



## Convention on Biological Diversity

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CONFERENCE OF THE PARTIES TO THE CONVENTION  
ON BIOLOGICAL DIVERSITY SERVING AS THE  
MEETING OF THE PARTIES TO THE NAGOYA  
PROTOCOL ON ACCESS TO GENETIC RESOURCES  
AND THE FAIR AND EQUITABLE SHARING OF THE  
BENEFITS ARISING FROM THEIR UTILIZATION

First meeting

Pyeongchang, Republic of Korea, 13–17 October 2014

Item 12 of the provisional agenda\*

### GUIDANCE TO THE FINANCIAL MECHANISM

*Note by the Executive Secretary*

#### I. INTRODUCTION

1. The Open-ended Ad Hoc Intergovernmental Committee for the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (Intergovernmental Committee) at its second meeting, in July 2012, considered the issue of guidance for the financial mechanism and adopted recommendation 2/1: Elaboration of guidance for the financial mechanism. The recommendation included two sets of draft decisions. The first set (annex I to recommendation 2/1) was submitted for the consideration of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol (meeting of the Parties to the Nagoya Protocol) at its first meeting and is reproduced in its entirety in part A of section IV of the present document. The second set of draft decisions (annex II to recommendation 2/1) was for consideration by the Conference of the Parties at its eleventh meeting and was adopted and transmitted to the financial mechanism in appendix I of decision XI/5, together with paragraphs 21 and 23 of decision XI/5.

2. Since the second meeting of the Intergovernmental Committee, there have been a number of developments which the present meeting may wish to take into account when considering its decision on guidance to the financial mechanism with respect to the Nagoya Protocol, in addition to the draft decision forwarded to it by the Intergovernmental Committee in annex I to its recommendation 2/1. The Executive Secretary has prepared the present note to provide an update on the relevant developments and additional elements of a draft decision for consideration by the meeting of the Parties to the Protocol.

3. Section II below provides a summary of the response by the Global Environment Facility (GEF) to the guidance provided to it by the Conference of the Parties at its eleventh meeting with respect to the Nagoya Protocol in paragraphs 21 to 23 and appendix I of decision XI/5. It includes information on the access and benefit-sharing (ABS) projects supported under the GEF Trust Fund and an update on the

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\* UNEP/CBD/NP/COP-MOP/1/1.

Nagoya Protocol Implementation Fund during the reporting period. The summary is based on the information provided in the report of the Council of the Global Environment Facility to the twelfth meeting of the Conference of the Parties (document UNEP/CBD/COP/12/14/Add.1).

4. Section III below provides information regarding the sixth replenishment of the Global Environment Facility Trust Fund (GEF-6) and the GEF-6 Biodiversity Focal Area Strategy, which includes a specific programme for supporting the implementation of the Nagoya Protocol, as well as the GEF-6 notional allocations for the various biodiversity focal area programmes.

5. Section IV reproduces, for ease of reference, draft decision elements on guidance to the financial mechanism recommended by the Intergovernmental Committee, and also proposes additional elements of a draft decision, for consideration by the meeting of the Parties to the Protocol.

## II. REPORT OF THE GLOBAL ENVIRONMENT FACILITY

6. In accordance with the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility (annex to decision III/8), the GEF Council submitted to the twelfth meeting of the Conference of the Parties a report regarding the activities of the GEF in the area of biological diversity for the period 1 July 2012 to 30 June 2014 (i.e., the last 2 years of GEF-5). The report is made available in document UNEP/CBD/COP/12/14/Add.1.

7. Among other things, the report outlines the activities undertaken by the Global Environment Facility (GEF) in response to the guidance provided to it by the Conference of Parties with respect to access and benefit-sharing and the Nagoya Protocol in paragraphs 21 to 23 and appendix I of decision XI/5, including the access and benefit-sharing projects funded from the GEF Trust Fund during the reporting period (1 July 2012 to 30 June 2014). The report also provides an overview of the biodiversity programming during the entire GEF-5 period (1 July 2010 to 30 June 2014), including support for the implementation of the fourth objective of the GEF-5 Biodiversity Focal Area Strategy (BD-4): Build Capacity on Access to Genetic Resources and Benefit Sharing. It also outlines the projects supported under the Nagoya Protocol Implementation Fund (NPIF).

### *A. GEF's response to the guidance provided by the Conference of the Parties with respect to access and benefit-sharing*

8. The guidance by the Conference of the Parties to the financial mechanism with respect to access and benefit-sharing was transmitted to the Global Environment Facility by the Executive Secretary on 29 October 2012. Table 1 below provides a summary of GEF's response to that guidance. The table is adapted from the report submitted by the GEF Council to the twelfth meeting of the Conference of the Parties to the Convention on Biological Diversity, which is available in document UNEP/CBD/COP/12/14/Add.1).

**Table 1. GEF's response to COP guidance with respect to access and benefit-sharing**

COP-11 guidance	GEF action
<p><b>Nagoya Protocol on Access and Benefit-sharing</b></p> <p><i>Recommends</i> that the Global Environment Facility makes available the necessary funds for activities to support access and benefit-sharing and the early entry into force and implementation of the Nagoya Protocol in order to implement the third objective of the Convention on Biological Diversity, and</p>	<p>During the reporting period, the GEF approved a total of 10 projects under the GEF Trust Fund in support of early entry into force and implementation of the Nagoya Protocol. Please see paragraphs 28-30 of the GEF report to COP-12 and Annexes 9 and 10 for a description of the project</p>

COP-11 guidance	GEF action
<p><i>further recommends</i> that GEF operational focal points carefully consider the urgent need to finance activities related to access and benefit-sharing and the Nagoya Protocol when consulting national stakeholders on the distribution of the System for Transparent Allocation of Resources (STAR) allocation;</p> <p><i>Further recommends</i> that the Global Environment Facility continue to finance, as a priority, technical support to Parties aimed at the speedy ratification and early entry into force of the Nagoya Protocol, and its implementation at national level;</p> <p><i>Requests</i> GEF, in considering financing for Nagoya Protocol Implementation Fund projects, to ensure that the fund will specifically support activities related to early ratification and capacity-building, and be used for access to and utilization of genetic resources only when such activities have been approved by appropriate government authorities and endorsed through the GEF operational focal point.</p> <p><i>Requests</i> the GEF to continue to administer the NPIF until the time the resources committed up to the end of GEF-5 are disbursed, and to report on the status of the fund to the twelfth meeting of the Conference of the Parties to the Convention, which shall decide on its future.</p>	<p>support provided for ABS and the early entry into force and implementation of the Nagoya Protocol.</p> <p>The GEF-6 biodiversity strategy responds to the guidance provided by the COP to the GEF on the programme priorities to support the implementation of the Nagoya Protocol.</p> <p>During its entire operational history, Nagoya Protocol Implementation Fund (NPIF) has supported 13 projects, including 10 country-based projects, one global project and two regional projects (Pacific and Central Africa). Although all projects will support ratification in some measure, the global project and two regional projects were solely focused on accelerating early ratification. Please see paragraphs 29-30 of the report and Annex 14 for a description of the programming for the reporting period.</p> <p>At its May 2014 Council Meeting, the GEF Council, having reviewed document GEF/C.46/12, Update on the Nagoya Protocol Implementation Fund, took note of the good progress made by the GEF Secretariat in managing the Nagoya Protocol Implementation Fund (NPIF) and decided to extend the operation of the NPIF to December 31, 2020 for operational reasons to allow continuation of project preparation for and implementation of the Project Identification Form (PIF) approved projects. Consistent with the May 2011 GEF Council decision on the NPIF, the Council will not approve new PIFs under the NPIF after 30 June 2014. Noting that the GEF-6 Biodiversity Focal Area Strategy includes resources for implementing the Nagoya Protocol, Council requested that the GEF Secretariat report to the Conference of the Parties of the Convention on Biological Diversity on funding for the ratification and early implementation of the Nagoya Protocol.</p>

*Adapted from the GEF report to the twelfth meeting of the Conference of the Parties to the Convention on Biological Diversity (page 17-19).*

9. During the reporting period (1 July 2012 and 30 June 2014), the GEF approved a total of 10 projects under the GEF Trust Fund in support of early entry into force and implementation of the Nagoya Protocol. These included eight country-based projects (Algeria, Bahamas, Brazil, China, Malaysia, Mexico, Morocco and Viet Nam), one regional project (Caribbean) and one global project. The GEF invested \$33.9 million and leveraged \$67.4 million in co-financing. The regional project in the Caribbean and the global project principally focused on supporting early ratification of the Nagoya

Protocol in at least 35 countries. All the approved projects under the GEF Trust Fund are listed in Annexes 2 and 3 and are described in Annexes 9 and 10 of the GEF report to COP-12. For ease of reference, the list of access and benefit-sharing projects is compiled and presented in annex I to the present document.

10. As indicated in Table 2 below, the programming levels for the fourth objective (BD-4) of the GEF-5 biodiversity strategy, which includes support for the ratification and implementation of the Nagoya Protocol, increased by a factor of 17 during the last two years of GEF-5 when compared to the first two years of GEF-5. This seems to indicate that the need for support towards ratification and implementation of the Protocol is increasing.

**Table 2. Level of programming for the different biodiversity strategy objectives during the reporting periods 2010-2012 and 2012-2014**

Biodiversity focal area objective	Notional allocation (US\$)	2010-2012		2012-2014	
		Amount utilized	% utilized <sup>1</sup>	Amount utilized	% utilized
BD-1: Improve Sustainability of Protected Area Systems	700,000,000	255,010,201	36%	210,067,104	30%
BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes/ Seascapes and Sectors	250,000,000	199,738,426	80%	185,372,436	74%
BD-3: Building Capacity for the Implementation of the Cartagena Protocol for Biosafety	40,000,000	2,805,000	7%	13,663,648	35%
BD-4: Build Capacity on Access to Genetic Resources and Benefit Sharing	40,000,000	2,686,750	7%	45,119,483	113%
BD-5: Integrate CBD Obligations into National Planning Processes through Enabling Activities (NBSAPs)	40,000,000	24,875,351	62%	5,388,557	12%
<b>TOTAL</b>	<b>1,070,000,000</b>	<b>485,115,728</b>	<b>45%</b>	<b>459,611,228</b>	<b>43%</b>

*Extracted from the GEF reports to the eleventh and twelfth meetings of the Conference of the Parties.*

11. The total amount of GEF funds utilized by Parties for access and benefit-sharing projects (BD-4) during the entire GEF-5 (\$47,806,233) was higher than the amount (\$40 million) that was notionally allocated at the beginning of the GEF-5 cycle (see Table 3 below). Request for support for the Nagoya Protocol is likely to increase even further during GEF-6 and beyond, following its entry into force and as many Parties seek to put in place the necessary measures and requisite capacities to ensure its effective implementation.

<sup>1</sup> This refers to the percentage of the notional allocation that Parties actually requested and used for projects relating to the various biodiversity focal area objectives.

**Table 3. Level of programming for the biodiversity strategy objectives during the entire GEF-5<sup>2</sup>**

<b>Biodiversity focal area objective</b>	<b>Notional allocation (US\$)</b>	<b>Amount utilized</b>	<b>% utilized</b>
BD-1: Sustainability of protected area systems	700,000,000	489,068,947	70%
BD-2: Mainstreaming biodiversity	250,000,000	409,102,504	164%
BD-3: Biosafety	40,000,000	16,468,648	41%
BD-4: Access and benefit-sharing	40,000,000	47,806,233	120%
BD-5: Enabling activities (NBSAPs)	40,000,000	30,263,908	76%
<b>TOTAL</b>	<b>1,070,000,000</b>	<b>992,710,240</b>	<b>93%</b>

Source: GEF report to the twelfth meeting of the Conference of the Parties (page 4).

### **B. Update on the Nagoya Protocol Implementation Fund**

12. The Nagoya Protocol Implementation Fund (NPIF) was established in March 2011 as a multi-donor trust fund to which various donors, including from the private sector and other entities, could voluntarily contribute to support the Nagoya Protocol. Its primary objective was to facilitate the early entry into force of the Protocol and create enabling conditions at the national and regional levels for effective implementation of the Protocol.<sup>3</sup> The initial focus of the fund was to finance activities that would catalyse the process of ratification, assist Parties to undertake enabling activities, and incentivize the participation of indigenous and local communities and the private sector in the implementation of the Protocol. The activities included assisting Parties to, among other things, review their capacity needs; review existing national policies, laws, and regulations; develop appropriate policy and institutional measures; increase public awareness regarding the implications of the Nagoya Protocol; promote technology transfer; and further the knowledge and scientific-base for the implementation of the Protocol.

13. During the reporting period, a total of 13 Project Identification Forms (PIFs) were approved under the NPIF. These included ten country-based projects (Argentina, Bhutan, Cameroon, Colombia, Cook Islands, Costa Rica, Fiji, Gabon, Kenya and Panama); two regional projects, one in Central Africa<sup>4</sup> and one in the Pacific;<sup>5</sup> and one global project (for 21 countries).<sup>6</sup> These projects have assisted at least 50 countries in the ratification and/or implementation of the Nagoya Protocol. The projects are listed in Annex 8 and described in Annex 14 of the GEF report to the twelfth meeting of the Conference of the Parties (UNEP/CBD/COP/12/14/Add.1). For ease of reference, the list of NPIF projects is reproduced in annex II to this document.

<sup>2</sup> Programming amounts per strategy objective do not include project management costs or the agency fee as it is not possible to attribute them on a specific objective or outcome as these costs cover the entire grant amount.

<sup>3</sup> See document GEF/C.40/11/Rev.1 prepared for the 40<sup>th</sup> meeting of the GEF Council:  
[http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.11.Rev.1\\_Outstanding\\_Issues\\_Nagoya\\_Protocol.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.11.Rev.1_Outstanding_Issues_Nagoya_Protocol.pdf).

<sup>4</sup> Project covering the ten member states of the Central African Forests Commission (COMIFAC): Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, and Sao Tome and Principe.

<sup>5</sup> The participating Pacific countries are: Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

<sup>6</sup> The participating countries are: Angola, Armenia, Belarus, Bosnia & Herzegovina, Burkina Faso, Côte d'Ivoire, Djibouti, Egypt, Guinea-Bissau, Kazakhstan, Kyrgyzstan, Lesotho, Malawi, Mauritania, Niger, Nigeria, Sierra Leone, Swaziland, Togo, Uganda and Zimbabwe.

14. At its 46th meeting, held in May 2014 in Cancun, Mexico, the GEF Council, having reviewed document GEF/C.46/12 (Update on the Nagoya Protocol Implementation Fund), decided to extend the NPIF to 31 December 2020 for operational reasons, to allow continuation of preparation for and implementation of the projects for which Project Identification Forms (PIFs) were approved. It also decided not to approve new PIFs under the NPIF after 30 June 2014, in line with the decision it took at its 40th meeting in May 2011. That decision, contained in paragraph 15 of document GEF/C.40/11/Rev.1,<sup>7</sup> stated that:

The operations, functions and roles of the NPIF will be reviewed by the NPIF Council before the end of GEF-5, taking into account the outcome of the discussions in the Intergovernmental Committee on the Nagoya Protocol and other relevant meetings of the CBD/the Nagoya Protocol. The Nagoya Protocol Implementation Fund will terminate at the end of GEF-5, unless otherwise decided by the Conference of the Parties to the CBD. The NPIF will not fund new projects beyond GEF-5, but will remain with the monitoring roles over the ones under implementation.

15. Following the decision taken by the GEF Council at its 40<sup>th</sup> meeting, the Conference of the Parties at its eleventh meeting, held in October 2012, provided the following guidance to the financial mechanism regarding the NPIF (decision XI/5, appendix I, paragraph 6):

Requests the GEF to continue to administer the NPIF until the time the resources committed up to the end of GEF-5 are disbursed, and to report on the status of the fund to the twelfth meeting of the Conference of the Parties to the Convention, which shall decide on its future.

16. The NPIF was established over three years ago and has played a significant and complementary role to the GEF Trust Fund by providing dedicated and expedited support for the ratification and implementation of the Protocol. Specifically, of the at least 50 countries that have benefited from the NPIF, 18 countries (Belarus, Bhutan, Burkina Faso, Burundi, Côte d'Ivoire, Egypt, Fiji, Gabon, Guinea-Bissau, Kenya, Malawi, Micronesia (Federated States of), Niger, Panama, Rwanda, Samoa, Uganda and Vanuatu) have already ratified or acceded to the Protocol. In two other countries (Cameroon and Democratic Republic of the Congo), the national approval process has been concluded and their instruments of ratification will be deposited soon. The NPIF has thus significantly contributed to the entry into force of the Nagoya Protocol and to achieving the second part of Aichi Biodiversity Target 16 by the stipulated target date, 2015.

17. The NPIF is also contributing to the development of policy, regulatory and institutional measures for implementing access and benefit-sharing agreements in the beneficiary countries. Furthermore, it is promoting technology transfer, private sector investments in the conservation and sustainable use of genetic resources, development of national capacities for negotiation of mutually agreed terms, and strengthening of endogenous research capabilities to add value to genetic resources. For example, the NPIF-financed project in Panama<sup>8</sup> supports the discovery of nature-based products for the pharmaceutical and agrochemical industries, including compounds to cure cancer and other diseases, and promotes conservation of genetic resources in marine protected areas which benefit local communities that rely on natural resources for their livelihoods. Continuation of the NPIF could further promote engagement of

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<sup>7</sup> Document GEF/C.40/11/Rev.1: Outstanding Issues Related to the NPIF) can be accessed at [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.11.Rev.\\_1\\_Outstanding\\_Issues\\_Nagoya\\_Protocol.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.11.Rev._1_Outstanding_Issues_Nagoya_Protocol.pdf).

<sup>8</sup> GEF brochure on Nagoya Protocol Implementation Fund: <http://www.thegef.org/gef/content/nagoya-protocol-implementation-fund-brochure>.

the private sector in access and benefit-sharing agreements and in the effective implementation of Nagoya Protocol.

18. In contributing to the effective implementation of Nagoya Protocol, the NPIF facilitates the achievement of not only the access and benefit-sharing objective of the Convention but also the objectives of conservation and sustainable use of biodiversity. Continuation of the NPIF would also provide practical means for the achievement of targets 2.4 and 15.6<sup>9</sup> of the proposed sustainable development goals by assisting with the effective implementation of the Protocol. Continuation of the NPIF could promote the allocation of resources where they are needed most and enhance the role of access and benefit-sharing in contributing to the conservation and sustainable use of biological diversity, poverty eradication and environmental sustainability and achievement of the sustainable development goals.

19. Furthermore, a number of eligible countries have not benefited from the NPIF to be able undertake the activities that were envisaged during the establishment of the fund to create enabling conditions for the effective implementation of the Protocol. During the second and third meetings of the Open-ended Ad Hoc Intergovernmental Committee for the Nagoya Protocol, the eleventh meeting of the Conference of the Parties and the regional capacity-building workshops that were organized by the Secretariat in 2013 and 2014, many Parties also noted the importance of the NPIF and called for its continuation beyond GEF-5. The NPIF could complement the GEF Trust Fund by providing dedicated funding support to jump-start national implementation of the Nagoya Protocol. This may be crucial especially during the current formative stage of the Protocol. Because of the stiff competition among the various biodiversity priorities at the national level, a number of Parties, especially the least developed countries (LDCs) and small island developing States (SIDS) whose national GEF-6 allocation under the System for Transparent Allocation of Resources (STAR) is less than 1.5 million, may inevitably not be able to dedicate their limited allocation for projects aimed to support the implementation of the Nagoya Protocol. As a result, a number of countries may not be able to put in place the necessary domestic legislative, administrative or policy measures and may thus miss achieving Aichi Biodiversity Target 16.

20. In view of the above and in line with paragraph 6 of appendix I to decision XI/5, the meeting of the Parties to the Nagoya Protocol may wish to recommend to the Conference of the Parties, at its twelfth meeting, to take a decision as appropriate.

### **III. THE SIXTH REPLENISHMENT OF THE GEF TRUST FUND AND THE PROGRAMMING OF RESOURCES FOR THE BIODIVERSITY FOCAL AREA STRATEGY**

#### ***A. The sixth replenishment of the GEF Trust Fund and the programming directions for 2014-2018***

21. Following its restructuring in 1994, the GEF Trust Fund has been replenished five times: GEF-1 Replenishment (1994-1998) for \$2.0 billion, GEF-2 Replenishment (1998-2002) for US\$ 2.75 billion, GEF-3 Replenishment (2002-2006) for US\$ 3.0 billion, GEF-4 Replenishment (2006-2010) for US\$ 3.13 billion, and GEF-5 Replenishment (2010-2014) for US\$ 4.34 billion.

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<sup>9</sup> Target 2.4 of the proposed sustainable development goals: by 2030 ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality.

Target 15.6 of the proposed sustainable development goals: ensure fair and equitable sharing of the benefits arising from the utilization of genetic resources, and promote appropriate access to genetic resources.

22. Negotiations for the sixth replenishment of the GEF Trust Fund for the period 1 July 2014 to 30 June 2018 (GEF-6) were successfully concluded in April 2014 in Geneva and a total of \$4.433 billion was pledged, representing a nominal increase of 4 per cent over GEF-5.

23. The programming of GEF-6 resources covers operations and activities in its six focal areas (biodiversity, climate change, chemicals and waste, international waters, land degradation, sustainable forest management) in accordance with each of the focal area strategies. It also covers the pilot non-grant instruments, the corporate programmes (including the Country Support Program, Cross-Cutting Capacity Development, and the Small Grants Program) as well as the corporate budget (for the GEF Secretariat, STAP and the Trustee) and the Independent Evaluation Office. Table 4 below summarizes the agreed programming targets for the different focal areas/themes.

**Table 4. GEF-6 programming targets for the different focal areas/themes**

Focal area/theme	GEF-5 programming targets (\$ million) <sup>10</sup>	GEF-6 programming targets (\$ million)
Biodiversity	1,210	1296
Climate change	1,360	1260
Chemicals and waste	425	554
International waters	440	456
Land degradation	405	431
Non-grant instruments pilot	80	115
Corporate programs	210	197
Corporate Budget: Secretariat, STAP and Trustee	120	106
Independent Evaluation Office		19
<b>TOTAL GEF Replenishment</b>	<b>4,250</b>	<b>4,433</b>

Source: GEF Council document GEF/C.46/07/Rev.01 - Summary of the Negotiations of the Sixth Replenishment of the GEF Trust Fund (page 15).

24. The GEF-6 programming has introduced innovative strategies, which include “integrated approach pilots”, innovative programming, non-grant instruments and expanded private sector engagement and collaboration with civil society organizations. Under the “integrated approach pilots”, the GEF will test the delivery of integrated approach programmes aimed at addressing discrete global environmental challenges by focusing on some of the underlying drivers of environmental degradation through special programmes that provide unique added-value and build strong stakeholder relationships.

#### **B. GEF-6 programming directions for the biodiversity focal area**

25. The biodiversity focal area has been allocated \$1.296 billion (29% of the overall GEF-6 portfolio), making biodiversity the largest single focal area resource envelope in GEF-6. This amount has been programmed to support the implementation of the GEF-6 Biodiversity Focal Area Strategy.

26. In accordance with the COP guidance to the financial mechanism regarding the four-year outcome-oriented framework of programme priorities for 2014-2018 (decision XI/5), the GEF-6 Biodiversity Strategy incorporates elements of the Strategic Plan for Biodiversity 2011-2020 including its Aichi Biodiversity Targets and programme priorities relating to the implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization proposed by the Intergovernmental Committee for the Nagoya Protocol.

<sup>10</sup> GEF-5 programming and application of the STAR was based on the agreed programming scenario of US\$ 4.25 billion. The final replenishment amount, including additional pledges from donors, increased to US\$ 4.34 billion.



27. The overall goal of the biodiversity focal area strategy is to maintain globally significant biodiversity and the ecosystem goods and services that it provides to society. To achieve this goal, the strategy encompasses four objectives:

- (a) BD 1: Improve sustainability of protected area systems;
- (b) BD 2: Reduce threats to globally significant biodiversity;
- (c) BD 3: Sustainably use biodiversity;
- (d) BD 4: Mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors.

28. The GEF-6 biodiversity strategy is composed of ten programmes that directly contribute to the above four objectives and to the Strategic Plan for Biodiversity 2011-2020, including at least 14 of the 20 Aichi Biodiversity Targets and the Strategic Plan for the Cartagena Protocol on Biosafety for the period 2011-2020. The indicative resource allocations for the different programmes during GEF-6 are outlined in Table 5 below.

**Table 5. GEF-6 biodiversity focal area objectives and indicative allocations per program**

<b>Focal area objective</b>	<b>Focal area programs</b>	<b>Notional allocation (US\$ million)</b>
BD 1: Improve sustainability of protected area systems	Program 1: Improving Financial Sustainability and Effective Management of the National Ecological Infrastructure	125
	Program 2: Nature's Last Stand: Expanding the Reach of the Global Protected Area Estate	125
BD 2: Reduce threats to globally significant biodiversity	Program 3: Preventing the Extinction of Known Threatened Species	80
	Program 4: Prevention, Control and Management of Invasive Alien Species	50
	Program 5: Implementing the Cartagena Protocol on Biosafety (CPB)	30
BD 3: Sustainably use biodiversity	Program 6: Ridge to Reef+: Maintaining Integrity and Function of Coral Reef Ecosystems	100
	Program 7: Securing Agriculture's Future: Sustainable Use of Plant and Animal Genetic Resources	75
	Program 8: Implementing the Nagoya Protocol on Access and Benefit-sharing	50
BD 4: Mainstream biodiversity conservation and sustainable use into production landscapes and seascapes and sectors	Program 9: Managing the Human-Biodiversity Interface	338
	Program 10: Integration of Biodiversity and Ecosystem Services into Development & Finance Planning	78
Focal Area Set-Aside (Convention obligations, global/ regional programs including the "integrated approach pilots", and Sustainable Forest		245

Management Program)		
<b>Total Biodiversity</b>		<b>1,296</b>

Source: GEF report to the twelfth meeting of the Conference of the Parties, annex 1 (page 23).

29. In addition to the above ten programmes, the GEF will provide support through the focal area set-aside (FAS) funds to enable eligible countries to implement enabling activities, including revision of the NBSAPs (for countries that have not yet done so) and preparation of the national reports under the Convention, the Cartagena Protocol and the Nagoya Protocol which will come due during the GEF-6 period. The biodiversity focal area set-aside will also be used to support regional and global projects, including the “integrated approach pilots” which will contribute to the various Aichi Biodiversity Targets and other GEF focal areas

30. The integrated approach pilot programmes relevant to the biodiversity focal area include:

- (a) Taking Deforestation out of Commodity Supply Chains; and
- (b) Fostering Sustainability and Resilience for Food Security in Africa.

31. Consistent with past practice and with the GEF project review criteria, projects submitted for funding in GEF-6 will have to demonstrate that the thematic areas addressed within the project have been prioritized within the national biodiversity strategies and action plans (NBSAPs) and are appropriately aligned with the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets.

### ***C. Support for the Nagoya Protocol on Access and Benefit-sharing under GEF-6***

32. Support for access and benefit-sharing will be provided mainly through Program 8: Implementing the Nagoya Protocol on Access and Benefit Sharing, under the third strategic objective, on sustainable use of biodiversity. A notional allocation of US\$ 50 million has been provided for the programme. Through this programme, the GEF will support the implementation of the Nagoya Protocol using resources from the GEF Trust Fund and, in parallel, from the Nagoya Protocol Implementation Fund.<sup>11</sup>

33. The successful implementation of access and benefit-sharing at the national level has the potential to make considerable contributions to biodiversity conservation and sustainable use, and is thus relevant to all Aichi Biodiversity Targets and many of the programmes presented in the GEF biodiversity strategy. As such, projects developed for funding under other GEF programmes will be encouraged to explore the potential contribution of access and benefit-sharing to specific project and programme objectives.

34. The meeting of the Parties to the Nagoya Protocol may wish to encourage Parties to explore the possibility of incorporating access and benefit-sharing activities into the proposed “integrated approach” programmes that will be piloted during GEF-6, as well as projects to be developed under the other biodiversity focal area programmes.<sup>12</sup>

<sup>11</sup> The present meeting and the twelfth meeting of the Conference of the Parties will deliberate upon and take a decision regarding the future of the NPIF.

<sup>12</sup> For example, access and benefit-sharing activities could be integrated into Program 1 on Improving Financial Sustainability and Effective Management of the National Ecological Infrastructure; Program 2 on Expanding the Reach of the Global Protected Area Estate; Program 7 on Securing Agriculture’s Future: Sustainable Use of Plant and Animal Genetic Resources; and Program 9 on Managing the Human-Biodiversity Interface. Access and benefit-sharing activities could also be incorporated into the “integrated approach pilot” on “Fostering Sustainability and Resilience for Food Security in Africa”.

35. Projects funded under the GEF Trust Fund will support national and regional implementation of the Nagoya Protocol and, if still required, targeted capacity-building to facilitate ratification and entry into force of the Protocol. As stated in the GEF report, the GEF will support the following core activities to comply with the provisions of the Nagoya Protocol:

- (a) Stocktaking and assessment. GEF will support gap analysis of ABS provisions in existing policies, laws and regulations, stakeholder identification, user rights and intellectual property rights, and assess institutional capacity including research organizations.
- (b) Development and implementation of a strategy and action plan for the implementation of ABS measures. (e.g. policy, legal, and regulatory frameworks governing ABS, National Focal Point, Competent National Authority, Institutional agreements, administrative procedures for Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT), monitoring of use of genetic resources, compliance with legislation and cooperation on trans-boundary issues); and
- (c) Building capacity among stakeholders (including indigenous and local communities, especially women) to negotiate between providers and users of genetic resources. Countries may consider institutional capacity-building to carry out research and development to add value to their own genetic resources and traditional knowledge associated with genetic resources. The GEF will also support the participation in the ABS Clearing-House mechanism as soon as the Clearing-house is operational, including in its piloting.

36. The GEF will also enhance national implementation of the Nagoya Protocol through regional collaboration. Such collaboration would avoid duplication of regulatory mechanisms and could help address the financial and human resource constraints faced by small or least developed countries through sharing regulatory and scientific resources. It would also help build the capacity of countries to add value to their own genetic resources and traditional knowledge associated with genetic resources.

#### **IV. ELEMENTS OF A DRAFT DECISION ON GUIDANCE TO THE FINANCIAL MECHANISM**

##### **A. *Draft decision on guidance to the financial mechanism recommended by the Intergovernmental Committee***

37. The Intergovernmental Committee, at its second meeting, recommended that the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol, at its first meeting, adopt a decision along the lines suggested in annex I to recommendation 2/1 of the Intergovernmental Committee,<sup>13</sup> which is reproduced below.

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<sup>13</sup> UNEP/CBD/ICNP/REC/2/1.

*The Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol*

*I. Operational arrangements between the Convention and the Council of the Global Environment Facility with respect to the Nagoya Protocol*

1. *Takes note of* the memorandum of understanding between the Conference of the Parties and the Council of the Global Environment Facility (GEF Council) adopted in decision III/8 and *confirms* that the operational arrangements outlined in the memorandum of understanding shall apply, *mutatis mutandis*, to the Nagoya Protocol;

2. *Recommends* that the Conference of the Parties invites the Council of the Global Environment Facility to submit the chapter on access and benefit-sharing of its report directly to the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol, in time for its consideration;

3. *Decides* to conduct periodic reviews of the effectiveness of the financial mechanism with respect to the implementation of the Nagoya Protocol in time for their consideration by the Conference of the Parties at its meetings scheduled to review the effectiveness of the financial mechanism;

4. *Also decides* to undertake, in time for scheduled replenishments of the Global Environment Facility Trust Fund, an assessment of the amount of funds that are necessary to assist developing country Parties and Parties with economies in transition in fulfilling their commitments under the Nagoya Protocol, for consideration by the Conference of the Parties in its determination of funding requirements;

5. *Recommends* that the Conference of the Parties invites representatives of the Global Environment Facility to attend, and make official statements to, the ordinary sessions of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol with a view to reporting on the implementation of the guidance to the GEF with respect to access and benefit-sharing;

6. *Recommends* that the Conference of the Parties encourages the secretariats of the Convention and the Global Environment Facility to exchange information and consult on a regular basis prior to meetings of the Council of the Global Environment Facility and meetings of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol with a view to facilitating the effectiveness of the financial mechanism in assisting Parties to implement the Protocol;

*II. Guidance to the financial mechanism*

*(a) Policy and strategy*

7. *Takes note of* the consolidated guidance to the financial mechanism related to policy and strategy adopted in decision X/24, and *invites* the Conference of the Parties to review, and as appropriate, revise this guidance to take into account new developments such as the adoption of the Nagoya Protocol;

*(b) Programme priorities*

8. *Recommends* that the Conference of the Parties considers integrating the following guidance on programme priorities with respect to access and benefit-sharing into its overall guidance to the financial mechanism:

*The Conference of the Parties*

1. *Requests* the Global Environment Facility to finance projects that will assist in:

(a) Building the capacity of Parties to develop, implement and enforce domestic legislative, administrative or policy measures on access and benefit-sharing, thereby contributing to the conservation of biological diversity and sustainable use of its components, including through:

- (i) Identification of relevant actors and existing legal and institutional expertise for the implementation of the Nagoya Protocol;
- (ii) Taking stock of domestic measures relevant to access and benefit-sharing in light of the obligations of the Nagoya Protocol;
- (iii) Development and/or amendment of access and benefit-sharing legislative, administrative or policy measures with a view to implementing their obligations under the Nagoya Protocol;
- (iv) Establishment of ways to address transboundary issues; and
- (v) Establishment of institutional arrangements and administrative systems to provide access to genetic resources, ensure benefit-sharing, support compliance with prior informed consent and mutually agreed terms and monitor the utilization of genetic resources and traditional knowledge associated with genetic resources, including support for the establishment of checkpoints;

(b) Building the capacity of Parties to negotiate mutually agreed terms to promote equity and fairness in negotiations in the development and implementation of access and benefit-sharing agreements, including through enhanced understanding of business models and intellectual property rights;

(c) Building the capacity of Parties to develop their endogenous research capabilities to add value to their own genetic resources and traditional knowledge associated with genetic resources through, inter alia, technology transfer; bioprospecting and associated research and taxonomic studies; and the development and use of valuation methods;

(d) Addressing the capacity needs and priorities of indigenous and local communities and relevant stakeholders; in particular, projects that would:

- (i) Encourage their participation in legal, policy and decision-making processes; and
- (ii) Assist in building their capacity related to genetic resources and traditional knowledge associated with genetic resources, such as through the development of community protocols, model contractual clauses and minimum requirements for mutually agreed terms to secure the fair and equitable sharing of benefits;

(e) Enabling Parties to actively participate in the Access and Benefit-sharing Clearing-House and use the best available communication tools and Internet-based systems such as audio and video tools for access and benefit-sharing activities;

(f) Supporting Parties in raising-awareness of the importance of genetic resources and traditional knowledge associated with genetic resources, and related access and benefit-sharing issues, notably through the development and implementation of national and regional awareness-raising strategies;

(g) Supporting the implementation of the strategic framework for capacity-building and development in support of the implementation of the Protocol;

2. [*Decides* that the above guidance supersedes all previous guidance to the financial mechanism related to access and benefit-sharing;]

3. [*Recommends* the allocation of funds by the Global Environment Facility in a separate window specific to access and benefit-sharing activities under the System for Transparent Allocation of Resources (STAR);]

(c) *Eligibility criteria:*

4. *Decides* that all developing countries, in particular the least developed and small island developing States, as well as countries with economies in transition, which are Parties to the Nagoya Protocol, are eligible to receive funding from the Global Environment Facility;

5. *Adopts* the following transitional clause in the eligibility criteria for funding under the financial mechanism of the Nagoya Protocol:

Developing countries, in particular the least developed countries and small island developing States amongst them, and countries with economies in transition that are Parties to the Convention and provide a clear intention towards becoming Parties to the Protocol, shall be eligible for funding by the Global Environment Facility for up to four years after the Protocol has entered into force for the development of national measures and institutional capabilities in order to enable them to become a Party. Evidence of such intention shall take the form of a written assurance to the Executive Secretary that the country intends to become a Party to the Nagoya Protocol on completion of the activities to be funded.

**B. *Draft decision elements from other agenda items considered by the Intergovernmental Committee***

38. The following draft decision elements related to guidance to the financial mechanism were included in recommendations of the Intergovernmental Committee under other agenda items:

*The Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol*

(a) *Also invites* Parties, other Governments, the Global Environment Facility, international organizations, regional development banks, other financial institutions and the private sector, as

appropriate, to provide financial resources to support the implementation of the strategic framework for capacity-building and development for the effective implementation of the Nagoya Protocol;<sup>14</sup>

(b) *Invites* the Global Environment Facility to make financial resources available, with a view to assisting eligible Parties to prepare their national reports.<sup>15</sup>

### ***C. Additional elements of a draft decision***

39. In addition to the above draft decision elements recommended by the Intergovernmental Committee, the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol may, in light of the recent developments, wish to include additional elements of its decision on the financial mechanism along the following lines:

#### *The Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol*

1. *Welcomes* the sixth replenishment of the Global Environment Facility Trust Fund and *expresses its appreciation* to the countries that contributed to the sixth replenishment;

2. *Also welcomes* the GEF-6 Biodiversity Focal Area Strategy, which includes Program 8 on Implementing the Nagoya Protocol on Access and Benefit-Sharing, and *takes note of* the indicative programming targets for the various biodiversity focal area objectives and programmes contained in document GEF/C.46/07/Rev.01;

3. *Urges* eligible Parties to prioritize access and benefit-sharing projects during the programming of their GEF-6 national allocations under the System for Transparent Allocation of Resources (STAR);

4. *Encourages* Parties to incorporate access and benefit-sharing activities into multi-focal-area GEF projects, including the proposed “integrated approach pilots”, as well as GEF projects to be developed under the other biodiversity focal area programmes, including Programs 1, 2, 7 and 9;

5. *Requests* the GEF and its implementing agencies to give due consideration to multi-focal-area projects under the “integrated approach pilots” and other biodiversity focal area programmes that include access and benefit-sharing related activities;

6. *Further urges* Parties and *invites* other Governments to integrate and prioritize, as appropriate, access and benefit-sharing within their national biodiversity strategies and action plans and national development plans and programmes.

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<sup>14</sup> Adapted from ICNP recommendation 3/5, “Measures to assist in capacity-building and development and the strengthening of human resources and institutional capacities in developing country Parties and Parties with economies in transition”, paragraph 4.

<sup>15</sup> ICNP recommendation 3/7, “Monitoring and reporting (Article 29)”, paragraph 4.

*Annex I*

**PROJECTS CONTRIBUTING TO BIODIVERSITY FOCAL AREA OBJECTIVE 4 (BD-4): BUILDING CAPACITY ON  
ACCESS TO GENETIC RESOURCES AND BENEFIT-SHARING**

*(Extracted from Annexes 2 and 3 of the GEF report to the twelfth meeting of the Conference of the Parties)*

**Full-sized projects (Extracted from Annex 2 of the GEF report)**

<b>Country</b>	<b>Agency</b>	<b>GEF-5 objective</b>	<b>Title</b>	<b>GEF grant</b>	<b>Co-finance</b>	<b>Total project cost</b>
<b>Brazil</b>	IADB	BD-4	Capacity Building and Institutional Strengthening on the National Framework for Access and Benefit Sharing under the Nagoya Protocol	4,401,931	4,401,931	8,803,862
<b>China</b>	UNDP	BD-4	Developing and Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge	4,436,210	22,236,000	26,672,210
<b>Ecuador</b>	UNDP	BD-1 BD-4	Conservation of Ecuadorian Amphibian Diversity and Sustainable Use of its Genetic Resources	2,726,908	11,546,000	14,272,908
<b>Global</b>	UNDP	BD-4	Strengthening Human Resources, Legal Frameworks and Institutional Capacities to Implement the Nagoya Protocol	12,000,000	12,000,000	24,000,000
<b>Mexico</b>	UNDP	BD-4	Strengthening of National Capacities for the Implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity	2,283,105	8,429,862	10,712,967

**Medium-sized projects (Extracted from Annex 3 of the GEF report)**

<b>Country</b>	<b>Agency</b>	<b>GEF-5 objective</b>	<b>Title</b>	<b>GEF grant</b>	<b>Co-finance</b>	<b>Total project cost</b>
<b>Algeria</b>	UNDP	BD-4	Framework on Access to Genetic Resources and Related Benefit Sharing and Traditional Knowledge in Line with the CBD and Its Nagoya Protocol in Algeria	1,940,000	4,180,000	6,120,000
<b>Bahamas</b>	UNEP	BD-4	Strengthening Access and Benefit Sharing (ABS)	1,900,000	1,649,649	3,549,649
<b>Cameroon</b>	UNDP	BD-4	A Bottom Up Approach to ABS: Community Level Capacity Development for Successful Engagement in ABS Value Chains in	500,000 plus 440,000	1,100,000	2,040,000



Country	Agency	GEF-5 objective	Title	GEF grant	Co-finance	Total project cost
			Cameroon ( <i>Echinops giganteus</i> )	from NPIF)		
<b>Malaysia</b>	UNDP	BD-4	Developing and Implementing a National Access and Benefit Sharing Framework	1,970,000	5,833,000	7,803,000
<b>Morocco</b>	UNDP	BD-4	Developing a National Framework on Access to and Benefit-Sharing of Genetic Resources and Traditional Knowledge as a Strategy to Contribute to the Conservation and Sustainable Use of Biodiversity in Morocco	812,785	1,400,000	2,212,785
<b>Regional</b>	UNDP	BD-4	A Bottom Up Approach to ABS Community Level Capacity Development for Successful Engagement in ABS Value Chains in Cameroon <i>Echinops giganteus</i> and Namibia <i>Commiphora wildii</i>	972,727	1,100,000	2,072,727
<b>Uzbekistan</b>	UNEP	BD-2 BD-4	Conservation and Sustainable Use of Agricultural Biodiversity to Improve Regulating and Supporting Ecosystem Services in Agriculture Production	1,235,845	4,150,000	5,385,845
<b>Vietnam</b>	UNDP	BD-4	Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing	2,000,000	7,690,000	9,690,000
<b>Regional (Caribbean)</b>	UNEP	BD-4	Advancing the Nagoya Protocol in countries of the Caribbean Region	1,916,000	1,850,000	3,766,000

## Annex II

**NAGOYA PROTOCOL IMPLEMENTATION FUND (NPIF) PROJECTS APPROVED (all amounts in US\$)***(Adapted from Annex 8 of the GEF report to the twelfth meeting of the Conference of the Parties)*

Country	Agency	GEF-5 objective	Title	GEF project grant	Co-finance	Total project cost
<b>Argentina</b>	UNDP	BD-4	Promoting the Application of the Nagoya Protocol on ABS	958,904	3,000,186	3,959,090
<b>Bhutan</b>	UNDP	BD-4	Implementing the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing	1,000,000	2,000,000	3,000,000
<b>Cameroon</b>	UNDP	BD-4	A Bottom Up Approach to ABS: Community Level Capacity Development for Successful Engagement in ABS Value Chains in Cameroon ( <i>Echinops giganteus</i> )	940,000 (440,000 from NPIF)	1,100,000	2,040,000
<b>Colombia</b>	UNDP	BD-4	The Development and Production of Natural Dyes in the Choco Region of Colombia for the Food, Cosmetics and Personal Care Industries Under the Provisions of the Nagoya Protocol	1,000,091	1,516,500	2,516,591
<b>Cook Islands</b>	UNDP	BD-4	Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands	930,137	1,499,535	2,429,672
<b>Costa Rica</b>	UNDP	BD-4	Promoting the Application of the Nagoya Protocol through the Development of Nature-based Products, Benefit-sharing and Biodiversity Conservation	979,566	4,619,309	5,598,875
<b>Fiji</b>	UNDP	BD-4	Discovering Nature-based Products and Build National Capacities for the Application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing	1,000,000	2,370,000	3,370,000
<b>Gabon</b>	UNDP	BD-4	Implementation of National Strategy and Action Plan on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Accruing From Their Utilization	913,242	1,790,000	2,703,242
<b>Kenya</b>	UNEP	BD-4	Developing the Microbial Biotechnology Industry from Kenya's Soda Lakes in line with the Nagoya Protocol	913,265	1,751,845	2,665,110
<b>Panama</b>	UNDP	BD-4	Promoting the application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Panama	1,000,000	3,422,000	4,422,000
<b>Global</b>	UNEP	BD-4	Global Support for the Entry into Force of the Nagoya	1,000,000	627,500	1,627,500

Country	Agency	GEF-5 objective	Title	GEF project grant	Co-finance	Total project cost
			Protocol on Access and Benefit Sharing			
<b>Regional</b>	UNEP	BD-4	Ratification and Implementation of the Nagoya Protocol for the Member countries of the Central African Forests Commission COMIFAC (Participating countries: Burundi, Central African Republic, Congo, Cameroon, Gabon, Equatorial Guinea, Rwanda, Sao Tome and Principe, Chad, Congo DR)	1,762,557	8,300,000	10,062,557
<b>Regional</b>	UNEP	BD-5	Ratification and Implementation of the Nagoya Protocol in the Countries of the Pacific Region (Participating countries: Cook Islands, Fiji, Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa)	1,762,557	950,000	2,712,557
			<b>TOTAL</b>	14,160,319	32,946,875	47,107,194