



Convention on Biological Diversity

Distr.
GENERAL

CBD/NP/MOP/3/5
24 September 2018

ORIGINAL: ENGLISH

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

Third meeting

Sharm El-Sheikh, Egypt, 17-29 November 2018

Item 8 of the provisional agenda*

FINANCIAL MECHANISM AND RESOURCES (ARTICLE 25)

Note by the Executive Secretary

I. INTRODUCTION

1. Article 25 of the Nagoya Protocol addresses financial mechanisms and resources. At its thirteenth meeting, in decision [XIII/21](#), the Conference of the Parties adopted the four-year framework of programme priorities (2018-2022) for the seventh replenishment of the Global Environment Facility Trust Fund, and consolidated guidance to the financial mechanism, as well as the terms of reference for the fifth review of the effectiveness of the financial mechanism. It also took note of the report on the full assessment of funds needed for the seventh replenishment and requested the Global Environment Facility (GEF) to include in its reports to the Conference of the Parties information regarding the individual elements of the guidance and framework and how it had responded to the needs assessment. The replenishment process was concluded in April 2018.

2. With respect to resource mobilization, in decision [NP-1/7](#), Parties and relevant organizations were invited to submit information to the Executive Secretary on their experiences related to the mobilization of resources in support of the implementation of the Protocol, as well as on the status of funds mobilized (para. 8). In the same decision, the Executive Secretary was requested to prepare a synthesis of this information, providing an overview on the status and trends in funding for the consideration of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol at its next meeting (para. 9). Given that relevant information was submitted through the interim national reports on the implementation of the Nagoya Protocol, which were due in November 2017, consideration of this matter was postponed from the second to the third meeting of the Parties to the Protocol.

3. The present document provides an update on the implementation of Article 25 of the Protocol. Section II provides information on GEF support during GEF-6 and programming for the GEF-7 replenishment of relevance to the Protocol. Section III provides information on experiences by countries related to the mobilization of resources for the Protocol as well as status and trends in funding. Section IV draws some conclusions, and section V suggests elements for a draft decision.

* CBD/NP/MOP/3/1.

II. FINANCIAL MECHANISM

4. Subsection A below considers information from the report of the Global Environment Facility to the fourteenth meeting of the Conference of the Parties (CBD/COP/14/7) and from the Biodiversity Focal Area Study 2017 of the GEF Independent Evaluation Office¹ that is of relevance to the Nagoya Protocol, while subsection B provides a synthesis of the GEF-7 programming directions that are of relevance to the Protocol.

A. Sixth-replenishment support to the Nagoya Protocol

5. GEF-6 had a programming target of \$50 million to support implementation of the Nagoya Protocol, through its programme 8 (Implement the Nagoya Protocol on ABS), out of a total allocation to biodiversity of US\$ 1,296 million. As shown in table 2 of the GEF report, during GEF-6, GEF invested \$31.8 million and leveraged \$142.2 million in co-financing. Therefore, 63 per cent of the notional allocation for the Nagoya Protocol for GEF-6 was utilized.

6. During the reporting period (1 July 2016 to 30 June 2018), GEF approved six country-based projects (Brazil, Cambodia, Democratic Republic of the Congo, Lesotho, Timor-Leste and Uganda) to strengthen the required technical, legal, and institutional capacities to implement the Nagoya Protocol. GEF invested \$15.3 million and leveraged \$50.4 million in co-financing. GEF also approved a global project to support 65 countries to produce an interim national report. GEF invested \$1.4 million and leveraged \$1.1 million in co-financing. Detailed information on the projects is provided in the annex to the present document.

Sixth-replenishment performance study on the Nagoya Protocol

7. According to the Biodiversity Focal Area Study 2017 of the GEF Independent Evaluation Office, GEF has been providing financial assistance through the ABS strategy since GEF-3. GEF has been supporting the implementation of the Nagoya Protocol both through GEF Trust Fund resources and the Nagoya Protocol Implementation Fund (NPIF), which was established during GEF-5. As of June 2017, 26 biodiversity projects had supported ABS since GEF-4. There were 13 additional ABS projects funded by NPIF; all of them are under GEF-5.

8. The evaluation findings highlight the role of GEF in supporting countries in ratifying the Nagoya Protocol in collaboration with the Secretariat of the Convention, and in supporting the development of ABS pilots with the private sector.

9. The projects in the GEF ABS portfolio are very relevant to the GEF and NPIF strategic priorities, as well as the priorities identified in the CBD consolidated guidance on ABS. Activities to build governmental capacity, support to discovery of “promising compounds,” and development of legislation dominate the ABS portfolio. Other categories of project activities include building stakeholder capacity and technical capacity, increasing awareness of stakeholders not directly involved in government implementation of ABS frameworks, and support for indigenous and local communities (including awareness-raising) and the protection of access to traditional knowledge.

10. GEF support to ABS initiatives at the global level was significant particularly with respect to promoting the Nagoya Protocol’s early entry into force, and the support to the development and coordination of international infrastructure and mechanisms for its implementation. GEF also enabled and supported the development of the ability and willingness of provider-side countries to identify and develop promising genetic resources or elements of associated traditional knowledge. The evaluation also highlighted that GEF support to ABS initiatives contributed to link between ABS and conservation and between ABS and equitable rights, welfare, resources and the needs of indigenous peoples and local communities.

11. An effective ABS strategy includes steps for legislative development, domestic research and development and compound identification, development of national ABS contracts, and protection of and benefit-sharing for indigenous and local communities, which need to be implemented progressively. The evaluation indicated that the project designs may be “overpacked” with activities and/or outcomes to address each of these elements of the GEF ABS strategy, and recommended that ABS project activities should be implemented progressively. While activities such as awareness-raising may be done in parallel, a clear legislative framework is a precondition for other interventions for ABS to be effective. In addition, the evaluation pointed to

¹ <http://www.gefio.org/sites/default/files/ieo/evaluations/files/biodiversity-study-2017.pdf> (pages 1-37)

the need for recognizing the complexity and individual uniqueness of each ABS situation, to ensure that draft instruments and procedures prepared are consistent with country-level legislative and administrative requirements for adoption.

B. Seventh-replenishment programming for the Nagoya Protocol²

12. In April 2018, negotiations were concluded for the seventh replenishment of the Global Environment Facility Trust Fund (GEF-7), with pledges of US\$ 4.1 billion announced. The replenishment package includes policy recommendations, programming directions and the notional resource allocation and targets, with explicit consideration of the guidance provided by the Conference of the Parties in decision XIII/21, as well as the report on a full assessment of the amount of funds needed for the implementation of the Convention and its Protocols for the seventh replenishment period of the Global Environment Facility. A total of \$1,292 million was allocated to the biodiversity focal area, representing 32 per cent of the total.

13. Under GEF-7, implementation of the Nagoya Protocol continues to be one of the programming elements of the Biodiversity Focal Area, with \$ 37 million allocated for this purpose, representing 0.9 per cent of the total resources or 3.6 per cent of the country allocations for biodiversity. According to the programming directions, the successful implementation of ABS at the national level has the potential to make considerable contributions to biodiversity conservation and sustainable use and is therefore relevant to the successful implementation of the Strategic Plan for Biodiversity 2011-2020. Thus, projects developed for funding under other GEF modalities will be encouraged to explore the potential and relevance of ABS to contribute to specific project and programme objectives.

14. GEF will support national and regional implementation of the Nagoya Protocol and, if still required in specific countries, targeted capacity-building to facilitate ratification of the Protocol. GEF will therefore support the following core activities to comply with the provisions of the Nagoya Protocol:

(a) Stocktaking and assessment. GEF will support gap analysis of ABS provisions in existing policies, laws and regulations, stakeholder identification, user rights, and intellectual property rights, and assess institutional capacity including research organizations;

(b) Development and implementation of a strategy and action plan for the implementation of ABS measures (e.g. policy, legal, and regulatory frameworks governing ABS, national focal point, competent national authority, institutional agreements, administrative procedures for prior informed consent and mutually agreed terms, monitoring of use of genetic resources, compliance with legislation and cooperation on transboundary issues);

(c) Development (or revision) of national measures to implement and enforce the Protocol (e.g. the legislative, administrative or policy measures on access and benefit-sharing);

(d) Building capacity among stakeholders (including indigenous peoples and local communities, especially women) to negotiate between providers and users of genetic resources. Countries may consider institutional capacity-building to carry out research and development to add value to their own genetic resources and traditional knowledge associated with genetic resources. GEF will also support the participation in the Access and Benefit-sharing Clearing-House.

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

16. In recognition of the importance of genetic resources for food and agriculture and in achieving food security worldwide, GEF will consider projects for the mutually supportive implementation of the Nagoya Protocol and the International Treaty on Plant Genetic Resources for Food and Agriculture.

² Report on the Seventh Replenishment of the GEF Trust Fund, GEF/A.6/05/Rev.01, 27 June 2018.

III. RESOURCE MOBILIZATION

17. As mentioned in paragraph 2 above, Parties and non-Parties provided information on financial resources through the interim national report. All information provided as of 22 February 2018 was included in the analysis carried out as a contribution to the first assessment and review of the effectiveness of the Protocol to be conducted at the third meeting of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol in accordance with Article 31 of the Protocol.³

18. The Subsidiary Body on Implementation, at its second meeting, considered the first assessment and review of the effectiveness of the Protocol and agreed to recommendation [SBI-2/2](#) which includes key findings as well as a draft framework of indicators and reference points to measure progress.

19. One of the key findings included in the draft decision for consideration by the meeting of the Parties to the Protocol is that although several capacity-building and development initiatives are currently supporting ratification and implementation of the Nagoya Protocol, many Parties still lack the necessary capacity and financial resources to make the Protocol operational. The draft decision therefore includes an invitation to expand efforts to provide financial resources to support the implementation of the Protocol.⁴

20. The following subsections consider information provided in interim national reports as well as the key findings and outcomes of the assessment and review contained in recommendation SBI-2/2 that are relevant to resource mobilization. Subsection A below provides a synthesis of the information received regarding experiences related to the mobilization of resources to support the implementation of the Protocol, while subsection B addresses the requested overview of the status and trends in funding.

A. Experiences related to the mobilization of resources to support the implementation of the Protocol

21. A voluntary question was included in the format of the interim national report to collect information on experiences related to resource mobilization for the Protocol. As of 22 February 2018, 30 countries had answered this question.

22. Some countries shared experiences and lessons learned in mobilizing resources. For instance:

(a) Bhutan and the Lao People's Democratic Republic highlighted the importance of reaching out directly to donors for mobilizing resources, and Bhutan highlighted the importance of exposure to funding partners (for example, at the margins of relevant meetings);

(b) Benin was of the view that partnering with a local non-governmental organization that submits ABS projects to different organizations represented in the country has helped them to mobilize resources;

(c) Malawi explained that although the resources allocated to ABS in a GEF project were limited due to competing needs, the amount received was useful to start developing ABS regulations and carry out capacity-building activities. Further resource mobilization will be conducted to ensure the process is finalized by 2019;

(d) Sudan indicated that a national committee had been established to formulate the resource mobilization plan for implementing the national biodiversity strategy and action plan and the Nagoya Protocol for the period 2015-2020;

(e) Uganda reported that targets and activities for implementing the Protocol are included in the revised national biodiversity strategy and action plan (2015-2025), which had been mainstreamed into the national development plan.

23. Some countries reported on some of the difficulties to mobilize resources. For example, it was noted that some development partners within the country do not clearly understand ABS aspects or how they can be linked to their development activities, and that it was a challenge to prioritize ABS among other competing priorities.

³ See document CBD/SBI/2/INF/3, section M (optional additional information) for an analysis of the information contained in the interim national reports relating to financial resources.

⁴ The draft decision is available in compilation of draft decisions [CBD/NP/MOP/3/1/Add.2](#). and will be considered under agenda item 7 on Assessment and Review of the Effectiveness of the Protocol.

Some countries were of the view that the process for disbursing the funds was slow and the requirements of funding partners were complex.

24. Some of the challenges mentioned by countries in establishing a mechanism for budgetary allocations of funds for the implementation of the Nagoya Protocol include the lack of financial resources, and some countries mentioned the need to raise awareness of ABS so it can be prioritized. Burundi explained that the lack of established mechanisms was due to ABS not being integrated into their development policies.

B. Status and trends in funding for the Nagoya Protocol

25. Three indicators related to financial resources and their reference points are included in the draft framework of indicators for consideration by the Conference of the Parties serving as the meeting of the Parties to the Protocol at its third meeting, in the context of the first assessment and review (see para. 19 above). The reference points provide the status in funding for the Nagoya Protocol as of 22 February 2018:

(a) 24 Parties (23 per cent of Parties to the Protocol) responded that they had established a mechanism for budgetary allocations of funds for the implementation of the Nagoya Protocol;

(b) 13 Parties (12 per cent) responded that they had made financial resources available to other Parties;

(c) 35 Parties (33 per cent) received financial resources from other Parties or financial institutions for the purpose of implementation of the Protocol as provided in Article 25 (c).

26. These reference points determine a baseline against which progress can be measured in the future and allow to measure trends.

27. According to information provided in the interim national report as of 22 February 2018, GEF is the most common source of funding (31 countries reported accessing these funds). However, a limited number of funding sources apart from GEF have been providing bilateral or multilateral assistance for ABS projects since the adoption of the Nagoya Protocol. In particular, 11 countries reported having received funds from the Nagoya Protocol Implementation Fund, 12 from other Parties and 15 from other sources.

28. According to the information provided in the interim national reports, the following Parties have been providing financial resources through different organizations and/or programmes: Austria, Belgium, the European Union, France, Germany, Japan, Norway, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland.

29. Countries in their reports also referred to initiatives or organizations providing country support, such as the ABS Capacity Development Initiative (a multi-donor initiative), Bioversity International, the Darwin Initiative, the International Union for Conservation of Nature (IUCN), and the United Nations Conference on Trade and Development (UNCTAD).

30. Some countries provided information on the funds they were able to mobilize, for what projects, and the amounts. According to the information provided, five countries have mobilized US\$ 3 million or more to implement the Protocol; four countries mobilized between US\$ 100,000 and US\$ 1 million; and three countries mobilized US\$ 100,000 or less.

31. The above information on the status of funding for the Nagoya Protocol can help as reference points to measure progress in future. The collection of information overtime, through national reports, will eventually allow analysing funding trends for the Nagoya Protocol.

IV. CONCLUSIONS

32. Although several capacity-building and development initiatives are currently supporting the ratification and implementation of the Nagoya Protocol, many Parties still lack the necessary capacity and financial resources to make the Protocol operational. According to the information provided through the interim national reports, GEF is the most common source of funding, and a limited number of funding sources apart from GEF have been providing bilateral or multilateral assistance for ABS projects since the adoption of the Protocol.

33. During GEF-5, the total amount of GEF funds utilized by Parties for ABS projects (\$47.8 million) was higher than the amount (\$40 million) that was notionally allocated at the beginning of the GEF-5 cycle. The amount utilized to implement the Nagoya Protocol decreased during GEF-6 (\$31.8 million) even though the notional allocation increased (\$50 million).

34. Through the seventh replenishment, GEF has made available funds (\$37 million) that could be used by eligible Parties towards the implementation of the Nagoya Protocol if prioritized nationally under the System for Transparent Allocation of Resources.

V. SUGGESTED ELEMENTS OF A DRAFT DECISION⁵

35. The Conference of the Parties serving as the meeting of the Parties to the Protocol may wish to consider the following draft decision:

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

1. *Welcomes* the seventh replenishment of the Global Environment Facility Trust Fund, and *expresses its appreciation* to the countries that contributed to the seventh replenishment;
2. *Also welcomes* the Biodiversity Focal Area Strategy, which includes a programme for implementing the Nagoya Protocol, and *takes note* of the notional programming targets for the various Biodiversity Focal Area objectives and programmes contained in the report on the seventh replenishment;⁶
3. *Encourages* eligible Parties to prioritize access and benefit-sharing projects during the programming of their seventh-replenishment national allocations under the System for Transparent Allocation of Resources (STAR);
4. *Encourages* Parties to incorporate access and benefit-sharing activities in projects developed under other focal area programmes, and, in particular, under other biodiversity focal areas;
5. *Also encourages* Parties to cooperate at the regional and subregional levels and to request support from the Global Environment Facility for joint projects in order to maximize synergies and opportunities for cost-effective sharing of resources, information, experiences and expertise.

⁵ These elements are included in the compilation of draft decisions ([CBD/NP/MOP/3/1/Add.2](#)).

⁶ [GEF/A.6/05/Rev.01](#).

*Annex***List of projects and programmes approved during the reporting period under programme 8: Implement the Nagoya Protocol on Access and Benefit-sharing**

GEF ID	Country	Agency	GEF Grant	Co-finance	Total	Title	Description
9449	Brazil	UNDP	5.7	24.3	30.6	Sustainable, Accessible and Innovative Use of Biodiversity Resources and Associated Traditional Knowledge in Promising Phytotherapeutic Value Chains in Brazil	The project seeks to enhance global biodiversity benefits, as well as multiple national and local co-benefits, arising from the sustainable, accessible and innovative use of medicinal plants in Brazilian ecosystems, through the strengthening of promising phytotherapeutic value chains, based on indigenous and local communities' traditional knowledge and in compliance with the applicable ABS regime.
9799	Lesotho	UNDP	2.9	4.5	7.7	Promoting Conservation, Sustainable Utilization and Fair and Equitable Benefit-sharing from Lesotho's Medicinal and Ornamental Plants for Improved livelihoods	The project seeks to promote conservation, sustainable use and improved access and benefit-sharing from ABS products derived from selected Medicinal Plants in selected Highlands and Foothill areas of Lesotho.
9481	Uganda	UNEP	2.6	9.2	12.0	Institutional Capacity Strengthening for Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Uganda	The project seeks to strengthen institutional capacity for effective implementation of the Nagoya Protocol and to conduct an effective awareness campaign on Biosafety in Uganda.
9741	Cambodia	UNDP	0.8	1.8	2.6	Developing a Comprehensive Framework for Practical Implementation of the Nagoya Protocol	The project seeks to strengthen the conservation and sustainable use of genetic resources and associated traditional knowledge in Cambodia by developing a national Access and Benefit-Sharing (ABS) framework, policy and legislation consistent with the CBD and its Nagoya Protocol.

GEF ID	Country	Agency	GEF Grant	Co-finance	Total	Title	Description
9926	Democratic Republic of the Congo	UNEP	2.0	6.8	8.8	Effective National Implementation of Access and Benefit Sharing (ABS) in accordance with the Nagoya Protocol and Valorization of Botanical Plants (Medicinal, Cosmetic and Neutraceutical) in the Democratic Republic of Congo	The project seeks to strengthen national capacities, including on legislation and regulatory framework, for the effective implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, contributing to the conservation of biodiversity and human well-being in the Democratic Republic of the Congo.
9703	Timor-Leste	UNEP	1.3	3.8	5.1	Establishing the National Framework and Operational Capacity for Implementing the Nagoya Protocol in Timor-Leste	The project seeks to establish the conditions enabling sustainable access to the genetic resources of Timor-Leste, which will deliver fair and equitable benefits to its people, while protecting legal and customary ownership and traditional knowledge.
9866	Global ⁷	UNEP	1.4	1.1	2.5	Support to Preparation of the Interim National Report on the Implementation of the Nagoya Protocol	The project seeks to assist GEF-Eligible Parties to the Nagoya Protocol on Access and Benefit-Sharing to prepare and make timely submission of their interim national reports on measures that each party has taken to implement the Protocol in line with Article 29.

⁷ Albania, Antigua and Barbuda, Belarus, Benin, Bolivia, Bhutan, Botswana, Burkina Faso, Burundi, Cambodia, Comoros, Cameroon, Congo, Côte d'Ivoire, Cuba, Djibouti, Democratic Republic of the Congo, Dominican Republic, Egypt, Eswatini, Ethiopia, Fiji, Micronesia (Federated States of), Gabon, Gambia, Guatemala, Guinea, Guinea-Bissau, Guyana, India, Kenya, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Marshall Islands, Mali, Myanmar, Mongolia, Mauritania, Mauritius, Malawi, Mexico, Mozambique, Namibia, Niger, Pakistan, Philippines, Republic of Moldova, Rwanda, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, Sudan, Tajikistan, Togo, Uganda, Vanuatu, Viet Nam, Zambia.