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Item 4 of the provisional agenda

REPORT OF THE INTERGOVERNMENTAL COMMITTEE ON THE CONVENTION ON BIOLOGICAL DIVERSITY

REPORT OF THE INTERGOVERNMENTAL COMMITTEE ON THE CONVENTION ON BIOLOGICAL DIVERSITY ON THE WORK OF ITS FIRST SESSION

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I. OPENING OF THE SESSION

1. The first session of the Intergovernmental Committee on the Convention on Biological Diversity was held in Geneva from 11 to 15 October 1993. The session was convened by the Executive Director of the United Nations Environment Programme (UNEP) in accordance with paragraph 2 of UNEP Governing Council decision 17/30 of 21 May 1993.
2. The session was opened by Ms. Elizabeth Dowdeswell, Executive Director of UNEP, who welcomed the participants and thanked the Government of Switzerland for its generosity in providing the resources both for holding the Session and for setting up the Interim Secretariat. She said that, following the deposit of the thirtieth instrument of ratification of the Convention on Biological Diversity on 30 September 1993, a date had been set for entry into force: 29 December 1993. The Committee's agenda, contained in resolution 2 of the Nairobi Final Act, paralleled the Convention itself in focusing on the development of national strategies and action plans and on the necessary international technical and financial cooperation needed to support those activities. The Committee's task would be to provide guidance on how such cooperation might best be facilitated, as a basis for the development of specific proposals for submission to the Conference of the Parties. Emphasizing that the negotiations for the Convention had been completed, she said that the session provided an opportunity for creative brain-storming and the assembling of the best ideas. A world that had watched as national leaders signed the Convention was still watching to see how the responsibilities undertaken then were discharged. The challenge to the Committee was to meet those expectations.
3. Following her opening remarks, the Executive Director invited: the representative of the Global Biodiversity Forum; the representative of the Food and Agriculture Organization of the United Nations (FAO); and the Brazilian Minister of the Environment and of the Amazon Region, representing the country in which the Convention had been opened for signature, to address the Committee.
4. The representative of the Global Biodiversity Forum presented a report on the recent meeting of the Forum, organized by the African Centre for Technology Studies, IUCN - The World Conservation Union, and the World Resources Institute, and hosted by IUCN in Gland, Switzerland. The Forum had been attended by 150 participants representing Governments, corporations, scientists and non-governmental organizations. At the meeting, the Forum had discussed a wide range of issues, many of which were being discussed in other forums with the aim of fostering dialogue among the various groups concerned. Six major themes had emerged: participation and information; finance; institutional change; intellectual property rights; environmental impact assessment; and biosafety. The Forum hoped that the Committee would adopt the draft rules of procedure before it and would ensure the participation of non-governmental organizations in subsidiary and related bodies established by it, in view of the important role such organizations had to play in giving effect to the Convention.
5. The representative of FAO, speaking on behalf of the Director-General of FAO, said that World Food Day would be commemorated immediately after the first session of the Committee. Its theme, "Harvesting Nature's Diversity", had been selected to emphasize the importance of biological diversity and genetic resources in food security, sustainable agriculture and rural development, environmental management and international trade in commodities. Biological diversity was the pantry which provided humanity with its food and medicines. In modern agriculture, however, major species - such as wheat - had often been introduced from dominant cultures, disregarding environmental conditions and the needs of local communities. Moreover, while the new biotechnologies provided excellent tools for enhancing the diversity of crop varieties and animal breeds, there were

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also risks involved such as misuse by human beings and environmental accidents. In addition, biotechnologies were first adopted by the richer farmers in the richer countries, thus further widening the gap between the rich and the poor. The developing countries, too, needed to be involved in the responsible use of appropriate biotechnologies. Special incentives were also needed to support efforts to conserve germplasm previously developed and currently used on farms and farmers' fields. The concept of Farmers' Rights, unanimously adopted by the FAO members, took one step in that direction.

6. The Brazilian Minister of the Environment and the Amazon region said that the Convention on Biological Diversity was a forerunner and unique in the realm of international law with regard to sustainable development. He added that some of its principles might well be innovative, such as the recognition of the intrinsic value of biological diversity, and that some others were the reaffirmation of longstanding beliefs, such as the recognition of national sovereign rights over natural resources. The core provisions of the Convention - those relating to access to genetic resources and to technology and its transfer - were not conceived as a trade-off, but as a commitment to mutual trust and common benefits in the spirit of international partnership. Brazil, which had some of the world's richest ecosystems and was one of the countries most engaged in the negotiations, welcomed the coming into force of the Convention, so much earlier than had been expected, and hoped that the discussions at the First Session of the Committee would effectively prepare the way for the first Conference of the Parties. However, the extent to which the developing countries were able to implement the Convention would largely depend on the implementation by the developed-country Parties of their commitments related to financial resources and the transfer of technology. The Committee was expected to provide some guidance in those matters and also with regard to the interim financial mechanism. In that connection, it would be remembered that the concept of global benefit was not reflected in the Convention. In his view, the Committee should not consider concepts not contained in the Convention, but should keep to its spirit and letter. Each contracting Party should develop and adapt its national strategies, plans or programmes according to its capabilities, with developing countries getting the support of the relevant provisions of the Convention.

7. The Executive Director then closed the first plenary meeting in order for the regional groups to meet to have informal discussions about the composition of the Bureau.

II. ORGANIZATIONAL MATTERS

A. Attendance

8. The session was attended by representatives of the following States: Algeria, Angola, Antigua and Barbuda, Argentina, Australia, Austria, the Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Benin, Bhutan, Bolivia, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Cook Islands, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Czech Republic, Democratic People's Republic of Korea, Denmark, Djibouti, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Fiji, Finland, France, Gabon, Gambia, Georgia, Germany, Ghana, Greece, Guinea, Honduras, Holy See, Hungary, Iceland, India, Indonesia, Iraq, Israel, Italy, Japan, Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Libyan Arab Jamahiriya, Lithuania, Madagascar, Malawi, Malaysia, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Republic of Moldova, Mongolia, Morocco, Mozambique, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Rwanda, Saint Lucia, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles,

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Sierra Leone, South Africa, Spain, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam, Western Samoa, Yemen, Zaire, Zambia, Zimbabwe.

9. The following United Nations offices and programmes were represented: Economic Commission for Europe (ECE), Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Centre for Human Settlements UNCHS (Habitat), United Nations Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), Office of the United Nations High Commissioner for Refugees (UNHCR), Department of Policy Coordination and Sustainable Development (DPCSD), United Nations Environment Programme/Convention on Migratory Species of Wild Animals (UNEP/CMS), United Nations Environment Programme/Secretariat of the Basel Convention (UNEP/SBC), United Nations Environment Programme/Convention on International Trade in Endangered Species of Wild Fauna and Flora (UNEP/CITES), Secretariat of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC/FCCC), Secretariat of the International Negotiating Committee on Desertification (INCD).

10. The following specialized agencies and other organizations of the United Nations system were represented: Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Health Organization (WHO), World Bank, Global Environment Facility (GEF), United Nations Industrial Development Organization (UNIDO), General Agreement on Tariffs and Trade (GATT).

11. The following intergovernmental organizations were represented: Agence de la Coopération Culturelle et Technique (ACCT), Commission of the European Communities, Commonwealth Secretariat, Council of Europe, International Union for the Protection of New Varieties of Plants (UPOV), Organization for Economic Cooperation and Development (OECD), Organization of African Unity (OAU), Convention on Wetlands of International Importance Especially As Waterfowl Habitat (Ramsar Convention).

12. The following non-governmental organizations were represented: Aid Environment, Africa Harvest Mission, African Pesticide and Environment Management Foundation, AMBIO - Costa Rica, AMIGRANSA (Sociedad de Amigos en Defensa de La Gran Sabana), Asian Wetland Bureau, Association Congo Action Environment (ACAE), Australian Conservation Foundation, Barbados Environmental Association, Biodiversity Action Network (BioNet), Biological Diversity Support Program, Birdlife International, CEEWEB, Center for Environmental Law, Centre for our Common Future, Centre for Governmental Responsibility (University of Florida), USA Center for Marine Conservation, Centre for Science and Environment, Clean Bombay Foundation, Consejo Mundial de Pueblos Indigenas, Conservation International, Consultative Group on International Agricultural Research (CGIAR), Cultural Survival (CANADA), DOCIP, Earth Council, Environmental Defense Fund, European Environmental Bureau, Foundation for International Environmental Law & Development (FIELD), Fundacion Pro Sierra Nevada - Colombia, German NGO Working Group on Biodiversity, Global Environment Programs, Climate Institute (USA), Globe International, Genetic Resources Action International (GRAIN), Greenpeace International, Indian Institute of Public Administration, Indonesia National Park, IPIECA, Institut de Recherche sur l'Environnement, International Academy of the Environment, International Council for Environmental Law (ICEL), International Youth and Student Movement for the United Nations, Inter-Parliamentary Union (IPU), IUED, IUCN - World Conservation Union, KENGO, Melville Forest Landcare Group, MGELI - Fund for the Caucasian Wolf, Movimiento Indigena Colombiana (MIC), National Society of Conservationists, Netherlands Society for Nature and Environment, Nigerian Institute of Advanced Legal Studies, Organizacion de Comunidades Negras de Colombia, Peruvian Environmental Law Society, Philippine Environmental Action Network (PEAN), PROVITA, RAFI, Rettet den

Regenwald, Sahabat Alam Malaysia, SAILD, Sobre vivencia, Society for International Development, SRISTI, The Nature Conservancy, Third World Network, Tinker Institute on International Law and Organizations (TIILO), World Conservation Monitoring Centre, World Federation for Cultural Collections, World Industry Council for the Environment/ICC, World Resources Institute, World Wide Fund for Nature (WWF).

B. Election of officers

13. At the 2nd plenary meeting, held on 11 October 1993, the Executive Director informed the Committee that during consultations with the coordinators of the regional groups, it had been suggested that the Bureau for the Committee consist of the five members of the Bureau for the Intergovernmental Negotiating Committee plus two additional members, who would act as Vice-Chairpersons of Working Groups I and II.

14. The Committee then elected a Bureau, comprised as follows:

Chairperson: Mr. V. Sánchez (Chile)

Vice-Chairpersons: Mr. V. Koester (Denmark)
Mr. S.K. Onger (Kenya)
Mr. G. Zavarzin (Russian Federation)

Rapporteur: Mr. S. Ahmad (Pakistan)

Working Group I

Vice-Chairperson: Mr. F. Urban (Czech Republic)

Working Group II

Vice-Chairperson: Mr. B.P. Singh (India)

15. The Executive Director introduced document UNEP/CDB/IC/1/2 which contained the Draft Rules of Procedure for the Intergovernmental Committee on the Convention on Biological Diversity.

16. Upon the intervention of the representative of Sweden on a point of order, the Chairperson was invited by the Executive Director to take the chair.

17. The Chairperson expressed his appreciation for the confidence which representatives demonstrated by re-electing the Bureau which had served them during the negotiations for the Convention. He then adjourned the 2nd plenary meeting.

C. Adoption of the agenda, procedural matters and organization of work

18. At the 3rd plenary meeting, held on 12 October 1993, the Chairperson made the following introductory remarks. He once again thanked the delegates for having elected him and the other members of the Bureau to continue with the work started during the negotiations. He indicated that in Rio, two weeks after having adopted the text, more than 150 Governments had signed the Convention and that now, by the time that the Intergovernmental Committee on the Convention on Biological Diversity was having its first session, almost 170 had signed and 31 countries, including most recently, the Philippines had ratified it. That response highlighted the importance accorded by the Governments of the world to the issue of biological diversity as well as the Committee's serious responsibilities in ensuring the implementation of the Convention. There were some items which needed clarification and others on which there was still no total agreement or which the Convention did not totally satisfy. Without being able to change anything, the Committee could try to speed up the process so that

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the Conference of the Parties would be able to resolve those outstanding issues. He acknowledged the participation of the 130 or more Governments who were represented at the meeting and the large number of non-governmental organizations which were also present. He stressed the important role that the non-governmental organizations had to play in the work of the Committee. NGOs could be expected to bring a number of issues to the attention of Governments and to fruitfully contribute to the Committee's work. He welcomed and congratulated the members of the Interim Secretariat. He commended to the Committee the rules of procedure which had been applied during the negotiations.

19. The Committee adopted the draft rules of procedure submitted by the Secretariat (UNEP/CBD/IC/1/2) with the following amendments:

(a) The words "translated into the languages of the meetings" should be inserted after the word "copies" at the end of the second line of draft rule 28;

(b) The words "and the translation in the languages of the meetings is available at the time of the meeting" should be inserted at the end of the second sentence of rule 28;

(c) Rule 45 should read as follows:

"The Committee may establish such open-ended subsidiary organs as may be necessary for the effective discharge of its functions and such subsidiary organs shall function in accordance with the terms of reference decided by the Committee and shall report to it. If the Committee deems it necessary, such subsidiary organs may hold inter-Sessional meetings and shall report to the Committee at its next session."

20. The Committee adopted the following agenda:

1. Opening of the session.
2. Organizational matters:
 - (a) Election of officers;
 - (b) Adoption of the agenda, procedural matters and organization of work.
3. Preparation for the First Meeting of the Conference of the Parties to the Convention on Biological Diversity in accordance with the resolutions of the Nairobi Final Act of the Conference for the Adoption of the Agreed Text of the Convention on Biological Diversity.
4. Other matters.
5. Adoption of the report.
6. Closure of the Session.

21. The Executive Secretary presented the proposed organization of work, as contained in UNEP/CBD/IC/1/1/Add.2, for the consideration of the Committee.

22. The representative of Nigeria noted that the following items were not included in the proposed work programme for this session of the Committee, and suggested that they be included on the agenda for the second session of the Committee: ownership of and access to *ex situ* resources; and Farmers' Rights and intellectual property rights of similar groups.

23. Upon the suggestion of several representatives, the Committee agreed that two Working Groups be established to consider matters arising under item 3 of the agenda. It was agreed that Working Group I would consider the following matters:

(a) Conservation and sustainable use: the full range of important national activities for reducing the loss of biological diversity; overview of categories of action supported by UNDP, the World Bank and UNEP in recent years; and factors for setting national action priorities;

(b) Scientific and technical work between sessions: tasks to be done prior to the first meeting of the Conference of the Parties by an interim scientific and technical advisory committee or other designated body, number of members of the body; fields of expertise of members; and selection process for the body;

(c) Biosafety: simultaneous action on (i) immediate action to enhance biosafety, and (ii) consideration of an international instrument on biosafety.

It was also agreed that Working Group II would consider the following matters:

(a) Institutional structure operating the financial mechanism: characteristics desired in the institutional structure operating the financial mechanism under the Convention; process for developing an evaluation framework to propose to the Conference of the Parties; process to examine funding needs; and how to select the institutional structure to operate the financial mechanism upon entry into force of the Convention;

(b) Rules of procedure for the Conference of the Parties: additional ideas for the proposed draft rules of procedure for the Conference of the Parties (UNEP/CBD/IC/1/6);

(c) "Full incremental costs": meaning of the term "full incremental costs" in the context of the Convention on Biological Diversity;

(d) Technical cooperation and capacity-building: ways of transferring technology relevant to conservation and sustainable use of biological diversity, including the clearing-house mechanism; and, early opportunities for technical cooperation to build capacity in conservation and sustainable use of the components of biological diversity.

24. It was further agreed that the Working Groups would meet in the afternoon of Tuesday, 12 October, the morning and afternoon of Wednesday, 13 October, and the morning and, if necessary, the afternoon of Thursday, 14 October. They would hold their final meetings in the morning of Friday, 15 October, to adopt their reports.

25. It was also decided that the 4th plenary meeting would be held in the afternoon or evening of Thursday, 14 October, depending on when the Working Groups completed their work and would be devoted to Government and agency presentations. It was decided that the final plenary meeting of the Committee would be held in the afternoon of Friday, 15 October, to consider the time and place of the next session of the Committee, to adopt the report on the work of the current session, and to hear closing comments, after which the session would be closed.

26. At the 5th plenary meeting, on 15 October, the Committee agreed on the following items for discussion:

- (a) Presentation of the Working Group reports;
- (b) Presentation of summary of work to be carried out before the Second Session of the Committee;
- (c) Dates, venue and agenda for the Second Session of the Committee and dates and venue of the First Meeting of the Conference of the Parties;
- (d) Adoption of the report of the Committee; and
- (e) Closure of the meeting.

III. PREPARATION FOR THE FIRST MEETING OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY IN ACCORDANCE WITH THE RESOLUTIONS OF THE NAIROBI FINAL ACT OF THE CONFERENCE FOR THE ADOPTION OF THE AGREED TEXT OF THE CONVENTION ON BIOLOGICAL DIVERSITY

A. Government and agency presentations

27. As called for in paragraph 7 of resolution 2 of the Nairobi Final Act, country statements were made on national action for the conservation of biological diversity and the sustainable use of its components. These presentations were made during the 3rd plenary meeting held on 12 October, the 4th plenary meeting, held on 14 October, and in the meetings of Working Group I. In addition, those representatives who did not have an opportunity to present their statements orally, submitted written texts to the Secretariat at the end of the 5th plenary meeting, held on 15 October. Altogether, 69 statements were received from: Argentina, Australia, Bahamas, Bangladesh, Barbados, Belarus, Benin, Bhutan, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Chad, Chile, China, Comoros, Cook Islands, Costa Rica, Cuba, Czech Republic, Denmark, Egypt, El Salvador, Estonia, Ethiopia, Fiji, Finland, Gambia, Germany, Ghana, Guinea, Iceland, India, Italy, Japan, Kenya, Lao People's Democratic Republic, Malawi, Malaysia, Malta, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Nigeria, Norway, Panama, Peru, Philippines, Republic of Korea, Saudi Arabia, Seychelles, Sierra Leone, Spain, Suriname, Sweden, Switzerland, Thailand, Uganda, United Kingdom, United States of America, Venezuela, Western Samoa and Zambia.

28. These country statements dealt with some of the major provisions of the Convention. The countries reported on the progress in their ratification process; the development of policies; programmes and strategies for conservation and sustainable use of the components of biodiversity; the development of relevant legislation; and programmes for research and training, public education and awareness. Many countries emphasized the need for the support indicated in the Convention to be urgently provided in order to fulfil the objectives of the Convention.

29. A number of agencies also made presentations at the 3rd plenary meeting, held on 12 October. These were: the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), the Ramsar Convention (on behalf of the secretariats of all the environment conventions represented at the Committee's Session), the Commission of the European Communities, the Consultative Group on International Agricultural Research (CGIAR), the Indigenous Peoples' Caucus, the Netherlands Women's Caucus, the World Conservation Monitoring Centre and the World Federation for Cultural Collections.

30. At the invitation of the Committee, a presentation was made by the Administrator of the Global Environment Facility (GEF), on financial arrangements under the Convention, in particular, Resolution 1 of the Nairobi Final Act. He welcomed the fact that potential donors supported the efforts for the process of replenishment and restructuring of the Facility to be concluded by December 1993. There was there was already clear agreement that participation in the new GEF must be universal; that, in the event that the GEF was selected to be the institutional structure operating the financial mechanism for the Convention, it should do so under the authority and guidance of the Conference of the Parties; that consensus must be the primary form of decision-making in the GEF; that it should have a functionally independent secretariat and a formal deliberative structure; and that the roles of the implementing agencies should be set out in an annex to the agreement for the restructured Facility.

31. The representative of the Food and Agricultural Organization of the United Nations (FAO), presented a progress report on activities undertaken by FAO in the context of resolutions 2 and 3 of the Nairobi Final Act. He noted that FAO's responsibilities had been recognized by Governments in resolutions 2 and 3 of the Nairobi Final Act. He recognized the importance of mutual reporting between the FAO Commission on Plant Genetic Resources (CPGR) and the Intergovernmental Committee on the Convention. CPGR had also endorsed a negotiated International Code of Conduct for Plant Germplasm Collecting and Transfer, had requested the Director-General of FAO to negotiate with the international agricultural research centres an agreement to place their crop germplasm collections under FAO auspices and endorsed the Technical Standards for Genebanks, prepared by an FAO/International Board for Plant Genetic Resources (IBPGR) expert group. The FAO body, the Committee on Agriculture, had also discussed matters relevant to the implementation of resolution 3 and had endorsed plans for the preservation and improvement of animal genetic resources in line with the recommendations of the United Nations Conference on Environment and Development (UNCED).

32. The representative of UNESCO informed the Committee that, in order to follow up Agenda 21, priority had been given to reinforcing UNESCO's activities regarding biological diversity. These included conservation through the international biosphere reserve network, which combined conservation, rural development and research, as well as under the World Heritage Convention, and activities to improve knowledge on biological diversity such as the Diversitas programme on research, inventories and monitoring in terrestrial, aquatic, coastal and marine ecosystems, including islands. A fundamental part of UNESCO's programmes was devoted to training and formal education.

33. The Committee noted the statements of the representatives of FAO and UNESCO expressing the commitment of their organizations to collaborate fully and actively with the Interim Secretariat in accordance with resolutions 2 and 3 of the Nairobi Final Act.

B. Presentation of the Working Group reports

34. Due to the fact that the modified text of Working Group reports, as agreed during their last meetings, were not ready at the start of the 5th plenary meeting of the session, the Committee heard at this time a statement by Mr. Ashish Kothari of the Indian Institute of Public Administration, speaking on behalf of the non-governmental organizations represented at the meeting.

35. It was decided to begin with the presentation of the report of Working Group II in view of the fact that the Chairperson of Working Group I was still holding informal consultations.

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1. Report of Working Group II

36. The Chairperson of Working Group II orally presented the recommendations of the Working Group as contained in documents UNEP/CBD/IC/1/WG.II/L.1, paras 21-27; and UNEP/CBD/IC/1/WG.II/L.1/Add.1 paras 4, 9 and 13, along with the amendments to these recommendations as agreed in the 6th meeting of Working Group II. These amendments are underlined in the following record of his presentation.

(i) "The Working Group agreed to recommend that:

"(a) The institutional structure operating the financial mechanism under Article 39 of the Convention and that emerging from the First Meeting of the Conference of the Parties should meet the requirements of Article 21 of the Convention;

"(b) Channels of communication to the institutional structure should be established;

"(c) There should be clear procedures for processing requests for funding;

"(d) There was a need for a system of reporting back to the Parties;

"(e) There was a need for a regular flow of information to the Conference of the Parties;

"(f) There was a need for a capacity to respond quickly to funding requirements;

"(g) There was a need for cost-effectiveness and efficiency in its operations;

"(h) Funds should be replenished regularly and adequately;

"(i) Regular guidance should be given to the institutional structure operating the financial mechanism on the resources needed;

"(j) There should be possibilities for multiple sources of funding, in which connection information on practices and eligibility criteria applied by other institutions funding biological-diversity-related projects would be relevant as well as working relationships with these institutions."

(ii) "There was further agreement to recommend that the Secretariat should extend an invitation to international financial institutions apart from GEF, including regional development banks, multilateral financial organizations, and bilateral funding institutions and organizations, to attend a meeting with the Committee at its next Session to begin to address issues of mutual concern in relation to the implementation of the Convention, including criteria for funding eligibility and modalities for exchange of information between the Conference of the Parties, the institutional structure operating the financial mechanism under the Convention, and other financial institutions and organizations."

(iii) "The Working Group agreed to recommend that the Secretariat should invite relevant industry organizations to attend the next Session of the Committee as observers."

(iv) "The special requirements of the least developed countries and small island States were generally recognized. There was also agreement to recommend that, during the interim period up to the First Meeting of the Conference of the Parties, all developing countries signatory to the Convention should be eligible for funding through the financial mechanism. At the end of that period, only such countries that had ratified the Convention would be eligible, although the need for other developing countries, as well as countries with economies in transition, to receive funding, outside the financial mechanism of the Convention, was also recognized by a number of delegations."

(v) "It was agreed to recommend that the Chairperson of the Committee be used as a link between the Committee and GEF in order to convey messages. It was also agreed to recommend that there was no need for an interim subsidiary body on financial arrangements."

(vi) "As for the future relationship between the Conference of the Parties and the institutional structure operating the financial mechanism, several delegations suggested that the idea of establishing an executive committee, along the lines of that established under the Montreal Protocol, as well as other potentially useful models, could be further elaborated if need be. In this context, other delegations stated that possible consideration of an executive committee should not be limited to the Montreal Protocol model and that the question of whether the mandate of such a body should be limited to the relationship with the institutional structure operating the financial mechanism could be considered."

(vii) "Regarding eligibility criteria, it was accepted that the words 'global benefits' were not mentioned in the Convention. Some delegations expressed the view that this fact did not necessarily preclude the application of global benefits as a criterion. Other delegations also expressed the view that this notion was not applicable in financing projects under the Convention."

(viii) "As to the question of the process to examine funding needs, it was agreed to recommend that the Secretariat should be requested to prepare for submission to the Committee at its next Session a study on various methodologies that might be used to estimate funding needs, including a description of the methodology used in reaching the figure for financial resources needed to fund multilateral biological diversity assistance between 1993 and 2000 contained in Agenda 21."

(ix) "With regard to the draft Rules of Procedure for the Conference of the Parties, it was agreed to recommend that all the observations would be taken into account by the Secretariat when it proposed a further draft for consideration by the Working Group at its next Session. All new options and proposals would be clearly highlighted. There was also agreement to recommend that draft financial rules governing the funding of the Secretariat (Article 23, para. 3) be drafted by the Interim Secretariat for consideration by the Committee at its next Session. With regard to a proposal for a study on the use of languages by the other treaty bodies, as well as within the United Nations system, it was noted that the matter could be pursued by the representatives themselves."

(x) "There was agreement to recommend that the Secretariat should be requested:

"(a) To examine methodologies in order to define and understand the meaning of the term 'full incremental costs';

"(b) In the light of the results of the examination referred to in subparagraph (a) above, to provide a draft indicative list of such incremental costs for discussion at the next Session of the Committee. The list should build on current projects and to the extent possible be made in collaboration with organizations such as

UNESCO, FAO, the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer, the secretariat for the Framework Convention on Climate Change, and GEF."

(xi) "The Working Group agreed to recommend that the Secretariat be asked to perform the following tasks before the next Session of the Intergovernmental Committee:

"(a) To identify existing clearing-house mechanisms and existing mechanisms for information exchange and report on their experience;

"(b) To catalogue existing databases of relevance to the Convention on Biological Diversity and identify their gaps and linkages;

"(c) To examine the range of appropriate models for technology transfer;

"(d) To examine and report on existing examples and possible models for national legislation, with due attention to their potentially conflictual nature, and for agreements and other practices for regulating access to genetic resources."

37. Drawing attention to the format of the draft report of Working Group II (UNEP/CBD/IC/1/WG.II/L.1 and UNEP/CBD/IC/1/WG.II/L.1/Add.1), the representative of Brazil said that it was not common practice in United Nations bodies for such reports to include headings and subheadings. In response, the Chairperson of the Committee drew attention to the reports of the Intergovernmental Negotiating Committee for a Convention on Biological Diversity, in which headings and subheadings had been used, and a representative of the Secretariat said that it was quite usual for headings and subheadings to be used in reports of United Nations bodies to separate different agenda items or substantive topics within an item or sub-item, or to introduce recommendations or decisions of the body.

38. After a discussion on whether or not headings and sub-headings were in keeping with United Nations practice, in which several representatives took part, the Chairperson of the Working Group proposed and it was agreed by the Committee that the headings and subheadings be deleted, and consequential changes introduced into the wording of the Group's report in such a manner as to make a clear distinction between the record of the Group's deliberations and the recommendations emerging therefrom.

39. With regard to the wording in paragraph 36 (iv) above, the Committee agreed, on the proposal of India and after a discussion in which the representatives of India and Tunisia and the Chairperson of Working Group II took part, that it should be split into two paragraphs in order to identify clearly the recommendations contained therein. The resultant text read as follows:

"The special requirements of the least developed countries and small island States were generally recognized. It was also recognized by a number of delegations that there was a need for developing countries not being Contracting Parties after the First Meeting of the Conference of the Parties, as well as countries with economies in transition, to receive financing outside the financial mechanism of the Convention.

"There was general agreement to recommend that, during the interim period up to the First Meeting of the Conference of the Parties, all developing countries signatory to the Convention should be eligible

for funding through the financial mechanism, and to recommend that at the end of that period, only such countries that had ratified the Convention would be eligible."

40. The representative of Mexico, in agreement with the representative of the United States of America, proposed an amendment to the wording of the second sentence in paragraph 36 (vi) above to read: "Without taking a position on the need for an executive committee, other delegations agreed that other potentially useful models should be given due consideration and that the question of whether the mandate of such a body should be limited to the relationship with the institutional structure operating the financial mechanism could be considered".

41. The representatives of Mexico and Costa Rica proposed the following amendment to paragraph 36 (viii) above: insert after "Secretariat", the following words: "with the active participation of UNESCO, FAO and other relevant organizations".

42. The representative of Brazil, supported by the representatives of the United States of America and Nigeria, on behalf of the African Group, proposed that the word "GEF" should be deleted from paragraph 16 of the first part of the draft report of Working Group II (UNEP/CBD/IC/1/WG.II/L.1).

43. Since time was very limited, the Chairperson invited participants to submit in writing their suggestions for further amendments to the report of Working Group II for circulation by the Secretariat. He decided that the suggestions would be taken up at the next session of the Committee, at which time the report of Working Group II would be considered for adoption."

2. Report of Working Group I

44. The Chairperson of Working Group I then orally presented to the Committee the Report of Working Group I, as contained in documents UNEP/CBD/IC/1/WG.I/L.1 and UNEP/CBD/IC/1/WG.I/L.1/Add.1, along with the amendments to this report as agreed in the 6th meeting of Working Group II. These amendments are underlined in the following record of his presentation:

"1. As decided by the Committee at its 3rd plenary meeting, Working Group I held six meetings from 12 to 15 October 1993 to consider the following matters under Item 3 of the agenda:

"(a) Conservation and sustainable use: the full range of important national activities for reducing the loss of biological diversity; overview of categories of action supported by UNDP, the World Bank and UNEP in recent years; and factors for setting national action priorities;

"(b) Scientific and technical work between Sessions: tasks to be done prior to the First Meeting of the Conference of the Parties by an interim scientific and technical advisory committee or other designated body; number of members of the body; fields of expertise of members; and selection process for the body;

For the text of the report of Working Group II as subsequently adopted by the Committee at its second session, see annex I to the present report.

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"(c) Biosafety: simultaneous action on (i) immediate action to enhance biosafety and (ii) consideration of an international instrument on biosafety.

"2. The Working Group was presided over by Mr. S.K. Onger (Kenya), a Vice-Chairperson of the Committee. Mr. F. Urban (Czech Republic) served as Vice-Chairperson of the Working Group and Mr. N. Roaldsøy (Norway) as Rapporteur.

"3. At the 1st, 2nd and 3rd meetings of the Working Group, statements were made on conservation and sustainable use by the representatives of 54 countries and 4 non-governmental organizations.

"4. The Working Group examined a wide range of issues relating to national activities for reducing the loss of biological diversity, which might be considered further at the Committee's next Session. All Parties should develop national strategies, plans or programmes or adapt existing ones, with the provision of technical, scientific and financial support as agreed. The Interim Secretariat should report to the Conference of the Parties on progress. Country studies were useful but were not mandatory. It was agreed that they should not be a precondition for provision of financial support as agreed. To facilitate access to and exchange of information, from all publicly available sources, it should be made available in computerized form, using existing software. The Interim Secretariat should promote the development of formats for data entries and institute regional training programmes on the use of those formats. Financial support should be provided for the purchase of relevant classical literature and other publications. Conservation and sustainable use measures should support the participation of local and indigenous communities, women and youth, and should seek to improve their standards of living. Regional approaches should be devised, for example through workshops and seminars, to address shared concerns. The Interim Secretariat should mobilize funds for those workshops. Ex-situ and in-situ programmes should be integrated and should include micro-organisms. All existing identified conservation aspects falling under the scope of other conventions should be taken into account. Restoration of ecosystems and the elimination of alien species should be considered where appropriate. Capacity-building, including institutional strengthening and human resources development, particularly of taxonomists, should receive greater attention. Conservation of biological diversity outside protected areas should receive greater attention. All Parties should develop or maintain national legislation and other regulatory provisions as appropriate to reflect the needs of the Convention. The knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles, should be supported and taken into account in modern management practices to conserve biological diversity, in accordance with Article 8 (j) of the Convention. Education programmes to raise public awareness of biological diversity issues should be developed. All Parties should establish a system of protected areas, or areas where special measures need to be taken to conserve biological diversity, paying due attention to the management of the surrounding areas. The financial support referred to above and in other contexts should be provided to developing-country Parties to meet the agreed full incremental costs that are agreed between the developing-country Party and the institutional structure entrusted with operation of the financial mechanism. National efforts to integrate biological diversity concerns in major economic sectors such as, inter alia, agriculture, forestry and fisheries, are crucial for the maintenance of biological diversity.

"5. In response to a request by the Chairperson, the representatives of UNDP, the World Bank and UNEP gave an overview of categories of action supported by their agencies with respect to conservation and sustainable use of biological diversity.

"6. The representative of UNDP said that Agenda 21 had mandated UNDP to coordinate all activities connected with capacity-building through the programme known as "Capacity 21". Capacity-building at all levels

for the protection of biological diversity and the implementation of the Convention on Biological Diversity thus constituted a main focus of UNDP-supported projects, particularly through the GEF. The UNDP representative stated that the incremental costs of capacity-building were considered to equal full costs. There were two areas of intervention: the Free-Standing Technical Assistance Programme, which supported national and regional initiatives provided the projects concerned came under a national development programme; and the Small Grants Programme, a pilot GEF programme to provide funds to small-scale initiatives, e.g. by local communities and non-governmental organizations.

"7. In response to questions from the floor, he said that UNDP welcomed the interest shown in biological diversity collections and the capacity-building associated therewith. Governments should empower the agencies to cooperate in such efforts, particularly on a regional basis.

"8. The representative of UNEP said that UNEP supported activities related to the implementation of the Convention on International Trade in Endangered Species (CITES), the Convention on Migratory Species (CMS) and the Convention on Biological Diversity. For the implementation of the last Convention in particular, it could provide technical and financial assistance to individual countries for the preparation of country studies.

"9. UNEP also had an active programme for the protection of marine biological diversity through its programme on oceans and coastal areas. In addition, Agenda 21 had given it the mandate on freshwater issues and, consequently, more emphasis would, in the future, be placed on biological diversity in freshwater ecosystems.

"10. In response to questions from the floor, he said that, while it was true that the Convention on Biological Diversity made no reference to country studies, UNEP considered that such studies constituted a useful preliminary tool and building block for national strategies. The guidelines for the country studies, which were indicative and not mandatory, would be revised in the light of experience and feedback in implementing the Convention.

"11. UNEP was convening a meeting of the executive heads of the various conventions to prepare a paper for submission to the corresponding conferences of the parties.

"12. The representative of the World Bank said that, under the Bank's programmes, a number of activities related to the conservation of biological diversity were being funded, namely, meeting the gap in recurrent cost financing; in-situ conservation; ex-situ conservation; utilizing local capacity, such as NGOs; foundation building; conservation strategies; and strategic coalitions, i.e. facilitating collaboration of all sources of capacity for the implementation of biological diversity projects and programmes.

"13. In response to questions from the floor, he said that the practice of the Parties to the Montreal Protocol regarding incremental costs was that each party drew up a list of incremental costs that was then reviewed. The Parties to the Convention on Biological Diversity might wish to adopt that approach.

"14. After extensive deliberations, the Working Group identified, for submission to the Committee, the following broad and indicative categories of factors which might be taken into consideration in setting national priorities:

"(a) Ecological: "Number and variety of species and ecosystems inside and outside protected areas; the extent of threatened species and ecosystems in both wild and domesticated conditions; restoration of threatened habitats and ecosystems; particularities of countries and of regions within countries; understanding of emerging ecological problems to render precautionary approaches possible; air and water

pollution; atmospheric (climate) changes; deforestation; environmental impact assessments; disasters; and shared responsibilities in respect of areas beyond national jurisdiction and other matters of mutual interest for the conservation and sustainable use of biological diversity.

"(b) Socio-economic and cultural: "Strategic and socio-economic importance of species and ecosystems inside and outside protected areas; population; change in land use, including intensive agriculture; biological diversity conservation within different land-use systems; soil degradation; integration of human and conservation needs; and level of participation to ensure integration of traditional knowledge and the sharing of benefits from genetic resources.

"(c) Institutional: "Involvement of governmental and non-governmental organizations and other groups; continuing adjustments in policies and management approaches; capacity for implementation, compliance and monitoring; and level of financial resources.

"15. In response to a question by the Chairperson, many of the representatives who spoke expressed themselves in favour of the immediate establishment of an interim scientific and technical advisory committee to begin the work required by Article 25, paragraph 2, of the Convention. A number of them referred, in that connection, to paragraph 2(b) of Resolution 2 of the Nairobi Final Act." Several representatives, however, questioned the need to establish any interim designated body prior to the First Meeting of the Conference of the Parties. One representative stated that, if such an interim body were established, his Government was willing to act as host for its first Session.

"16. With respect to the membership of the interim committee, many representatives stressed the need for an equitable geographical distribution, some of them opting for an open-ended membership while others, citing the need for a committee of manageable size, would prefer a limited number of members from each United Nations region. Several representatives pointed out, however, that the United Nations regions did not adequately differentiate between parts of the world with specific biological diversity profiles and suggested that the subregions be represented. All representatives agreed that any such interim body must consist of Government-appointed experts. After some discussion in the Working Group itself and in a small drafting group established by the Chairperson, a compromise was suggested whereby the Executive Director of UNEP would be requested to convene a meeting of an intergovernmental group of experts. It was noted that, in view of rule 45 of the rules of procedure, the choice was between an open-ended group or no group at all. After some discussion, the Working Group agreed by consensus that there should be one meeting of an open-ended group, with tightly-defined terms of reference, which should consider scientific programmes and international cooperation in research, the preparation of an agenda for scientific and technological research on the conservation and sustainable use of biological diversity, and the identification of innovative, efficient and state-of-the-art technology and know-how relating to the conservation and sustainable use of biological diversity.

"17. The Working Group acknowledged the generous offer by the Government of Mexico to host the meeting of intergovernmental experts which, it considered, should be convened prior to the Committee's next Session.

* A number of representatives also referred to the report of the Expert Panel I (UNEP/Biodiv./Panels/Inf.1).

"18. The Working Group heard presentations by the representatives of a number of countries, the representative of UNIDO, and the representatives of various non-governmental organizations on action to enhance biosafety, as called for in Resolution 2, paragraph 2(c), of the Nairobi Final Act and Article 19, paragraph 3, of the Convention on Biological Diversity, and on possible approaches to the development of a protocol on biosafety. All the representatives who spoke recognized the need for international cooperation in exploring ways and means of enhancing biosafety. There was a consensus on the need to enhance national capacities to deal with biosafety issues. Many representatives called for action to initiate the development of a protocol setting out appropriate procedures, including, in particular, advance informed agreement in the field of the safe transfer, handling and use of any living modified organism resulting from biotechnology. Some representatives expressed reservations concerning the advantages of such an instrument. One representative said that safety in biotechnology had already been discussed in existing international organizations, including OECD, and therefore the Conference of the Parties should consider the findings of such international bodies.

"19. The Working Group adopted its report at its 6th meeting on 15 October 1993."

45. The representative of Greece intervened on a point of order. He pointed out that there had not been a written text before Working Group I on the matter presented in paragraph 18 above and therefore, it should not be considered for adoption.

46. The representative of the United States of America, making reference to Article 19, paragraph 3, of the Convention, suggested the following amendment to paragraph 18 above as presented orally by the Chairperson of Working Group I: insert at the end of the fourth sentence, the words "that may have an adverse effect on the conservation and sustainable use of biological diversity".

47. Estonia, speaking on behalf of the Czech Republic, Hungary, Lithuania and Poland, stated that they would submit a statement noting the general interest of countries with economies in transition reflected in the deliberations of both the Working Group reports.

48. After a discussion about whether or not the report of Working Group I could then be adopted, the Chairperson decided that the report of Working Group I would also be considered at the next session of the Committee."

C. Summary of work to be carried out before the second session of the Committee

49. Because of the limitations of time, this item was not discussed. However, on the suggestion of the representative of Sweden, the Chairperson proposed, and the Committee agreed, that the Executive Director of UNEP be requested to convene a meeting of an open-ended intergovernmental group of experts prior to the Committee's next Session, to consider the topics mentioned in the report of Working Group I. The Committee acknowledged the offer by the Government of Mexico to host that meeting.

50. The representative of the Netherlands intervened on a point of order regarding the status of all of the recommendations of the Working Groups for the work of the Secretariat prior to the next session, given the fact that the Working Group reports had not been adopted. The Chairperson proposed and the Committee agreed that, pending formal acceptance of the Reports of Working Groups I and II at the Committee's next session, the

* For the text of the report of Working Group I as subsequently adopted by the Committee at its second session, see annex II to the present report.

Interim Secretariat should be guided by their present contents, in accordance with the normal procedures of the United Nations, in its preparatory work for the Committee's next Session.

D. Dates, venue and agenda for the second session of the Committee and dates and venue for the first meeting of the Conference of the Parties

51. The Chairperson informed the Committee, upon the advice of the Executive Director, that the international and United Nations calendar of major environmental meetings had been examined, to identify possible dates for the Second Session of the Committee. Those dates were: 10-19 March 1994 or 20-30 June 1994. In addition, given that it was now known that the First Meeting of the Conference of the Parties would need to be held before 29 December 1994, possible dates identified for that Meeting were November 28 to December 9, 1994.

52. In view of limitations of time, it was not possible to consider the dates for the proposed meetings. The Committee requested the Executive Director to consult with the governments on the dates for the intergovernmental meeting of experts and the Second Session of the Committee.

53. The Governments of Kenya, Spain and Switzerland offered to host both the permanent secretariat of the Convention and the First Meeting of the Conference of the Parties.

E. Adoption of the report of the Committee

54. At the 5th plenary meeting, on 15 October, the Rapporteur presented the draft report of the Committee contained in document UNEP/CBD/IC/1/L.1 reflecting the proceedings of the 1st to 4th plenary meetings. Due to lack of time, the Committee agreed to consider the full report of the Committee, along with the reports of Working Groups I and II at its next session.

55. The present report was adopted by the Committee at its second session on the basis of the draft report of the work of the first session (UNEP/CBD/IC/2/2, annex I) and comments and amendments submitted in writing by Governments and circulated as a conference room paper at the second session of the Committee.

56. The reports of the Working Group, as contained in annexes I and II to the present report, were also adopted by the Committee at its second session on the basis of the reports as amended at the final plenary meeting of the first session (UNEP/CBD/IC/2/2, annexes II and III) and comments and amendments submitted in writing by Governments and circulated as a conference room paper at the second session of the Committee.

F. Closure of the session

57. In the interest of time, the Executive Director ceded her time for closing remarks to the Chairperson.

58. The Chairperson thanked the participants for their cooperation. He also thanked the Government of Switzerland for their generosity in having provided the meeting facilities and for having financed the attendance of the developing countries to the first session of the Committee. He also expressed his appreciation to the Interim Secretariat, all staff who had made the meeting possible and especially to the interpreters. He noted that the Interim Secretariat had only been in office for the last 15 days and hoped that they would have the opportunity to acquire the necessary experience to service future meetings.

59. The Chairperson then declared the session closed.

Annex I

REPORT OF WORKING GROUP II

1. As decided by the Committee at its 3rd plenary meeting, Working Group II held six meetings, from 12 to 15 October 1993, to consider the following matters under item 3 of the agenda:

(a) Institutional structure operating the financial mechanism: characteristics desired in the institutional structure operating the financial mechanism under the Convention; process for developing an evaluation framework to propose to the Conference of the Parties; process to examine funding needs; and how to select the institutional structure to operate the financial mechanism upon the entry into force of the Convention;

(b) Rules of procedure for the Conference of the Parties: additional ideas for the proposed draft rules of procedure for the Conference of the Parties;

(c) "Full incremental costs": meaning of the term "full incremental costs" in the context of the Convention on Biological Diversity;

(d) Technical cooperation and capacity-building: ways of transferring technology relevant to conservation and sustainable use of biological diversity, including the clearing-house mechanism; and early opportunities for technical cooperation to build capacity in conservation and sustainable use of the components of biological diversity.

2. The Working Group's work was presided over by Mr. V. Koester (Denmark), a Vice-Chairperson of the Committee. Mr. B.P. Singh (India) served as Vice-Chairperson of the Working Group and Mr. Sulayman Samba (Gambia) as Rapporteur.

3. The Working Group considered the question of the institutional structure operating the financial mechanism at its 1st to 5th meetings, held on 12 to 14 October 1993.

4. At the beginning of its consideration of the question, the Working Group heard a statement by the representative of the Global Environment Facility (GEF) on the subject of incremental costs and their relationship to the assistance to be provided under the Convention on Biological Diversity, and on the need to weigh carefully the claims of domestic environmental benefits against those of global environmental benefits in the provision of that assistance. Questions asked by representatives of a number of countries concerned, among other things, the availability of assistance from GEF for local projects in smaller countries, the extent to which it might depend on the monetary benefits to be derived from financing projects designed to facilitate biological diversity or on whether or not a country had ratified the Convention on Biological Diversity the approach of GEF to the identification of incremental costs and its attitude towards the issue of domesticated biological diversity.

5. In reply, the representative of GEF said that, although GEF existed to fund projects which produced agreed global benefits, no country, whatever its size, and regardless of whether it had ratified the Convention on Biological Diversity or not, was excluded from consideration by GEF for assistance. It was reasonable that, if a project produced a monetary benefit for a country, that benefit should be deducted from the grant which the country received, subject to discussion between GEF and the Government concerned in cases in which it was difficult to quantify the benefit. The approach of GEF to the identification of costs would probably be two-pronged, involving an assessment of each project by categories of

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expenditure, both case by case and in relation to the country in which the project was located; in any event, the matter would be one for negotiation, within the framework of the Convention, between the Parties concerned. GEF would look to the Conference of the Parties for guidance on the subject of domesticated diversity.

6. One representative, speaking on behalf of a group of States and supported by representatives of a number of other countries expressed confidence in the ability of GEF, once it was restructured, to meet the needs of the Convention. The accountability of the mechanism to the Conference would be secured by means of regular, comprehensive reporting by GEF on the manner in which it provided assistance under the Convention. He suggested that the Chairperson of the Intergovernmental Committee should participate in the meetings of the governing body of GEF and convey the Committee's views to that body.

7. Many representatives said that there was no need for the Committee to create a subsidiary body to develop a framework to be used by the Conference of the Parties in evaluating the institutional structure that would operate the financial mechanism, although several representatives supported the idea.

8. Representatives of various other countries approved the idea that an appropriately restructured GEF could be the institutional structure operating the financial mechanism provided for in the Convention. One representative, however, considered it too cumbersome for that purpose and several others stressed the need for the mechanism to have the characteristics set out in Article 21, paragraph 1, of the Convention. Representatives of some countries opposed the idea that GEF should automatically become the institutional structure operating the financial mechanism of the Convention, while others considered that on its own it might be inadequate to meet the Convention's needs. Representatives of several countries expressed the view that GEF, as the existing institutional structure operating the financial mechanism should receive instructions from the Committee in regard to providing assistance for biological diversity projects in the period between the entry into force of the Convention and the first meeting of the Conference of the Parties. Other representatives did not agree with the idea of instructing GEF but preferred the notion of guidance. Representatives of a number of countries drew attention to the need for regular reporting to the Conference by the institutional structure operating the mechanism.

9. Representatives of several countries advocated the establishment by the Conference of the Parties of an executive body that would act as a link between the Conference and the institutional structure operating the financial mechanism.

10. Several representatives said that the Committee should express a view on the issue of financing global environmental benefits, even though those words were not used in the Convention. Several other representatives stressed that that notion was not applicable in financing projects under the Convention.

11. One representative said that the institutional structure operating the financial mechanism should be an independent legal entity that could deal with the Conference of the Parties in its own right. The same representative felt that the mechanism should operate like a bank.

12. One representative stressed the need to take account of the special requirements of the least developed countries and small island States.

13. Several representatives said that there was a need to draw up an indicative list of criteria for funding through the financial mechanism.

14. One observer, speaking on behalf of a number of non-governmental organizations, stressed the need for effective national strategies to be formulated to promote biological diversity. He suggested the creation of national trust funds which would channel financial resources towards biological diversity projects not only from the mechanism envisaged in the Convention but from other sources as well.
15. Concerning the question of eligibility criteria, the Group of 77 and China, Finland, Iceland, Norway and Sweden presented a draft resolution entitled "Outline for the policy strategy, programme priorities and eligibility criteria for the financial mechanism in the interim phase before the first meeting of the Conference of the Parties". A drafting group comprising the Australia, Bahamas, Belgium, Brazil, Colombia, Ethiopia, Hungary, Malaysia, Nigeria, Sweden and the United States of America met under the Vice-Chairperson of the Working Group on 14 October.
16. The group considered the draft resolution in detail item by item. The discussion centred on the chapeau, general policy guidelines and eligibility criteria for countries and projects. In discussing general policy guidelines for the institutional structure operating the financial mechanism in the interim period, the group considered, inter alia, the following guidelines: national priority status, conservation of biological diversity, particularly that which is under immediate threat, alternatives that are cost-effective, and promotion of sustainable use of biological resources, taking into account all ecosystems and habitats. In discussing eligibility criteria for projects, the group considered, inter alia, the following issues: develop or improve national strategies, plans and programmes; be relevant to national priorities and to the Convention; promote transfer of technology; use local/regional expertise; add to capacity-building and enhancement; promote the sustainable use of biological resources of countries, including endemism and biological diversity of marine and other aquatic environments, and conserve species endangered or threatened, cultivated or domesticated. Further, the drafting group felt that more work was needed on: certain aspects of the chapeau; policy guidelines relating to opportunity costs foregone; the relationship between projects and national strategies; the notion of global benefits; and projects which seek to address basic issues of poverty/overpopulation impacting on biological diversity.
17. The Chairperson reported that it was not possible to reach a consensus on an agreed draft on this subject. The draft was not discussed by the Working Group itself.
18. Concerning the question of the process to examine funding needs, several representatives said that the level of funding needed to provide assistance under the Convention should be calculated on the basis of the strategies and programmes which Governments decided to implement. An estimate of the financial resources needed to fund multilateral biological diversity assistance, amounting to an annual total of \$3.5 billion between 1993 and 2000, had been made in Agenda 21. The Secretariat should prepare a document describing the basis on which the Agenda 21 estimate had been made and suggesting various methodologies - for example, strategy-based, incremental-cost-based or pledge-based - which the Committee might consider at its next Session, taking into account the need for new and additional resources for developing countries. Reference was made to the relationship between incremental costs, volume of resources as well as the transfer of funds on the basis of financial benefits to developed countries from the utilization of biological diversity.
19. One representative further suggested that the Secretariat should also prepare a new report on the findings on the country study process, taking into account the new guidelines developed by UNEP and the increased numbers and varieties of countries that had since completed or would have completed country studies in time to be presented to the next Session of the

Committee. That report should highlight the methodologies, including an evaluation of their success. Another representative pointed out that these studies might be relevant to developed countries.

20. Other representatives pointed out that the estimates given in Agenda 21 had not been generally agreed, that the level of new funding needs would be influenced by the number of countries that ratified the Convention and that it had to cover agreed incremental costs, complementing but not replacing existing sources of funds, and be calculated on a multi-year replenishment basis which provided for negotiated burden-sharing. One representative proposed that the Secretariat should take account of the report of Expert Panel III, especially paragraph 5.1, in preparing further documents.

21. Some representatives suggested that the Secretariat's document should also examine the relationship of incremental costs to the volume of resources available, the possibility of studying the financial benefits which developed countries derived from the use of biological diversity and which might be made available to developing countries in the form of international cooperation, and the provision of advice to countries intending to prepare biological diversity studies.

22. The Working Group agreed to recommend that:

(a) The institutional structure operating the financial mechanism under Article 39 of the Convention and that emerging from the first meeting of the Conference of the Parties should meet the requirements of Article 21 of the Convention;

(b) Channels of communication to the institutional structure should be established;

(c) There should be clear procedures for processing requests for funding;

(d) There was a need for a system of reporting back to the Parties;

(e) There was a need for a regular flow of information to the Conference of the Parties;

(f) There was a need for a capacity to respond quickly to funding requirements;

(g) There was a need for cost-effectiveness and efficiency in its operations;

(h) Funds should be replenished regularly and adequately;

(i) Regular guidance should be given to the institutional structure operating the financial mechanism on the resources needed;

(j) There should be possibilities for multiple sources of funding, in which connection information on practices and eligibility criteria applied by other institutions funding biological diversity-related projects would be relevant as well as working relationships with these institutions.

23. There was further agreement to recommend that the Secretariat should extend an invitation to international financial institutions apart from GEF, including regional development banks, multilateral financial organizations, and bilateral funding institutions and organizations, to attend a meeting with the Committee at its next Session, to begin to address issues of mutual concern in relation to the implementation of the Convention, including criteria for funding eligibility and modalities for

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exchange of information between the Conference of the Parties, the institutional structure operating the financial mechanism under the Convention, and other financial institutions and organizations.

24. The Working Group agreed to recommend that the Secretariat should invite relevant industry organizations to attend the next Session of the Committee as observers.

25. The special requirements of the least developed countries and small island States were generally recognized. It was also recognised by a number of delegations that there was a need for developing countries not being Contracting Parties after the first meeting of the Conference of the Parties, as well as countries with economies in transition, to receive funding, outside the financial mechanism of the Convention.

26. There was general agreement to recommend that, during the interim period up to the first meeting of the Conference of the Parties, all developing countries signatory to the Convention should be eligible for funding through the financial mechanism and to recommend that at the end of the period, only such countries that had ratified the Convention would be eligible.

27. It was agreed to recommend that the Chairperson of the Committee be used as a link between the Committee and GEF in order to convey messages. It was also agreed to recommend that there was no need for an interim subsidiary body on financial arrangements.

28. As for the future relationship between the Conference of the Parties and the institutional structure operating the financial mechanism, several delegations suggested that the idea of establishing an executive committee, along the lines of that established under the Montreal Protocol, as well as other potentially useful models, could be further elaborated if need be. Without taking a position on the need for an executive committee, other delegations agreed that other potentially useful models should be given due consideration and that the question of whether the mandate of such a body should be limited to the relationship with the institutional structure operating the financial mechanism could be considered.

29. Regarding eligibility criteria, it was accepted that the words "global benefits" were not mentioned in the Convention. Some delegations expressed the view that this fact did not necessarily preclude the application of global benefits as a criterion. Other delegations also expressed the view that this notion was not applicable in financing projects under the Convention.

30. As to the question of the process to examine funding needs, it was agreed to recommend that the Secretariat, with the active participation of UNESCO, FAO and other relevant organisations, should be requested to prepare for submission to the Committee at its next Session a study on various methodologies that might be used to estimate funding needs, including a description of the methodology used in reaching the figure for financial resources needed to fund multilateral biological diversity assistance between 1993 and 2000 contained in Agenda 21.

31. At its 4th meeting, on 14 October 1993, the Working Group considered the question of the Rules of Procedure for the Conference of the Parties on the basis of draft rules of procedure prepared by the Secretariat (UNEP/CBD/IC/1/6).

32. Many delegations made proposals and suggestions concerning the draft rules.

33. Speaking in response to an invitation by the Chairperson for representatives to comment on the proposed amendments, one representative, speaking on behalf of a group of States, and supported by representatives of a number of regional groups, said that those States could not accept a

proposed amendment to the draft rules to ensure that all decisions of the Parties under paragraphs 1 and 2 of Article 21 of the Convention were taken by consensus. Another representative suggested that the Committee should endeavour to find a formula that met the various interests involved but did not violate the basic principles of voting, and also suggested that the Committee return to the question at its next Session. The representative of a non-governmental organization urged Governments to adopt the proposal but, in return, drew attention to the importance of ensuring that the permanent financial mechanism included elements other than GEF funds from donor Governments so that people other than Governments could contribute directly to a fund at the disposal of the Conference of the Parties to implement the Convention. Relating to draft rule 52, one representative, supported by a few others, requested the Secretariat to prepare a study on the use of languages by other treaty bodies, as well as within the United Nations system. One representative, supported by a few others, stressed the need to consider the possibility of reducing the number of official languages. In that connection, the Interim Secretariat was requested to prepare revised draft rules of procedure proposing an alternative to the original text.

34. With regard to the draft rules of procedure for the Conference of the Parties, it was agreed to recommend that all the observations would be taken into account by the Secretariat when it proposed a further draft for consideration by the Working Group at its next Session. All new options and proposals would be clearly highlighted. There was also general agreement to recommend that draft financial rules governing the funding of the Secretariat (Article 23, para. 3) be drafted by the Interim Secretariat for consideration by the Committee at its next Session. With regard to a proposal for a study on the use of languages by the other treaty bodies, as well as within the United Nations system, it was noted that the matter could be pursued by the representatives themselves.

35. The Working Group considered the question of "full incremental costs" at its 5th meeting, on 14 October 1993.

36. In response to the Chairperson's question as to whether the Secretariat should be asked to prepare a preliminary indicative list of incremental costs, one representative recalled that Expert Panel III had recommended that an indicative list should be submitted to the Intergovernmental Committee. In drawing up such a list, it might be a good idea to provide some idea of the methodology used for establishing incremental costs. Some representatives pointed to the need first to define the meaning of "incremental costs" within the context of the Convention. Some delegations called upon the Secretariat, in collaboration with the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer, the secretariat for the United Nations Framework Convention on Climate Change and GEF to look at current or planned projects to see how the issue was dealt with and what elements were financed as incremental costs.

37. One representative said that it was important that the concept developed should be one of "agreed full incremental costs", since that was the term used in the Convention on Biological Diversity.

38. Another delegation, speaking on behalf of a group of States, said that all costs towards the conservation of biological diversity in countries struggling for survival were necessarily incremental and the question of defining what was and what was not such a cost was therefore of academic interest.

39. There was agreement to recommend that the Secretariat should be requested:

(a) To examine methodologies in order to define and understand the meaning of the term "full incremental costs";

(b) In the light of the results of the examination referred to in subparagraph (a) above, to provide a draft indicative list of such incremental costs for discussion at the next session of the Committee. The list should build on current methodologies and concepts and to the extent possible be made in collaboration with organizations such as UNESCO, FAO, the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer, the secretariat for the Framework Convention on Climate Change, and GEF.

40. The Working Group confined its discussion of technical cooperation and capacity-building to the work which the Secretariat might be asked to do, in preparation for the next Session of the Intergovernmental Committee, on transfer of technology relevant to conservation and sustainable use of biological diversity, including the establishment of a clearing-house mechanism.

41. In regard to transfer of technology, some representatives advocated the preparation of a document containing information on the following: concrete examples of corporate arrangements, including the best current practice, for access to genetic resources and benefit-sharing; relevant work done on the subject in the World Intellectual Property Organization (WIPO) and the United Nations Industrial Development Organization (UNIDO); and possible models for national legislation and examples of other practices for regulating access to genetic resources.

42. In respect of the clearing-house mechanism, some representatives suggested that the Secretariat should identify and report on existing mechanisms of that kind, including data banks, after consultation with the secretariats of other environmental conventions and international organizations, as well as with representatives of the private sector, and that its study should envisage the clearing-house mechanism, particularly from the perspective of its potential users.

43. The Working Group agreed to recommend that the Secretariat be asked to perform the following tasks before the next Session of the Intergovernmental Committee:

(a) To identify existing clearing-house mechanisms and existing mechanisms for information exchange and report on their experience;

(b) To catalogue existing databases of relevance to the Convention on Biological Diversity and identify their gaps and linkages;

(c) To examine the range of appropriate models for technology transfer;

(d) To examine and report on existing examples and possible models for national legislation, with due attention to its potentially conflictual nature, and for agreements and other practices for regulating access to genetic resources.

Annex II

REPORT OF WORKING GROUP I

1. As decided by the Committee at its 3rd plenary meeting, Working Group I held six meetings from 12 to 15 October 1993 to consider the following matters under item 3 of the agenda:

(a) Conservation and sustainable use: the full range of important national activities for reducing the loss of biological diversity; overview of categories of action supported by UNDP, the World Bank and UNEP in recent years; and factors for setting national action priorities;

(b) Scientific and technical work between sessions: tasks to be done prior to the first meeting of the Conference of the Parties by an interim scientific and technical advisory committee or other designated body; number of members of the body; fields of expertise of members; and selection process for the body;

(c) Biosafety: simultaneous action on (i) immediate action to enhance biosafety and (ii) consideration of an international instrument on biosafety.

2. The Working Group was presided over by Mr. S.K. Ongeru (Kenya), a Vice-Chairperson of the Committee. Mr. F. Urban (Czech Republic) served as Vice-Chairperson of the Working Group and Mr. N. Roaldsoy (Norway) as Rapporteur.

3. At the 1st, 2nd and 3rd meetings of the Working Group, statements were made on conservation and sustainable use by the representatives of 54 countries and 4 non-governmental organizations.

4. The Working Group examined a wide range of issues relating to national activities for reducing the loss of biological diversity, which might be considered further at the Committee's next session. The following list of actions were proposals by individual Governments and not recommendations decided by the Intergovernmental Committee. All Parties should develop national strategies, plans or programmes or adapt existing ones, with the provision of technical, scientific and financial support as agreed. The Interim Secretariat should report to the Conference of the Parties on progress. Country studies were useful but not mandatory. It was agreed that they should not be a precondition for provision of financial support as agreed. To facilitate access to and exchange of information from all publicly available sources, it should be made available in computerized form, using existing software. The Interim Secretariat should promote the development of formats for data entries and institute regional training programmes on the use of those formats. Financial support should be provided for the purchase of relevant classical literature and other publications. Conservation and sustainable use measures should support the participation of local and indigenous communities, women and youth, and should seek to improve their standards of living. Regional approaches should be devised, for example through workshops and seminars, to address shared concerns. The Interim Secretariat should mobilize funds for those workshops. Ex-situ and in-situ programmes should be integrated and should include microorganisms. All existing identified conservation aspects falling under the scope of other conventions should be taken into account. Restoration of ecosystems and the elimination of alien species should be considered where appropriate. Capacity-building, including institutional strengthening and human resources development, particularly of taxonomists, should receive greater attention. Conservation of biological diversity outside protected areas should receive greater attention. All Parties should develop or maintain national legislation and regulatory provisions as appropriate to reflect the needs of the Convention. The knowledge, innovations and practices of indigenous and local communities, embodying traditional lifestyles, should be supported and taken into account in

modern management practices to conserve biological diversity, in accordance with Article 8 (j) of the Convention. Education programmes to raise public awareness of biological diversity issues should be developed. All Parties should establish a system of protected areas, or areas where special measures need to be taken to conserve biological diversity, paying due attention to the management of the surrounding areas. The financial support referred to above and in other contexts should be provided to developing-country Parties to meet the agreed full incremental costs that are agreed between the developing-country Party and the institutional structure entrusted with operation of the financial mechanism. National efforts to integrate biological diversity concerns in major economic sectors such as, *inter alia*, agriculture, forestry and fisheries, are crucial for the maintenance of biological diversity.

5. In response to a request by the Chairperson, the representatives of UNDP, World Bank and UNEP gave an overview of categories of action supported by their agencies with respect to conservation and sustainable use.

6. The representative of UNDP said that Agenda 21 had mandated UNDP to coordinate all activities connected with capacity-building through the programme known as "Capacity 21". Capacity-building at all levels for the protection of biological diversity and the implementation of the Convention on Biological Diversity thus constituted a main focus of UNDP-supported projects, particularly through the GEF. The UNDP representative stated that incremental costs of capacity-building were considered to equal full costs, at least at the early stages. There were two areas of intervention: the Free-Standing Technical Assistance Programme, which supported national and regional initiatives provided the projects concerned came under a national development programme; and the Small Grants Programme, a pilot GEF programme to provide funds to small-scale initiatives, e.g. by local communities and non-governmental organizations.

7. In response to questions from the floor, he said that UNDP welcomed the interest shown in biological diversity collections and the capacity-building associated therewith. Governments should empower the agencies to cooperate in such efforts, particularly on a regional basis.

8. The representative of UNEP said that his organization supported activities related to the implementation of the Convention on International Trade in Endangered Species (CITES), the Convention on Migratory Species (CMS) and the Convention on Biological Diversity. For the implementation of the last Convention in particular, it could provide technical and financial assistance to individual countries for the preparation of country studies.

9. UNEP also had an active programme for the protection of marine biological diversity through its programme on oceans and coastal areas. In addition, Agenda 21 had given it the mandate on freshwater issues and, consequently, more emphasis would, in the future, be placed on biological diversity in freshwater ecosystems.

10. In response to questions from the floor, he said that, while it was true that the Convention on Biological Diversity made no reference to country studies, UNEP considered that such studies constituted a useful preliminary tool and building block for national strategies. The guidelines for the country studies, which were indicative and not mandatory, would be revised in the light of experience and feedback in implementing the Convention.

11. UNEP was convening a meeting of the executive heads of the various conventions to prepare a paper for submission to the corresponding conferences of the parties.

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12. The representative of the World Bank said that, under the Bank's programmes, a number of activities related to the conservation of biological diversity were being funded, namely, meeting the gap in recurrent cost financing; in-situ conservation; ex-situ conservation; utilizing local capacity, such as NGOs; foundation building; conservation strategies; and strategic coalitions, i.e. facilitating collaboration of all sources of capacity for the implementation of biological diversity projects and programmes.

13. In response to questions from the floor, he said that the practice of the Parties to the Montreal Protocol regarding incremental costs was that each party drew up a list of incremental costs that was then reviewed. The Parties to the Convention on Biological Diversity might wish to adopt that approach.

14. After extensive deliberations, the Working Group identified, for submission to the Committee, the following broad and indicative categories of factors which might be taken into consideration in setting national priorities:

(a) Ecological: Number and variety of species and ecosystems inside and outside protected areas; the extent of threatened species and ecosystems in both wild and domesticated conditions; restoration of threatened habitats and ecosystems; particularities of countries and of regions within countries; understanding of emerging ecological problems to render precautionary approaches possible; air and water pollution; atmospheric (climate) changes; deforestation; environmental impact assessments; disasters; shared responsibilities between countries for shared ecosystems and species; and shared responsibilities in respect of areas beyond national jurisdiction and other matters of mutual interest for the conservation and sustainable use of biological diversity.

(b) Socio-economic and cultural: Strategic and socio-economic importance of species and ecosystems inside and outside protected areas; population; change in land use, including intensive agriculture; biological diversity conservation within different land-use systems; soil degradation; integration of human and conservation needs; and level of participation to ensure integration of traditional knowledge and the sharing of benefits from genetic resources.

(c) Institutional: Involvement of governmental and non-governmental organizations and other groups; continuing adjustments in policies and management approaches; capacity for implementation, compliance and monitoring; and level of financial resources.

15. In response to a question by the Chairperson, many of the representatives who spoke expressed themselves in favour of the immediate establishment of an interim scientific and technical advisory committee to begin the work required by Article 25, paragraph 2, of the Convention. A number of them referred, in that connection, to paragraph 2(b) of resolution 2 of the Nairobi Final Act.* Several representatives, however, questioned the need to establish any interim designated body prior to the first meeting of the Conference of the Parties. One representative stated that, if such an interim body were established, his Government was willing to act as host for its first session.

* A number of representatives also referred to the report of Expert Panel I (UNEP/Biodiv./Panels/Inf.1).

16. With respect to the membership of the interim committee, many representatives stressed the need for an equitable geographical distribution, some of them opting for an open-ended membership while others, citing the need for a committee of manageable size, would prefer a limited number of members from each United Nations region. Several representatives pointed out, however, that the United Nations regions did not adequately differentiate between parts of the world with specific biological diversity profiles and suggested that the subregions be represented. All representatives agreed that any such interim body must consist of Government-appointed experts. After some discussion in the Working Group itself and in a small drafting group established by the Chairperson, a compromise was suggested whereby the Executive Director of UNEP would be requested to convene a meeting of an intergovernmental group of experts. It was noted that, in view of rule 45 of the rules of procedure, the choice was between an open-ended group or no group at all. After some discussion, the Working Group agreed by consensus that there should be one meeting of an open-ended group, with tightly-defined terms of reference, which should consider scientific cooperation between Governments for the prompt implementation of the Convention, the preparation of an agenda for scientific and technological research on the conservation and sustainable use of biological diversity, and the identification of innovative, efficient and state-of-the-art technology and know-how relating to the conservation and sustainable use of biological diversity.

17. The Working Group acknowledged the generous offer by the Government of Mexico to host the meeting of intergovernmental experts which, it considered, should be convened prior to the Committee's next session.

18. The Working Group heard presentations by the representatives of a number of countries, the representative of UNIDO, and the representatives of various non-governmental organizations on action to enhance biosafety, as called for in resolution 2, paragraph 2(c), of the Nairobi Final Act and Article 19, paragraph 3, of the Convention on Biological Diversity, and on possible approaches to the development of a protocol on biosafety. All the representatives who spoke recognized the need for international cooperation in exploring ways and means of enhancing biosafety. There was a consensus on the need to enhance national capacities to deal with biosafety issues. Many representatives called for action to initiate the development of a protocol setting out appropriate procedures, including, in particular, advance informed agreement in the field of the safe transfer, handling and use of any living modified organism resulting from biotechnology that may have an adverse effect on the conservation and sustainable use of biological diversity. Some representatives expressed reservations concerning the advantages of such an instrument. One representative said that safety in biotechnology had already been discussed in existing international organizations, including OECD, and therefore the Conference of the Parties should consider the findings of such international bodies. The Chairperson noted that the discussion could be continued at the Committee's next session.

19. The Working Group adopted its report at its 6th meeting, on 15 October 1993.
