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**CONVENTION ON
BIOLOGICAL DIVERSITY**

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STATEMENT BY

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CONVENTION ON BIOLOGICAL DIVERSITY

TO

**THE COUNCIL OF THE GLOBAL ENVIRONMENT
FACILITY AT ITS TWENTY-FOURTH MEETING**

Washington, D.C., 17– 19 November 2004

Mr. Chairman,
Excellencies,
Distinguished delegates and guests,

I am pleased to have this opportunity once again to address the GEF Council and to report briefly on some of the main developments under the Convention on Biological Diversity of relevance to your work since your last meeting, in May 2004.

At that meeting, I reported on the outcomes of the seventh meeting of the Conference of the Parties to the Convention on Biological Diversity and the first meeting of the Conference of the Parties serving as the Meeting of the Parties to the Cartagena Protocol on Biosafety. I also gave a presentation on the 2010 biodiversity target and associated indicators for assessing progress towards it.

Since that time, the Convention Secretariat, together with various stakeholders, has continued to focus on the decisions from these two meetings, and to make plans and undertake the necessary preparations for their implementation. Over fifty meetings will need to be organized prior to the eighth meeting of the Conference of the Parties. The Convention Secretariat has already organized a number of expert group meetings and workshops on such issues as the Global Taxonomy Initiative, synergies among the Rio and other biodiversity-related conventions, biosafety, capacity-building and information exchange, liability and redress, indicators, as well as outcome-oriented targets.

Mr. Chairman,

The target of achieving by 2010 a significant reduction of the current rate of biodiversity loss continues to be the focus of the post-COP-7 activities. The discussions on indicators for assessing progress towards that target at the global level have been most productive. An on-line forum was organized to facilitate those discussions. The level of participation in this forum was truly remarkable, which demonstrates the high degree of interest in this subject on the part of the international biodiversity community. It also is a reflection the high stakes at play.

In October, following the on-line discussions, the Secretariat organized a liaison group meeting and a meeting of an Ad Hoc Technical Expert Group on indicators for

assessing progress towards the 2010 target. The Expert Group considered the suitability of the indicators and the availability of suitable data-sets, and identified organizations to coordinate the delivery of the information required for each indicator. It also reviewed the draft outline of the second Global Biodiversity Outlook (GBO), which will be one of the means for reporting on the indicators for assessing progress towards the 2010 target, and made suggestions on how it could be improved.

The Expert Group Meeting on Outcome-oriented Targets for the Programmes of Work on the Biological Diversity of Inland Water Ecosystems and Marine and Coastal Biodiversity was held in Montreal from 25-27 October 2004. The Group considered draft proposals for outcome-oriented targets based on the framework identified and the approach adopted by the seventh meeting of the Conference of the Parties. It also considered their technical rationale, data availability and relevant implementation partners. It refined the proposed targets and recommended their incorporation into the programmes of work on inland water biological diversity and marine and coastal biological diversity.

The outcome of these meetings will feed into the intergovernmental deliberations at the tenth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA-10) to be held next February and subsequently at the eighth meeting of the Conference of the Parties. The Convention's Ad Hoc Open-ended Working Group on Access and Benefit-sharing will also explore the need and possible options for indicators on access to genetic resources and, in particular, for the fair and equitable sharing of benefits arising from the utilization of genetic resources. Likewise, the Ad Hoc Open-ended Inter-Sessional Working Group on Article 8(j) and Related Provisions of the Convention will consider the development of those indicators related to the innovations, knowledge and practices of indigenous and local communities.

As evidenced by the report before you in document GEF/C.24/7, the format for the third national report is different from that of the previous reports. The 2010 biodiversity target has been reflected in the format in a comprehensive manner, so that Parties would be able to register their baseline information in respect of the 2010 target and assess and review the progress towards achievement of the target. Governments have

been requested to complete and submit their third national reports by 15 May 2005, so as to allow time to prepare the consolidated information for submission to the eighth meeting of the Conference of the Parties. The new format will be useful only if an adequate and substantial number of reports are received on time. In this respect, I would recall that, in highlighting the importance of the third national reports, the seventh meeting of the Conference of the Parties requested the Global Environment Facility to explore ways to expedite and simplify its procedures for allocating funds to the eligible countries to prepare their national reports as well as invited the Facility to provide the necessary financial support to facilitate the preparation of the third national reports.

The international workshop “*Towards the harmonization of National Reporting to Biodiversity-related Treaties*” was held in Belgium on 22-23 September 2004 to review the outcomes and recommendations from four pilot projects on harmonization and streamlining of national-reporting processes, as well as other ongoing reporting-harmonization initiatives and developments. The aim of the workshop was to identify possible actions that could further support national-reporting processes. The workshop produced a number of recommendations for further follow-up, with particular reference to:

- The purpose and focus of reporting;
- Coordination at national and international levels;
- National information management issues;
- Possible actions for consideration by the individual conventions and their respective contracting parties, including web-portal reporting;
- Capacity building; and
- The identification of additional approaches to improve the harmonization of reporting processes.

Mr. Chairman,

The Secretariat has also undertaken a number of activities to follow up on the decisions of the first meeting of the Conference of the Parties serving as the meeting of

the Parties to the Cartagena Protocol on Biosafety in preparation for its second meeting in that capacity.

A Technical Group of Experts on Liability and Redress met in Montreal from 18 to 20 October 2004 to undertake preparatory work for the Open-ended Ad Hoc Working Group of Legal and Technical Experts on Liability and Redress established by the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol. The Group had useful discussions on many crucial issues, such as types of activities that may cause damage, the definition of damage and who should be held liable. It produced a number of conclusions, including the identification of a set of scenarios, options, approaches and issues for further consideration in the process of developing rules and procedures on liability and redress for damage resulting from transboundary movements of living modified organisms.

Handling, transport, packaging and identification of living modified organisms (Article 18 of the Protocol) is another critical operational area addressed by the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol. There are a number of outstanding issues that still need to be resolved in the coming months, including a decision on detailed documentation requirements for living modified organisms intended for direct use as food, feed or for processing. This decision must be taken no later than two years after the entry into force of the Protocol (that is, by 11 September next year). In order to advance this process, the Parties decided to establish an Open-ended Technical Group of Experts, which will meet in March 2005 to make recommendations regarding the detailed identification requirements for this category of living modified organisms for consideration by the second meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol.

It was also agreed that a workshop on capacity-building and exchange of experiences on the issues of documentation and identification of LMOs under the Biosafety Protocol would be held before the meeting of the open-ended technical group of experts. The workshop took place in Bonn, Germany, from 1 to 3 November 2004, and proved to be very helpful in advancing the common understanding of operational issues covered under paragraph 2 of Article 18 of the Protocol.

The Biosafety Clearing-House (BCH) entered into its operational phase following the decision of the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol. Its continuous development and improvement remain an ongoing activity of the Secretariat in order to make the BCH increasingly user-friendly based on the feedback from Parties and other users. The Secretariat also receives the advice from an informal advisory committee of experts (BCH-IAC), who will be meeting regularly to assist the Secretariat in this task. The first meeting of the BCH-IAC took place on 9-10 November 2004.

Capacity-building is another important element to support the effective implementation of the Protocol. The first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol adopted a comprehensive Plan of Action in this regard. The decision endorses, *inter alia*, the establishment of a coordination mechanism to maximize complementarities and synergies between various biosafety-related capacity-building initiatives that are being undertaken by a number of actors, including the GEF and its Implementing and Executing Agencies. A coordination meeting of the major actors is scheduled to take place in January 2005 in Montreal, in conjunction with a meeting of a liaison group on capacity-building for biosafety. The aim of this meeting is to develop some recommendations for second meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol with a view to monitoring the progress achieved in the implementation of the Action Plan.

Mr. Chairman,

At its seventh meeting, the Conference of the Parties requested the Secretariat to propose draft consolidated decisions in respect of financial resources and financial mechanism for consideration of the Conference of the Parties at its eighth meeting. As a first step, the Secretariat has assembled the existing decisions and elements of decisions on financial resources and financial mechanism into draft consolidated decisions on: (i) policy, strategy and programme priorities, as well as eligibility criteria for access to and utilization of the financial resources; (ii) review of the effectiveness of the financial mechanism; and (iii) financial resources (Article 20). No changes in the text of the

decisions are proposed, but there may be some unavoidable reorganization of paragraphs to bring some level of order and rationality to the text.

The pending third review of the effectiveness of the financial mechanism is another activity under the Convention that is of direct relevance to the Global Environment Facility. As you may recall, at its seventh meeting, the Conference of the Parties decided that the third review should be conducted by an independent evaluator and under the authority of the Conference of the Parties. Accordingly, the Secretariat has been in close contact with the GEF Office of Monitoring and Evaluation, and initiated an international call for tenders last July. As currently designed, the third review will go hand-in-hand with the third Overall Performance Study in order to take maximum advantage of the synergies and complementarities between the two processes. The bidding process was completed last September, and an independent experienced evaluator will be selected and commissioned once the required financial resources have been secured.

The effort to consolidate guidance to the financial mechanism has particular relevance to your work on considering global biodiversity benefits. Since its first meeting ten years ago, the Conference of the Parties has regularly provided guidance in prioritizing funding activities based on the three-fold objectives of the Convention, its substantive Articles and Strategic Plan and the programmes of work adopted by the Conference of the Parties on thematic and cross-cutting issues.

Taken as a whole, this guidance constitutes a global and intergovernmental consensus on prioritized action to be taken to implement the Convention with support from the financial mechanism. It thus provides a measure of prioritization of global environmental benefits to be delivered by the financial mechanism. The broad nature of programme priorities, however, also allows for maximum operational flexibility for the institutional structure to operate the financial mechanism as well as for the countries hosting projects. Indeed, the Global Environment Facility has distinguished itself from other funding institutions by directly responding to guidance from the Conference of the Parties and the needs of the Parties in implementing the Convention, rather than by

competing with other funding institutions for projects with more general global environmental benefits.

Article 20 of the Convention on Biological Diversity provides 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 Party and the institutional structure. This provision points to two additional unique features of funding within the framework of the financial mechanism: (i) financial support should cover incremental costs; and (ii) the costs are to be agreed between recipient countries and the financial mechanism.

As such, the provisions of the Convention in respect of its financial mechanism and the Memorandum of Understanding between the Conference of the Parties and the GEF Council carry clear messages that need to be taken into account in developing any resource allocation system for the financial mechanism.

Mr. Chairman,

All that remains is for me to thank you for this opportunity and wish you, and the other members of the Council, a successful and productive meeting.

Thank you very much for your kind attention.