ecosystem services in production forests of the central Indian highlands and Western Ghats. The project will also pilot methodologies to reduce the impact of shifting cultivation in the Himalayan state of Nagaland. On the one hand, these investments focus on production and reserved forests areas, developing community-based models for natural resource use. On the other, they aim to improve the sustainability of existing PAs by reducing the anthropogenic pressures on them.









# Monitoring the GEF Biodiversity Portfolio

## RESULTS AT THE PORTFOLIO LEVEL

The GEF Evaluation Office has the central role of ensuring the independent evaluation function in the GEF, setting minimum requirements for monitoring and evaluation, ensuring oversight of the quality of monitoring and evaluation systems on the project and program levels and sharing evaluative evidence within the GEF. The Office develops the policy, related guidelines and administrative procedures to help project managers and Agency and GEF Secretariat staff plan and conduct monitoring and evaluation.

The GEF Monitoring and Evaluation Policy outlines norms and standards for the GEF Secretariat and the GEF Evaluation Office.<sup>22</sup> The Policy explains the concept, role and use of monitoring and evaluation within the GEF; establishes minimum requirements for how projects should be monitored and evaluated in line with international standards; and assigns roles and responsibilities for these tasks. The GEF agencies plan and implement their project monitoring and evaluation, in line with their own systems and procedures and based on these minimum requirements and guidelines.

Figures 4 and 5 depict the ratings of the 231 biodiversity projects under implementation at time of publication in terms of achieving their development/global environment objectives (DO) and their respective implementation progress (IP). The ratings system is as follows:

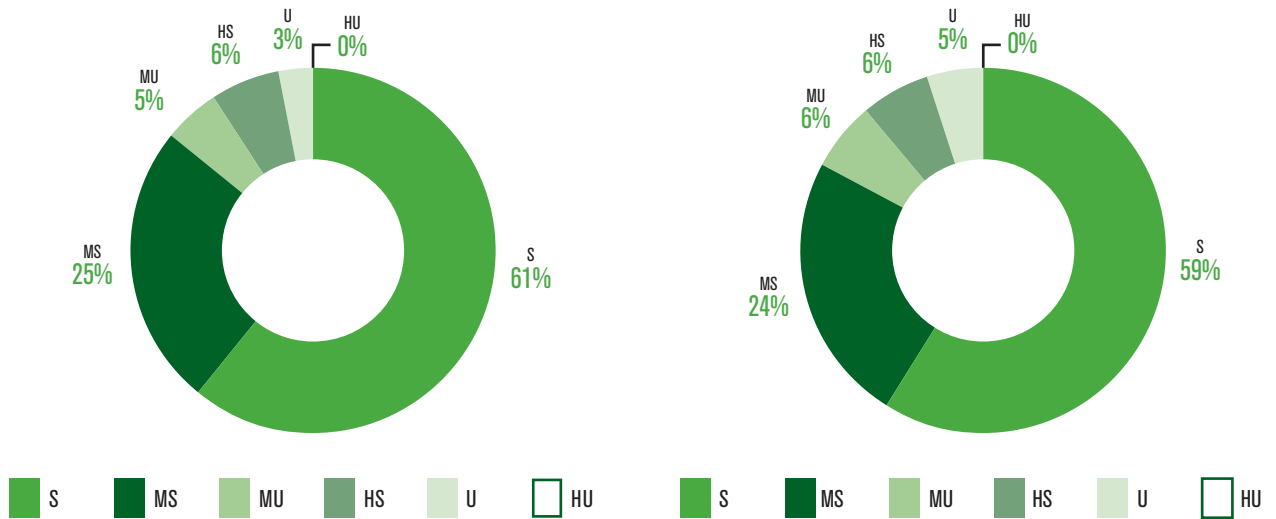
- **Highly satisfactory (HS).** The project had no shortcomings in the achievement of its objectives in terms of relevance, effectiveness or efficiency;
- **Satisfactory (S).** The project had minor shortcomings in the achievement of its objectives in terms of relevance, effectiveness or efficiency;
- **Moderately satisfactory (MS).** The project had moderate shortcomings in the achievement of its objectives in terms of relevance, effectiveness or efficiency;
- **Moderately unsatisfactory (MU).** The project had significant shortcomings in the achievement of its objectives in terms of relevance, effectiveness or efficiency;
- **Unsatisfactory (U).** The project had major shortcomings in the achievement of its objectives in terms of relevance, effectiveness or efficiency; and
- **Highly unsatisfactory (HU).** The project had severe shortcomings.

The GEF's corporate goal is to have at least 75 percent of projects achieve ratings of moderately satisfactory or higher. Within the biodiversity portfolio, 92 percent of projects are achieving their global environment objectives at a rating of MS or higher, with 67 percent achieving ratings of Satisfactory or Highly Satisfactory. At the same time, 89 percent of projects are achieving implementation progress ratings of MS or higher, with 65 percent achieving ratings of Satisfactory or Highly Satisfactory.

<sup>22</sup> [http://gefweb.org/uploadedFiles/Policies\\_and\\_Guidelines-me\\_policy-english.pdf](http://gefweb.org/uploadedFiles/Policies_and_Guidelines-me_policy-english.pdf)

**FIGURE 4 DEVELOPMENT OBJECTIVE RATINGS AND IMPLEMENTATION PROGRESS RATINGS**

|                                  |                 |
|----------------------------------|-----------------|
| <b>NUMBER OF PROJECTS</b>        | 231             |
| <b>TOTAL GRANT</b>               | \$1,045,140,112 |
| <b>TOTAL EXPECTED CO-FINANCE</b> | \$3,965,495,364 |

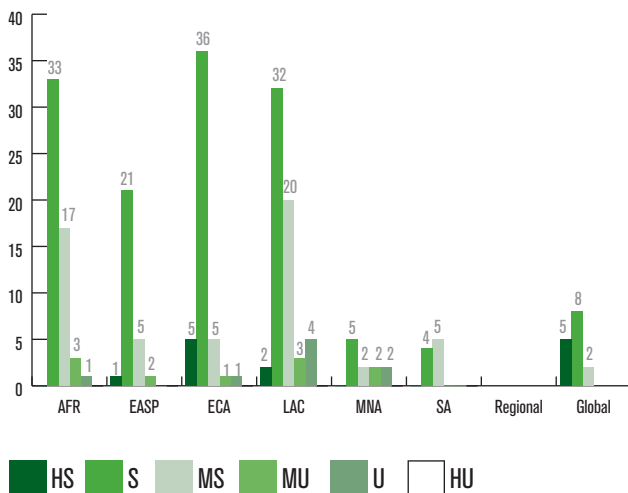


**FIGURE 5 DEVELOPMENT OBJECTIVE RATINGS AND IMPLEMENTATION PROGRESS RATINGS BY REGION**

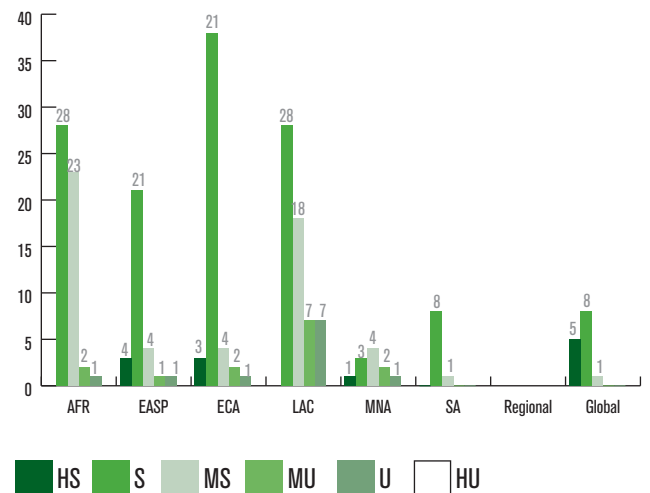
Number of Projects by Region (Africa, East Asia Pacific, Europe/Central Asia, Latin America and the Caribbean, Middle East North Africa, South Asia, Regional, Global)

| AFR | EAP | ECA | LAC | MNA | SA | REGIONAL | GLOBAL |
|-----|-----|-----|-----|-----|----|----------|--------|
| 54  | 31  | 48  | 61  | 11  | 10 | 0        | 16     |

**DO RATING PER REGION**



**IP RATING PER REGION**







Of the 231 projects, 18 (8 percent) received sub-optimal ratings in terms of achieving their development objectives (one year or more of moderately unsatisfactory or worse rating) and 25 (11 percent) received sub-optimal ratings regarding their implementation progress. In the case of projects with suboptimal performance, GEF agencies undertake management actions to improve project performance.

In addition to DO and IP ratings, GEF projects apply biodiversity tracking tools to measure progress in achieving the portfolio-level outputs and outcomes established in the biodiversity focal area strategy.<sup>23</sup> Full reports of implementation progress, including output and outcomes recorded in the GEF tracking tools, can be found at: [http://www.thegef.org/gef/AMR\\_archive](http://www.thegef.org/gef/AMR_archive) and <http://www.thegef.org/gef/content/amr-2011>.

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<sup>23</sup> The biodiversity tracking tools can be found on the GEF website under Biodiversity-Tracking Tools.







# Looking Ahead: GEF Support to Implementation of the CBD and Achieving the Aichi Targets

At COP-10, in Nagoya, Japan, the Conference of the Parties to the CBD adopted an ambitious 10-year Strategic Plan (2011-2020) and its associated Aichi Biodiversity Targets. The plan provides both inspiration and a roadmap for broad-based action on the part of a wide array of stakeholders to better manage the world's biodiversity patrimony. The Aichi Targets provide a discrete measuring stick for assessing progress in achieving the strategy's mission to "take effective and urgent action to halt the loss of biodiversity in order to ensure that by 2020 ecosystems are resilient and continue to provide essential services thereby securing the planet's variety of life, and contributing to human well-being and poverty eradication."

Clearly, a plan of such scope and vision will require creative responses from all stakeholders, particularly to find the necessary financial resources to translate decisions into actions on the ground. Assessments of the global financing requirements for implementation of the strategic plan are underway, including the financial needs assessment for the GEF-6 replenishment and the High-Level Panel on Global Assessment of Resources for Implementing the Strategic Plan, co-sponsored by the Governments of India and the United Kingdom. In addition, the GEF is currently supporting countries to revise their National Biodiversity Strategies and Action Plans (NBSAPs); a key element of the revised NBSAPs will be resource mobilization strategies to help close the funding gap at the national level. Although none of these studies have yet concluded, initial estimates of the financial resources required are very high.

With these clear and decisive markers, the global community now embarks on a critical decade for action. The GEF, in its role as the financial mechanism of the CBD and consistent with its mandate, is poised to provide the catalytic funding necessary to help countries realize the objectives in the Strategic Plan. However, achieving the Aichi Targets will require more than money: it demands new ways of designing and implementing biodiversity projects and programs.

This publication has highlighted key elements of the GEF's strategy — which are commensurate with the scale of the threats to biodiversity — to help countries achieve the Aichi Targets, which include:

- Embarking on creative financing strategies for protected area systems that marry old and new approaches to catalyze diverse and larger funding streams for protected area expansion and management;
- Designing protected area systems to be resilient to the impacts of climate change;
- Working across sectors and GEF focal areas to advance the expansion of marine protected areas and improve fisheries management, while leveraging greater co-financing than can be done by biodiversity funding alone;
- Engaging civil society and NGOs through appropriate financing mechanisms to realize synergies between local and national level actions;
- Ensuring that biodiversity mainstreaming exploits the critical added value provided by many non-traditional actors in advancing the sustainable use of

biodiversity, thereby unleashing capital to support and build capacity of biodiversity-based businesses and producers of certified and biodiversity-friendly goods and services;

- Building capacity to support ratification and entry into force of the Nagoya Protocol so that the potential of ABS can be realized; and
- Scaling-up investments through creative use of programming approaches now possible in the GEF, such as the SFM/REDD+ program that brings together resources from multiple-focal areas to leverage greater amounts of co-finance, while generating multiple global benefits in biodiversity, sustainable land management and climate change mitigation and adaptation.

The project interventions highlighted in this publication also demonstrate the thematic convergence among the Aichi Targets and the opportunity and necessity for GEF investments to simultaneously contribute to the achievement of more than one target at a time. This is consistent with the CBD High Level Panel assessing the financial resources needed to implement the Strategic Plan for Biodiversity 2011-2020 and achieve the Aichi Biodiversity Targets. As indicated in Table 3, the Panel has clustered the targets to help identify the costs for achieving them.

There is an emerging consensus among environmental economists that changes in biodiversity affect the provision of ecosystem goods and services, particularly those on which rural communities and the poor depend most. While the magnitude of this dependence is yet to

be determined, most studies agree that supporting the conservation and sustainable use of biodiversity is a very worthwhile investment, in particular for biodiversity-rich countries.

In the long term, sustaining biodiversity will require landscape-level thinking and an appreciation of the land-use matrix where biodiversity is present, while continuing to invest at scale in ambitious but realistic projects and programs. The achievement of the Aichi Targets demands this kind of an approach; it remains the only way that sufficient resources can be leveraged to meet the financial needs for implementing the Strategic Plan. In short, sustaining biodiversity and the ecosystem goods and services it provides requires that the sustainable management of biodiversity be integrated into the actions of all development sectors and not solely be in the purview of the environment sector.

The GEF is embracing these new opportunities. This publication has highlighted projects and programs that employ landscape- and seascape-level thinking to the conservation and sustainable use of biodiversity. Increasingly, project operational environments demand implementation strategies that can be successful in land-use matrices that have to meet different and often competing objectives of conservation, sustainable use and production. As the GEF investments highlighted above attest, managing these trade-offs successfully and leveraging the resources required while achieving the Aichi-Targets is indeed possible.

**TABLE 3 CLUSTERING THE AICHI TARGETS PER KEY THEMES OF THE NEW STRATEGIC PLAN OF THE CBD**

| THEMES                                  | TARGETS            |
|---|--------------------|
| Awareness and behavior change           | 1                  |
| Macroeconomics                          | 2, 3, 4            |
| Marine                                  | 6, 7, 10, 11       |
| Water, pollution and ecosystem services | 5, 8, 14           |
| Agriculture                             | 7                  |
| Invasive alien species                  | 9                  |
| Genetic diversity                       | 13                 |
| Forest-related targets                  | 5, 7, 11, 15       |
| Protected areas and endangered species  | 11, 12             |
| Enabling activities                     | 16, 17, 18, 19, 20 |



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## ABOUT THE GEF

The GEF unites 182 countries in partnership with international institutions, civil society organizations (CSOs) and the private sector to address global environmental issues, while supporting national sustainable development initiatives. Today, the GEF is the largest public funder of projects to improve the global environment. An independently operating financial organization, the GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants.

Since 1991, the GEF has achieved a strong track record with developing countries and countries with economies in transition, providing \$10.5 billion in grants and leveraging \$51 billion in co-financing for over 2,700 projects in over 165 countries. Through its Small Grants Programme (SGP), the GEF has also provided more than 14,000 small grants directly to civil society and community-based organizations, totaling \$634 million.

The GEF partnership includes 10 agencies: the U.N. Development Programme (UNDP); the U.N. Environment Programme (UNEP); the World Bank; the U.N. Food and Agriculture Organization (FAO); the U.N. Industrial Development Organization (UNIDO); the African Development Bank (AfDB); the Asian Development Bank (ADB); the European Bank for Reconstruction and Development (EBRD); the Inter-American Development Bank (IDB); and the International Fund for Agricultural Development (IFAD). The Scientific and Technical Advisory Panel (STAP) provides technical and scientific advice on GEF policies and projects.

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