



**Convention on
Biological Diversity**

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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

Second meeting

New Delhi, 2-6 July 2012

Item 3.2 of the provisional agenda*

**DOCUMENTS FROM THE GEF COUNCIL ON THE NAGOYA PROTOCOL
IMPLEMENTATION FUND**

Note by the Executive Secretary

1. The Executive Secretary is circulating herewith, for the information of participants in the second meeting of the Open-ended Ad Hoc Intergovernmental Committee for the Nagoya Protocol on Access and Benefit-sharing, the following three GEF Council documents on the Nagoya Protocol Implementation Fund:

(a) Outstanding issues related to the Nagoya Protocol Implementation Fund (GEF/C.40/11/Rev.1), dated 26 May 2011;

(b) Progress Report on the Nagoya Protocol Implementation Fund (GEF/C.41/Inf.08/Rev.01), dated 18 October 2011;

(c) Progress Report on the Nagoya Protocol Implementation Fund (GEF/C.42/Inf.07), dated 7 May 2012.

2. The publications have been merged and are being circulated in the form and language in which they were made available to the Secretariat.

* UNEP/CBD/ICNP/2/1.



GEF/C.40/11/Rev.1
May 26, 2011

GEF Council Meeting
May 24-26, 2011
Washington D.C.

Agenda Item 16

OUTSTANDING ISSUES RELATED TO THE NAGOYA PROTOCOL IMPLEMENTATION FUND

Recommended Council Decision

The Council, having reviewed GEF/C.40/11/Rev.1, *Outstanding Issues Related to the Nagoya Protocol Implementation Fund*, approves the arrangements proposed for the operation of this new multi-donor trust fund, subject to the comments made at the GEF Council meeting and taking into account the provisions of the Council decision by mail on the creation of this multi-donor trust fund, approved on February 18, 2011.

EXECUTIVE SUMMARY

1. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (the Protocol) was adopted at the Tenth meeting of the Conference of the Parties (CoP) to the Convention on Biological Diversity (CBD).
2. As the President of CoP 10, Japan proposed to establish a new multi-donor trust fund managed by the Global Environment Facility (GEF) aiming to support early entry into force and effective implementation of the Protocol. The creation of the Nagoya Protocol Implementation Fund (NPIF) was approved by the GEF Council in a decision by mail on February 18, 2011.
3. The GEF Secretariat was requested to submit to the Council at its spring 2011 meeting a document covering any outstanding issues related to the implementation of the NPIF.
4. This working document provides the information regarding key issues of the architecture and functions of this new trust fund. The main points are:
 - a. History of access and benefit-sharing through Nagoya;
 - b. The Nagoya Protocol Implementation Fund;
 - c. Objective and activities of the Nagoya Protocol Implementation Fund:
 - i) Enabling activities
 - ii) National and regional projects for promoting the fair and equitable sharing of benefits arising from conservation and sustainable use of genetic resources,
 - iii) Capacity building,
 - iv) Activities to increase public awareness, and
 - v) Knowledge management.
 - d. Governance and project management;
 - e. Workplan;
 - f. Financial management.

INTRODUCTION

1. At the Tenth meeting of the Conference of the Parties (CoP) to the Convention on Biological Diversity (CBD), the Parties adopted the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (herein after referred to as “the Nagoya Protocol” or “the Protocol”).
2. As the President of CoP 10, Japan has taken a lead role in promoting adoption and implementation of the Protocol. Japan, aiming to support early entry into force and effective implementation of the Protocol, proposed to establish a new multi-donor trust fund managed by the Global Environment Facility (GEF) (referred to as “the Nagoya Protocol Implementation Fund” or “NPIF” hereinafter).
3. The creation of the NPIF was approved by the GEF Council in a decision by mail on February 18, 2011. This new trust fund will promote early entry into force of the Nagoya Protocol. The activities of the fund may also serve to inform future discussions in the Intergovernmental Committee on the Nagoya Protocol, but are not meant to prejudice or influence in any way the discussions and negotiations taking place at the Intergovernmental Committee for the Nagoya Protocol (ICNP).

HISTORY OF ACCESS AND BENEFIT-SHARING THROUGH NAGOYA

4. 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” is one of the three fundamental objectives of the Convention of Biodiversity (CBD).
5. The Ad Hoc Open-Ended Working Group on Access and Benefit-sharing (a subsidiary body of the CoP) was established at the Fifth meeting of the Parties in 2000. The mandate of the Group is to develop guidelines and other approaches to assist Parties with the implementation of the access and benefit-sharing provisions of the Convention.
6. The “Bonn guidelines on access to genetic resources and the fair and equitable sharing of the benefits arising from their utilization” were adopted at the Sixth meeting of the CoP in 2002. The Bonn Guidelines were recognized as a useful first step of an evolutionary process in the implementation of relevant provisions of the Convention related to access to genetic resources and benefit-sharing (ABS). Although these guidelines are voluntary, many countries have made use of them for national implementation of the ABS provisions in the CBD.
7. An international regime on access to genetic resources and benefit-sharing with the aim of adopting an instrument/instruments to effectively implement the provisions in Article 15 and Article 8 (j) of the Convention and the three objectives of the Convention was mandated by the CoP at its Seventh meeting in 2004. An Ad Hoc Open-ended Working Group on ABS was requested to support the development of a Protocol on ABS. This legally binding Protocol was

adopted at the Tenth Meeting of the CoP in Nagoya, Japan, October 2010 (the Nagoya Protocol). The Protocol has been open for signature by the Parties to the Convention since 2 February 2011

8. In order to promote the early entry into force and effective implementation of the Nagoya Protocol on ABS, it was deemed necessary to establish a new trust fund that could finance activities to catalyze the process of ratification and incentivize the Parties to fully engage in the implementation of the Protocol. These include enabling activities, national and regional projects for promoting access and the fair and equitable sharing of benefits arising from conservation and sustainable use of genetic resources, capacity building, activities to increase public awareness, and knowledge management.

THE NAGOYA PROTOCOL IMPLEMENTATION FUND

9. The CoP invited the GEF, as the financial mechanism of the CBD and the Nagoya Protocol, to provide financial support to the Parties to assist with the early ratification of the Protocol. For this purpose, the GEF decided to establish, manage and coordinate the new NPIF, as stated in the GEF decision by mail approved on February 18, 2011.

10. Equally important, it is envisioned that voluntary private sector contributions also may support the activities approved under the NPIF.

11. It is expected that the NPIF, the GEF Trust Fund and other related initiatives will closely coordinate to achieve desirable complementarities.

OBJECTIVE AND ACTIVITIES OF THE NAGOYA PROTOCOL IMPLEMENTATION FUND

12. The Nagoya Protocol Implementation Fund has been established to facilitate and support effective and efficient implementation of the decisions made at the 10th CoP of the CBD related to the Protocol. The primary objective of the NPIF is to facilitate the early entry into force and create enabling conditions at national and regional levels for implementation of the Protocol.

13. The Fund will initially focus its support on assisting signatory Parties and those in the process of signing the Nagoya Protocol, and that intend to ratify the Protocol in order to accelerate the ratification and implementation of the Protocol. The proposed activities have been selected to fit in with the timeline of the process of ratification, to incentivize the participation of indigenous peoples, local communities and the private sector, as well as to provide input to the discussions of the Intergovernmental Committee. Activities to be supported by the Nagoya Protocol Implementation Fund include:

- a) Support Parties in reviewing their own capacities and needs on ABS with a focus on the provisions of existing national policies, laws, and regulations and to strengthen the enabling environment at national level through the development of appropriate policy and institutional measures to promote the fair and equitable sharing of benefits arising from the utilization of genetic resources, including by appropriate access to genetic resources

- b) Support Parties to implement national and regional projects to promote technology transfer on mutually agreed terms, private sector engagement, and projects targeting investments in the conservation and sustainable use of genetic resources in-situ to accelerate the ratification and implementation of the Protocol.
- c) Support Parties to build capacity as appropriate with the aim of ensuring that traditional knowledge associated with genetic resources held by indigenous and local communities is accessed with the prior and informed consent, or approval and involvement of these indigenous and local communities, and that mutually agreed terms have been established.
- d) Support Parties to undertake activities to increase public awareness regarding the implications of the Nagoya Protocol.
- e) Support Parties to further the knowledge and scientific-base for the implementation of the Nagoya Protocol.

GOVERNANCE AND PROJECT MANAGEMENT

14. The NPIF will be governed by a Nagoya Protocol Implementation Fund Council, which will utilize the operational policies and procedures and governance structure of the GEF Council. Like the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), this NPIF Council will have the similar membership as the GEF Council and will meet in the margins or back to back with GEF Council meetings. In the future, the NPIF Council will convene to review projects and policy associated with the Fund. The GEF Council, acting as the governing body of the NPIF, may modify the operational policies and procedures of the NPIF, in line with the GEF policies and procedures.

15. 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.

16. Through this pilot initiative, the NPIF will give priority to projects directly related to the countries' ability to ratify the Protocol. Such projects may be implemented by any of the GEF Agencies, including any entities accredited under the proposed modalities of access for qualified national entities, non-governmental organizations and others, if the policy on broadening access to the GEF is approved by the GEF Council.

17. The GEF will keep separate and distinct the program of activities financed by the GEF Trust Fund from those financed by the Nagoya Protocol Implementation Fund. Costs associated with operating, as well as those associated with activities to be financed from, the NPIF will be charged to the NPIF. Separate accounts and reporting will be maintained. Once the new fund

becomes operational, a report on the fund will be submitted to the Council at each of its regular meetings.

WORKPLAN

18. The NPIF will become operational at the May 2011 GEF Council Meeting. The first set of projects should be approved before the Second Meeting of the Intergovernmental Committee to be held in India, April 2012. The size of the project will be determined based on the nature of the project (including national, regional and sub-regional projects) as well as to enable appropriate regional distribution. Medium size projects will be used to expedite the project cycle.

FINANCIAL MANAGEMENT

19. The World Bank will serve as the Trustee of the NPIF, in accordance with the Bank's policies and procedures. The NPIF is being established as a multi-donor trust fund, which can receive voluntary contributions of multiple donors and the private sector.

20. The Government of Japan has taken the lead in providing seed funding of 1 billion Yen to the NPIF as a voluntary contribution. Other governments have expressed interest in making additional resources available to the fund. In addition, it is expected that private companies and other entities that utilize genetic resources may also voluntarily contribute to the Nagoya Protocol Implementation Fund and/or to related projects.



GEF/C.41/Inf.08/Rev.01
October 18, 2011

GEF Council Meeting
November 8–10, 2011
Washington, D.C.

Progress Report on the Nagoya Protocol Implementation Fund

1. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (the Nagoya Protocol) was adopted at the Tenth meeting of the Conference of the Parties (CoP) to the Convention on Biological Diversity (CBD). As the President of CoP 10, Japan proposed to establish a new multi-donor trust fund managed by the Global Environment Facility (GEF).
2. The creation of the NPIF was approved by the GEF Council on February 18, 2011. Further to the creation of the fund, the GEF Council approved the arrangements proposed for the operation of this new multi-donor trust fund in the spring meeting of 2011. The terms of the NPIF are in the document GEF/C.40/11/Rev.1, *Outstanding Issues Related to the Nagoya Protocol Implementation Fund*.
3. The NPIF started with a generous contribution from the Government of Japan (1 billion Yen)¹. Recently, the Government of Switzerland signed a grant agreement of CHF 1,000,000 for the next four years. During the May Council meeting, the Government of France made a pledge for EU 1,000,000, and Norway expressed its intention to contribute to the NPIF. Moreover, the Government of Netherlands has also expressed interest in learning further about the fund to consider a contribution. GEFSEC is working closely with these and other donors to effectively increase the funding at the NPIF.
4. The GEFSEC has taken several actions to make operational the NPIF.
 - a. The GEFSEC established communications with the GEF Operational Focal Points (OFP), Council members, and GEF Agencies to build a portfolio of projects for the NPIF.
 - b. The GEFSEC also established communications with the Agencies to provide guidance and support to build a portfolio of ABS projects for the NPIF. The identification of these projects is underway, with projects under consideration or development in Africa, Asia, and Latin America and the Caribbean. GEFSEC is also looking for opportunities with some of the executing agencies of the existing ABS GEF funded projects, and experts in the field.
 - c. The GEFSEC, Council member and other partners have established communications with some of the private sector companies in the sectors interested in ABS including pharmaceuticals and agriculture. Their views are being considered and shared with the GEF agencies to design projects where the private sector is a true and active partner in the development and implementation of ABS agreements.
 - d. The GEFSEC modified the templates for submission of Project Identification Forms (PIFs), Project Preparation Grants (PPGs), CEO Endorsements for Full Size Projects (FSPs) and Medium Size Projects (MSPs) to allow NPIF projects to be presented and for the GEFSEC to track the investments. These templates were posted soon after the November Work Program was completed.

¹ Amount equivalent to US\$ 12, 241,000 at time of deposit.

5. GEFSEC expects to allocate as much as \$5 million in the first year. The GEF is engaging with countries, agencies, private sector and other international institutions to come up with novel and pioneering projects on ABS for the NPIF.

6. In order to make sure that the NPIF starts working on firm ground, the GEF granted a Medium Size Project (MSP) to UNEP for Building Capacity for the Early Entry into Force of the Protocol on Access and Benefit Sharing. The CBD Secretariat is executing this project in coordination and compliment with their ABS capacity building activities.

Trust Fund for Nagoya Protocol Implementation Fund

**Schedule of Funds Available as of
September 30, 2011**

(in USDeq.)

<u>1. Funds held in Trust</u>	-		12,260,707	<i>a/</i>
Cash and investments		12,260,707		<i>b/</i>
Promissory notes		0		
<u>2. Approved Amounts pending disbursement</u>	-		0	
Amounts Trustee Committed		0	-	
Amounts pending Council/CEO approval and/or CEO endorsement		0		
Monthly approvals for processing		0		
3. Funds Available for Council/CEO approval and/or CEO endorsement (3 = 1 - 2)			12,260,707	

a/ unencashed promissory notes and amounts pending FX are valued at exchange rate as of -

September 30,
2011

b/ includes deposit of JPY 1 billion (eqnt USD 12.241 million) contribution from Japan under a signed contribution agreement

Note: Switzerland has signed a contribution agreement for CHF 1 million, payable over four years.



GEF/C.42/Inf.07
May 7, 2012

GEF Council Meeting
June 5 –7, 2012
Washington, D.C.

Progress Report on the Nagoya Protocol Implementation Fund

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I. Introduction

1. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (the Nagoya Protocol) was adopted at the Tenth meeting of the Conference of the Parties (CoP 10) to the Convention on Biological Diversity (CBD). As the President of CoP 10, Japan proposed to establish a new multi-donor trust fund managed by the GEF.

2. The creation of the Nagoya Protocol Implementation Fund (NPIF) was approved by the GEF Council on February 18, 2011. Further to the creation of the fund, the GEF Council approved the arrangements proposed for the operation of this new multi-donor trust fund during its spring meeting of 2011. The terms of the NPIF are in the document GEF/C.40/11/Rev.1, *Outstanding Issues Related to the Nagoya Protocol Implementation Fund*.

II. Pledges and Contributions

3. The NPIF started with a generous contribution of \$12.24 million from the Government of Japan. The Governments of Norway and Switzerland have also contributed \$1.0 million each. The Government of United Kingdom has also signed a grant agreement of \$500,000 in March 2012. During the May 2011 GEF Council meeting, the Government of France made a pledge for EU1,000,000. The contribution towards the NPIF at this point totals to \$14.825 million (refer Annex 1 and 2 for details).

III. Projects and Activities

4. The GEF CEO provided guidance to the Operational Focal Points on the use of the NPIF in an email dated August 18 2011. Following the 41st GEF Council in November 2011, the GEF CEO provided further information to the GEF Operational Focal Points on the use of the NPIF in an email dated November 11 2011. GEF Council Members and Alternates were also informed.

5. A Medium Size Project (MSP) titled “Promoting the application of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Panama” (GEF ID 4780, UNDP) was approved on December 13, 2010. This is the first project to be approved under the NPIF. The project will concentrate in 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 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 the infrastructure of Coiba National Park, and enhancement of the capacities of the National Government to facilitate access and benefit sharing agreements and handling issues under the Nagoya Protocol. The GEF

Agency for this project is UNDP. The GEF grant for this project is \$1 million with cofinancing of \$3.42 million.

6. In addition to the MSP recently approved in Panama, the GEF Secretariat has indentified other potential projects for the NPIF in 14 countries in Latin America and the Caribbean, Africa, and Asia. There are three MSPs under development, three at the concept note stage, and eight under discussion with the potential executing partners.

7. The GEF will continue to engage with the private sector, academic and research institutions, GEF Partner Agencies and executing agencies in search of additional viable projects potentially eligible for funding by the NPIF.

8. To enhance communication about the NPIF, a brief brochure has been prepared (currently available in English and Japanese). A webpage has also been created under the GEF website (http://www.thegef.org/gef/trust_funds) to introduce the NPIF and to make key related documents accessible. In addition, the GEF Secretariat introduced and highlighted the progress on NPIF in relevant international events, including the conferences on the Global Launching of the United Nations Decade on Biodiversity as well as at the Global Platform for Business and Biodiversity that were both organized by the Secretariat of the CBD and others in December 2011 in Japan.

Annex A: NPIF Status of Pledges and Contributions as of March 31, 2012

1	Total Pledges Outstanding and Contributions Finalized			Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5 + 7	4 = 6 + 9+	5	6	Paid (Receipts)			Unpaid	
			11			7 = 8 + 10	8	9	10	11
Contributing Participant	Currency	Total Contribution	USDeq. a/	Amount	USDeq. a/	Total Contribution	Amount Paid in Currency	USDeq. b/	Amount Due in Currency	USDeq. a/
Japan	JPY	1,000,000,000	12,241,400	0	0	1,000,000,000	1,000,000,000	12,241,400	0	0
Norway	NOK	6,000,000	1,007,980	0	0	6,000,000	6,000,000	1,007,980	0	0
Switzerland	CHF	1,000,000	1,075,529	0	0	1,000,000	525,000	549,796	475,000	525,733
United Kingdom	USD	500,000	500,000	500,000	500,000	0	0	0	0	0
			<u>14,824,909</u>		<u>500,000</u>			<u>13,799,176</u>		<u>525,733</u>

a/ Valued at the exchange rates available on - March 31, 2012
b/ Represents the actual US dollar value of paid-in cash contributions.

Annex B: Trust Fund for Nagoya Protocol Implementation Fund Schedule of Funds Available as of March 31, 2012

Trust Fund for Nagoya Protocol Implementation Fund		
Schedule of Funds Available as of		
March 31, 2012		
		<u>(in US\$eq.)</u>
<u>1. Funds held in Trust</u>	-	13,859,418 a/
Cash and investments	13,859,418	
Promissory notes	0	
<u>2. Approved Amounts pending disbursement</u>	-	1,100,000
Amounts Trustee Committed	1,100,000	-
Amounts pending Council/CEO approval and/or CEO endorsement	0	
Monthly approvals for processing	0	
<u>3. Funds Available for Council/CEO approval and/or CEO endorsement (3 = 1 - 2)</u>		<u>12,759,418</u>

a/ unencashed promissory notes and amounts pending FX are valued at exchange rate as of
 - March 31, 2012