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INTERGOVERNMENTAL COMMITTEE  
ON THE CONVENTION ON  
BIOLOGICAL DIVERSITY

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ISSUES BEFORE THE INTERGOVERNMENTAL COMMITTEE ON  
THE CONVENTION ON BIOLOGICAL DIVERSITY

*Note of the Executive Director*

I. INTRODUCTION

1. On 22 May 1992, the negotiations for a Convention on Biological Diversity were successfully concluded. By the end of July 1993, 164 States and the European Community had signed the Convention and 25 States had ratified or acceded to it. At this rate, the Convention may well enter into force by January 1994.

2. Much work has been done since the signing of the Convention at the United Nations Conference on Environment and Development in Rio de Janeiro. Perhaps most important is the significant progress that has been achieved through the initiatives of a growing number of countries developing national strategies to realize the objectives of the Convention. The pace of ratification and the preparation of biodiversity country assessments, strategies and action plans has been increasing steadily. This is gratifying. For effective implementation of the Convention, there can be no substitute for national leadership.

3. The Convention has also begun to have its impact on agencies in the United Nations family and the wide spectrum of non-governmental organizations with a focus on biological diversity. In spirit of the Agenda 21, and energized by the leadership of individual nations, agencies and organizations are tailoring their programmes, activities and services to address the needs identified by the Convention and forging new partnerships to make delivery more effective. Within the context of an expanding network of partners, each organization finds itself increasingly challenged to build on its particular comparative advantage. United Nations Environment Programme (UNEP) is committed to ensuring that this emerging global partnership responds in practical ways to the needs of Governments as they enter the Convention's implementation phase.

4. At the international level, a number of activities have maintained the momentum built during the negotiation of the Convention and Agenda 21. In November 1992, Government representatives and specialists met in Costa Rica at a meeting sponsored by Sweden, Canada and UNEP to evaluate available tools to assist countries in the preparation of their national

biodiversity assessments, strategies and action plans. In January 1993, the African Centre for Technology Studies held a conference on how national interests and global imperatives could both be accommodated in the implementation of the Convention. Finally, in May 1993, the Norwegian Government and UNEP hosted a conference to explore scientific issues.

5. During this period, four expert panels met to develop specific advice on issues identified by resolution 2 of the Final Act of the Conference for the Adoption of the Agreed Text of the Convention on Biological Diversity. The highlights of the reports of those panels will be before the Committee as document UNEP/CBD/IC/1/4. In addition to these activities in which UNEP was directly involved, there were many other distinguished forums advancing the global understanding of issues surrounding the Convention. All this work, together with consultations with Governments and with UNEP's sister organizations within and outside the United Nations system, has provided valuable insights which are reflected in this note.

6. At the close of negotiations, Governments believed so strongly in the urgency of reversing the world-wide loss of biological diversity that they adopted three resolutions calling for immediate action. Unwilling to wait until the Convention entered into force, Governments defined a wide range of issues for further intensive study to ensure that the momentum established during the negotiation phase was not lost.

7. Resolution 2, in particular, set out a challenging agenda to be pursued by an intergovernmental committee in preparation for the first meeting of the Conference of the Parties. In May 1993, the Governing Council of UNEP, in its decision 17/30, established the Intergovernmental Committee for the Convention on Biological Diversity (ICCBD) to prepare for the first meeting of the Conference of the Parties to the Convention in accordance with that resolution, and requested the Executive Director to convene its meetings.

## II. ISSUES BEFORE THE INTERGOVERNMENTAL COMMITTEE ON THE CONVENTION ON BIOLOGICAL DIVERSITY (ICCBD)

### A. *Overview of the issues before the Committee*

8. The issues contained in resolution 2 have been incorporated into the provisional annotated agenda for the Committee's first session (UNEP/CBD/IC/1/1/Add 1). Those items identified by Governments as their highest priorities for achieving early progress have been placed early in proposed work programme annexed to the annotated agenda. The present note provides background and suggestions related to the subject matter before the Committee. It is UNEP's hope that this will prove useful to Governments in their deliberations at the meeting.

9. The note is organized into three sections:

(a) *Conservation and sustainable use?* including:

- (i) What range of activities should be supported?
- (ii) What principles should guide decisions on who is eligible for financial assistance?
- (iii) What factors will determine the priority of activities for funding?
- (iv) What is meant and what is not meant by incremental costs?

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- (v) If an interim scientific and technical advisory committee (ISTAC) is established, what should its tasks be?
  - (vi) What should be the composition and membership of ISTAC?
- (b) *Financial resources, including:*
- (i) What characteristics should the institutional structure operating the financial mechanism of the Convention display?
  - (ii) What process should be used to select the interim institutional structure to operate the financial mechanism?
- (c) *Technology transfer and sharing of benefits, including:*
- (i) What needs to happen to maximize the ability of Governments to ensure that fair and equitable deals are struck for the sharing of benefits?
  - (ii) What characteristics should a technology clearing-house exhibit to be a useful tool to Governments?
  - (iii) What process should be set in motion to enhance the safety of transfer of biotechnology?

According to the proposed work programme, issues relating to conservation and sustainable use would be handled in one working group, while those relating to financial resources, technology transfer and benefit-sharing would be considered in a second group, working in parallel with the first.

10. This is a full agenda; it is also an important one. The guidance provided by the Committee in all of these areas during its session will enable immediate action on some and will set in motion thorough preparations in others to ensure an effective first meeting of the Conference of the Parties. UNEP has already put in place an Interim Secretariat to assist in this process. Because there is likely to be considerable follow-up work to do between the ICCBD session and the first meeting of the Conference of the Parties, Governments may wish to consider establishing a small steering group -- perhaps the Bureau itself -- to pursue the specific tasks identified during the session and to work closely with the Interim Secretariat.

11. One component of this work will be the development of draft rules of procedure for adoption by the Conference of the Parties. Governments will have an opportunity during the ICCBD meeting to identify principles they would like to see incorporated into the draft rules. If approached in a thoughtful way at this stage, this will help the Conference of the Parties get off to a quick, effective start.

12. A debt of gratitude is owed to those who had the vision and tenacity to see this Convention through its tough negotiating phase. We are now turning the corner. Expectations have been raised in all parts of the world. The session provides the opportunity to forge a spirit of cooperation to safeguard the biological diversity of this planet.

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B. *Conservation and sustainable use*

13. *What range of activities should be supported?* Full and effective implementation of the Convention will involve a wide range of activities which go far beyond the creation of protected areas. For example, it will be crucial for Governments to identify incentives which inadvertently lead to unsustainable exploitation of natural resources causing loss of biological diversity. New economic instruments may need to be developed for possible implementation at a national level. Likewise, it will be important to develop model legislation for regulating access to genetic resources, including procedures for ensuring prior informed consent. Other significant activities could include promotion of public education and awareness; intergovernmental cooperation on the research agenda; exchange of information; establishing and maintaining programmes for research and training; capacity-building in a wide variety of areas; and introduction of procedures for environmental impact assessment. And, no doubt, this is not a complete list.

14. Governments may wish to consider identifying all types of activities which they would like the financial mechanism to recognize as contributing to the conservation and sustainable use of biological resources and, therefore, as eligible for access to and use of financial resources under the Convention.

15. This information could be used in two ways:

(a) To assist the Conference of the Parties to set its policies concerning eligibility;

(b) To persuade funding agencies, including the interim financial mechanism, to adapt their funding policies to the needs of the Convention.

16. *What principles should guide decisions on who is eligible for financial support?* It could be argued that the goal of support, whether financial or technical, is to ensure that no country will fail to engage in the global pursuit of the conservation and sustainable use of biological diversity simply because it lacks resources. However, understandably, those who have ratified the Convention may expect preferential access to available resources. Guidance on this issue could be particularly helpful to the institution operating the financial mechanism during the interim period.

17. There are considerations other than whether or not a country has ratified that may be particularly important in this interim period. For example, if it is good for the world for the maximum number of countries to engage in country studies as soon as possible, then the policy should promote assistance for such activities whether or not the country concerned is a party to the Convention.

18. On the other hand, some consider it reasonable to restrict eligibility for other categories of activity, such as major projects, to those who have ratified. Otherwise, the argument goes, the incentive for ratifying could be reduced. However, the time taken to ratify can depend on the legislative procedures required in the country and such exclusion could penalize countries which have invested significant effort in the conservation and sustainable use of biological diversity. Because of this, it may prove to be more equitable -- at least for some activities and for the near future when many Governments are in the midst of the ratification process -- to evaluate the extent to which a country has demonstrated a commitment to conserving biological diversity instead of using the criterion of ratification as a minimum requirement.

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19. Another aspect which will require consideration is to what extent countries undergoing the process of transition to a market economy should be eligible for financial assistance.

20. In addition, Governments may wish to prepare proposals for policy in this area for the Conference of the Parties, which, as stated in Article 20, will be faced with the need to establish "a list of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties". In these deliberations it may be helpful to draw upon the results of similar discussions in other forums.

21. *What factors will determine the priority of activities for funding?* Many different approaches may be taken to evaluating projects for funding. For example, one may argue that countries with more species should be given higher priority than those with few; or that those losing species most rapidly should be given highest priority; or that those with the most commercially interesting species should be favoured; or finally, and perhaps most contentious of all, that those which contain sites identified as of global significance should be accorded special advantage.

22. However, other less exclusionist approaches may be more reflective of the needs of nations and more effective in achieving the goals of the Convention. It may be that projects should be evaluated to determine, among other things, the extent to which:

- (a) They are situated within a well-developed national strategy;
- (b) The global context has been considered;
- (c) Local communities are being involved in designing and implementing the project;
- (d) Potentially harmful incentives are being identified and removed;
- (e) The broad impact on sustainable development is positive;
- (f) The transfer of relevant technology is promoted;
- (g) Capacity is enhanced;
- (h) Wealth is distributed in a way which promotes conservation of biological diversity.

23. Governments may wish to take the opportunity at the session to place on the record their views about which factors should be considered in determining the funding priority of projects and activities under the Convention. They may be assisted in this task by the list above which, while not exhaustive, indicates some of the many relevant dimensions of this issue. Elaboration of these views into a coherent proposal for consideration by the financial institutional structure operating mechanism on an interim basis and by the Conference of the Parties will be a substantial effort requiring considerable expertise and time. Governments may wish to explore the option of establishing an interim scientific and technical advisory committee (ISTAC) to take on this task.

24. *What is meant, and what is not meant by "incremental costs"?* In the Convention, Article 20 states that "the developed country parties shall provide new and additional financial resources to enable developing country Parties to meet the **agreed full incremental costs to them** of implementing measures which fulfil the obligations of this Convention and to benefit from its provisions and which costs are agreed between a developing country

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Party and the institutional structure referred to in Article 21, in accordance with policy, strategy, programme priorities and eligibility criteria and an indicative list of **incremental costs** established by the Conference of the Parties (*emphasis added*)."

25. There has been much discussion since the signing of the Convention of the meaning of incremental costs. Some suggest that it refers to the portion of a project that gives rise to global benefits. Others argue that the entire benefit of projects which conserve biological diversity is global -- and hence "incremental" -- since all living systems are interconnected and interdependent. A third approach interprets incremental cost to mean additional activities undertaken for implementing the Convention. The list could go on. New concepts are likely to continue to develop as different groups focus on how the interpretation of incremental costs could influence implementation.

26. To move this dialogue forward, Governments may wish formally to provide further guidance, within the context of the Convention, on what is meant and what is not meant by the use of the term "incremental costs" in Article 20. If established, ISTAC could take on the task of consolidating this advice and developing an indicative list of incremental costs for consideration by the Conference of Parties.

27. *If an ISTAC is established, what should its tasks be?* As outlined in resolution 2, the Conference of the Parties will need concrete proposals on a number of issues of a technical and scientific nature to accomplish the work set out for it in the Convention. While guiding principles for such proposals could be developed by ICCBD, conversion of these principles to well developed proposals will require further effort by specialists in several scientific and technical disciplines.

28. Article 25 of the Convention establishes a subsidiary body to provide the Conference of the Parties with timely advice on scientific, technical and technological issues relating to the implementation of the Convention. During the interim phase, there are, likewise, issues requiring such advice. Two of these have been noted above:

(a) Eligibility criteria of a scientific and technical nature for funding under the Convention;

(b) The meaning of "incremental costs".

29. Other tasks which could be considered include:

(a) Preparation of an agenda for scientific and technical research to ensure that the most urgent and pressing technical questions relating to early implementation of the Convention are addressed;

(b) Proposal of mechanisms for intergovernmental cooperation to accomplish the research agenda, build on regional strengths to implement the Convention, and explore options for technology transfer;

(c) Estimation, from a scientific and technical standpoint, of the total amount of financial resources needed by developing countries to implement the Convention and determination of the timeframe of this need;

(d) Proposal for consideration by the Conference of the Parties on the composition of the subsidiary body on scientific, technical and technological advice to be established under Article 25 of the Convention;

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(e) Development of terms of reference for socio-economic studies focusing on the impact of incentives and management practices in agriculture, forestry and fisheries;

(f) Development of a proposal for a framework capable of serving the broad data and information needs of the Convention.

30. Governments may wish to identify the full list of tasks to be undertaken by ISTAC during the interim period, keeping in mind that the time available is limited. Definition of these tasks should facilitate subsequent decisions about the size and composition of ISTAC.

31. *What should be the composition and membership of ISTAC?* Knowledge of the nature of tasks to be undertaken by ISTAC will be important background for Governments as they consider what range of expertise needs to be represented in this subsidiary body. At the same time, as a practical matter, Governments may wish to ensure that this interim body is small enough to be established quickly and function efficiently at modest cost. One approach would be to select two or three specialists per geographical region for a total group of 10 or 15 covering important dimensions including scientific, technical, technological, socio-economic, traditional and cultural aspects of biological diversity conservation and sustainable use. Individuals could be sought who are recognized internationally in their areas of expertise and who have a reputation for objectivity, broad thinking and a global outlook.

32. Should Governments decide to establish an ISTAC, they will not only need to identify tasks and composition as outlined above, but will need to deliberate on the mechanism for selection of its members and its terms of reference.

#### C. *Financial resources*

33. *What characteristics should the institutional structure operating the financial mechanism of the Convention display?* As specified in Article 21, paragraph 1, of the Convention, the "mechanism shall function under the authority and guidance of, and be accountable to, the Conference of the Parties ... [which shall] determine the policy, strategy, programme priorities and eligibility criteria relating to the access to and the utilization of such resources ... and shall operate within a democratic and transparent system of governance."

34. Article 21 goes on to states that "the Conference of the Parties shall decide on the arrangements to give effect to paragraph 1 above after consultation with the institutional structure entrusted with the operation of the financial mechanism."

35. It will be important to develop an evaluation framework for use by the Conference of the Parties in making these key decisions in relation to the financial mechanism. To assist this work, Governments may wish to consider placing on the record their views on what features the institutional structure operating the financial mechanism must have to serve the needs of the Convention. For example, Governments may provide advice about:

(a) What kinds of representation and participation in decision-making would constitute a suitably democratic institution?;

(b) What procedures need to be in place for the institution to satisfy the requirement for transparency?;

(c) What kind of accountability mechanism should be available with regard to implementation of policy on eligibility and priority-setting criteria set by the Conference of the Parties?;

(d) What range of activities the mechanism must be capable of funding (see paras. 13-15 above)?;

(e) What response time will be acceptable for funding of the various activities?;

(f) How capable the mechanism must be in financing activities with multiple objectives and multiple sources of funding?;

(g) How effective the mechanism is expected to be in attracting funds from donors?

36. Once Governments have identified the characteristics of the institutional structure they envision, they may wish to consider establishing a small subsidiary body on financial arrangements (SBFA) to develop an evaluation framework, based on these features, for use by the Conference of the Parties.

37. *What process should be used to select the interim institutional structure to operate the financial mechanism?* Resolution 1 of the Conference for the Adoption of the Agreed Text of the Convention on Biological Diversity designated the Global Environment Facility (GEF) to operate the financial mechanism for the period between opening of the Convention for signature and its entry into force. Under Article 39 of the Convention, this situation may be reviewed at the time of entry into force:

*"Provided that it has been fully restructured in accordance with the requirements of Article 21, the Global Environment Facility shall be the institutional structure referred to in Article 21 on an interim basis, for the period between entry into force of this Convention and the first meeting of the Conference of the Parties, or until the Conference of the Parties decides which institutional structure will be designated in accordance with Article 21."*

38. It needs to be borne in mind that the period between entry into force and the first meeting of the Conference of the Parties will be relatively short; GEF is already operating the financial mechanism; and GEF is in the midst of a restructuring that is unlikely to be complete by the time the Convention enters into force. Furthermore, it would be difficult for another institutional structure to be functioning within this timeframe. Regardless of what approach is taken for the interim period referred to in Article 39, the Conference of the Parties will make a separate decision on the institutional structure to operate the permanent financial mechanism.

39. To ensure continuity of access to funding through the interim period, the Governments may therefore wish to consider delegating responsibility to the Bureau, or a small steering group, for making a decision at the time of entry into force of the Convention concerning the most suitable interim institutional structure to operate the financial mechanism. The Bureau or steering group could be assisted in this task by the subsidiary body on financial arrangements (SBFA), should such a body be established (see para. 36 above). In particular, the subsidiary body could monitor the progress of GEF restructuring to determine whether it adequately meets the



conditions as specified in the Convention. In addition, should GEF continue to operate the financial mechanism until the first meeting of the Conference of the Parties, SBFA could be the focal point for ongoing dialogue with GEF on the restructuring process and the Convention's requirements.

*D. Technology transfer and sharing of the benefits*

40. *How can Governments promote the fair and equitable sharing of benefits?* The Convention on Biological Diversity provides the context in which to consider whether the rewards from exploitation of genetic resources flow sufficiently to the custodians of such resources. An important feature of the Convention is the bargain implicit between Article 15, which requires countries to facilitate access to genetic resources for environmentally sound uses, and Article 16, which provides for transfer of relevant technologies to countries providing genetic resources.

41. For that part of the bargain represented by access to genetic resources, Article 15 provides the basis from which biological diversity may obtain commercial value leading to incentives for conservation. By regulating access, countries gain the ability to negotiate terms for the fair and equitable sharing of the results of research and development and of the benefits arising from the use of biological resources.

42. In implementing the Convention, States Parties may wish to enact legislation regulating access to their resources, including procedures for ensuring prior informed consent and mutually agreed terms. They may also wish to support regulatory regimes of other nations in this regard by establishing parallel legislation such as import restrictions for materials obtained contrary to the regulation of a providing country. This will require new law. No models exist.

43. As a first step, model legislation could be developed. A further step could be the establishment of an ombudsperson's office to intervene if requested by a Government to evaluate and report on the fairness of an arrangement for sharing of benefits in exchange for access to genetic resources. This office could also help Governments, communities and enterprises to obtain legal and technical assistance and to build capacity in these areas. The office could be separate or could be incorporated into a clearing-house (see para. 50-52 below).

44. For that part of the bargain represented by access to relevant technologies, Parties providing these technologies need an understanding of what is required of them under Article 16. Controversy in this area focuses in particular on the concern of some Governments that they might be compelled to regulate the conditions of transfer of patented technology by the private sector. Others are concerned that the treatment of intellectual property in Article 16 could result in prices for the acquisition of patented technology beyond their means. Finally, some Governments believe there is a danger this Article could force harmonization of all patent regimes at the expense of individual approaches to domestic policy.

45. While Article 16 is open to interpretation, only experience will reveal its significance and, by extension, what measures might be necessary to maintain the balance envisioned in the Convention. However, it is important to recognize that patented technology may play only a small role in the overall equation of benefit-sharing. Early action to place intellectual property rights into perspective within the full range of practical approaches for sharing of benefits will be necessary if effective progress is to be made on this issue.

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46. The Committee may wish to consider setting in place a two-track approach. One track could involve bilateral pilot projects between Governments to build experience in cooperative arrangements for the collection, analysis and use of genetic resources. Two important objectives would be to explore mechanisms for the involvement of key players such as communities and the private sector in achieving equitable sharing and to understand on a practical basis the actual implications of Article 16 and the relative importance of intellectual property compared to other elements involved in striking a bargain.

47. The second track could build a knowledge base. It would entail gathering information, putting it into a readily usable form and conducting primary research where necessary. Two questions that could be immediately addressed based on experience to date are:

(a) What has been the actual impact intellectual property rights on the acquisition by countries of technology derived from their own genetic resources?

(b) What is the qualitative contribution of traditional societies to the conservation and modification of genetic resources, and what value is placed on these contributions in the context of the Convention?

48. If Governments find this two-track approach attractive, they may wish to refer it, along with any elaboration or changes developed at the session, to the Interim Secretariat for implementation with suitable partners.

49. Governments may also wish to place on record the importance of including local communities and the private sector at all stages on the agenda.

50. *What characteristics should a technology clearing-house exhibit to be a useful tool to Governments?* Article 18 of the Convention calls for the first meeting of the Conference of the Parties to determine how to establish a clearing-house mechanism to promote and facilitate scientific and technical cooperation.

51. A technology clearing-house could take many forms. It could be centralized in one location or could have nodes in several places. It could be accessible by computer modem. It could be a completely new facility or it could build on an existing one. Its staff could include technical people to assist in matching needs to technology, an ombudsperson to assist countries in preparing for negotiations and a lawyer skilled in the area of intellectual property rights. Alternatively, it could focus exclusively on the library function, providing references to specialists around the world but having none on its own staff. It could be linked to and draw upon major data banks in all regions of the world.

52. Governments may wish to consider which of these and other characteristics would make such a technology clearing-house most useful to them, particularly in the early phase of implementation of the Convention. The Interim Secretariat could be asked to prepare a proposal based on the views expressed for consideration by the Conference of the Parties.

53. *What process should be set in motion to enhance the safety of transfer of biotechnology?* Implementation of the Convention could stimulate transfer of genetic material and the transfer of related biotechnology. Some countries do not yet have a highly developed capacity to monitor biotechnology activities to ensure that safe practices are followed. This has resulted in biosafety being a high priority in the context of the Convention.

54. In particular, one issue singled out in resolution 2 for special attention is whether a protocol on biosafety would be an effective way of ensuring the safe transfer, handling and use of any living modified organism resulting from biotechnology that may have adverse effect on the conservation and sustainable use of biological diversity.

55. Looking at all aspects of the problem, several important messages emerge:

- (a) The safety record of biotechnology is good;
- (b) Major multinational companies engaged in biotechnology prefer to operate in countries where the regulatory regime is well-developed and where biosafety standards are high;
- (c) An international instrument could represent important value added in terms of biosafety around the world by promoting transboundary safety, world-wide information exchange on matters relating to biosafety and biosafety in the oceans, atmosphere and other internationally shared environments;
- (d) An international instrument will only be as effective as the ability of each country to ensure compliance within its own boundaries;
- (e) Many countries are likely to require technical and financial cooperation over an extended period to build the internal capacity needed;
- (f) International instruments take time to put in place, requiring an estimated two years for a code of conduct, an estimated additional year for guidelines and an estimated three years beyond that for a protocol;
- (g) An early priority will be to provide assistance for establishing, in countries that do not have them, and implementing national guidelines to regulate biotechnology research and development activities based on models that have worked well in the past.

56. In preparation for the first meeting of the Conference of the Parties, Governments may wish to consider the feasibility of a two-track approach to enhance biosafety. Track 1 could be comprised of immediate action through existing programmes, while track 2 could establish a process to develop an international biosafety instrument.

57. Among actions that could be considered for immediate implementation as part of track 1, four stand out:

- (a) Enhancing the capacity of developing countries in risk assessment, risk management and regulatory oversight;
- (b) Creation of a programme tailored to assist these countries to put in place guidelines for biotechnology research and development;
- (c) Establishment of an international focal point for information exchange to accelerate the process of improving estimation of risks;
- (d) Search for mechanisms to ensure that codes of conduct for the handling of biotechnology established in developed nations by domestic law are adhered to by their nationals when they are working abroad.

58. Track 2, creation of an international instrument, could be approached as follows:

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- (a) Determine to what extent unregulated field releases of genetically modified organisms are now occurring and where;
- (b) Determine what the present enforcement capacity is in all parts of the world;
- (c) Define the kind of instrument required to handle the needs identified in subparagraphs (a) and (b) above;
- (d) Develop and implement the instrument.

59. If Governments agree that track 2 is a productive approach to the development of an international instrument on biosafety, they may wish to have the Interim Secretariat undertake with suitable partners the action outlined in paragraph 58 (a) and (b) above, while overseeing elaboration of a full proposal for consideration by the Conference of the Parties. With respect to track 1, Governments may wish to add to and modify the list of immediate actions and refer it to the Interim Secretariat as well. In this case, the Interim Secretariat could be asked to promote the implementation as much as possible through partners with suitable mandates and programmes and develop the remainder into a proposal for consideration by the Conference of the Parties.

#### E. Summary

60. Governments have an opportunity to achieve important progress at the session.

61. In relation to the key task -- ensuring that appropriate preparations are made for the first meeting of the Conference of the Parties -- and based on the guidance provided by Governments, the following could be ready for consideration by the Conference of the Parties by the end of the interim period:

- (a) Draft rules of procedure of the Conference of the Parties;
- (b) Proposal for an evaluation framework for selection of the institutional structure to operate the financial mechanism;
- (c) Estimate of the total financial resources needed, based on scientific and technical considerations;
- (d) Proposal concerning which States are eligible for funding; what activities can be funded; and what the scientific and technical criteria are for determining priority of a particular project;
- (e) Proposed composition and terms of reference for the subsidiary body to provide scientific, technical and technological advice;
- (f) Proposal for a clearing-house mechanism to promote and facilitate scientific and technical cooperation;
- (g) Proposal for developing an international instrument to enhance biosafety;
- (h) Proposal for socio-economic studies on agriculture, forestry and fisheries;
- (i) Proposal of a framework suitable for handling the broad data and information needs of the Convention.

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62. Governments may decide to establish three bodies to assist them with this preparatory work between meetings:

- (a) A Steering Group responsible for:
  - (i) Liaison with the Interim Secretariat between meetings; and
  - (ii) Decision concerning the institutional structure to operate the financial mechanism upon entry into force of the Convention for the interim period.
- (b) An interim scientific and technical advisory committee (ISTAC);
- (c) A subsidiary body on financial arrangements (SBFA).

63. Finally, Governments may decide to take action immediately in some areas where this is possible and worth while. These could include:

- (a) Capacity-building for:
  - (i) Assessing risks associated with transfer, handling and storage of genetic and biological resources;
  - (ii) Negotiating arrangements for sharing of benefits in exchange for providing access to genetic resources;
- (b) Development of model laws for:
  - (i) Regulating access to genetic resources; and
  - (ii) Preventing import of materials developed in contravention of laws regulating access;
- (c) Provision of guidance to the Global Environment Facility on the kinds of activities and projects that need to be supported under the Convention;
- (d) Provision of similar information to other organizations involved in providing technical and financial support in the area of biological diversity;
- (e) Improvement of the level of understanding of benefit-sharing in three ways:
  - (i) Through case-studies on the impact of intellectual property rights on the ability of countries of origin of genetic resources to access relevant technology;
  - (ii) Through case-studies on the contribution of traditional communities to conservation and modification of genetic resources; and
  - (iii) Through pilot projects to explore mechanisms for sharing the benefits.

III. *Concluding remarks*

64. The Convention on Biological Diversity holds great promise: promise of a new deal between the South and the North; promise of a greater understanding of the value of all living things to the welfare of the planet's inhabitants.

65. We are entering an extremely important year in the life of the Convention on Biological Diversity. Each delegate making up the Intergovernmental Committee has an opportunity to play a signal role in laying the foundation for a successful unfolding of the many complex dimensions of this Convention.

66. With the right spirit, I believe we have the capacity to make significant progress at this session -- progress vital for the Convention to achieve the success it merits.

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