



Convention on Biological Diversity

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CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY
Fourteenth meeting
Sharm El-Sheikh, Egypt, 17-29 November 2018
Agenda item 9

FINANCIAL MECHANISM

Draft decision submitted by the Chair of Working Group I

The Conference of the Parties,

Recalling Article 21 and related provisions of the Convention, Article 28 of the Cartagena Protocol on Biosafety and Article 25 of the Nagoya Protocol on Access and Benefit-sharing,

Also recalling decisions XIII/21 and III/8,

Noting with appreciation the report of the Global Environment Facility,¹

Taking note of the information regarding the implementation of Article 21 of the Convention contained in the note by the Executive Secretary on the financial mechanism,²

Having considered recommendation 2/7 regarding review of implementation of the financial mechanism (Article 21),

1. *Welcomes* the successful conclusion of the seventh replenishment of the Global Environment Facility Trust Fund, and *expresses its appreciation* for the continuing financial support from Parties and Governments for carrying out the tasks under the Strategic Plan for Biodiversity 2011-2020 in its remaining years, and for supporting the implementation of the post-2020 global biodiversity framework in its first two years;

2. *Notes* that the biodiversity programming directions for the seventh replenishment of the Trust Fund reflect the guidance adopted by the Conference of the Parties at its thirteenth meeting, which includes the consolidated guidance to the financial mechanism and the four-year framework of programme priorities (July 2018 to June 2022), as well as further guidance;³

3. *Welcomes* the Global Environment Facility's process to review and upgrade its environmental and social safeguards and the related systems of its agencies, as well as its guidance to advance gender in its new gender implementation strategy, noting that the results will be applicable to all projects funded by the Facility, and *invites* the Facility to inform the Conference of the Parties about how it is taking into account the Convention's voluntary guidelines on safeguards in biodiversity financing mechanisms in its important process;

4. *Notes* the ongoing review and updating against criteria of best practice of the Global Environment Facility's policy on safeguards and rules of engagement with indigenous peoples;

¹ CBD/COP/14/7.

² CBD/COP/14/8.

³ See decision XIII/21.

5. *Invites* Parties, while utilizing allocations from the seventh replenishment, to support the collective action and contributions of indigenous peoples and local communities towards achieving the Aichi Biodiversity Targets through, as appropriate, programmes, projects and activities of indigenous peoples and local communities including the Small Grants Programme of the Global Environment Facility;

6. *Invites* the Global Environment Facility to continue its support for national implementation activities under the Strategic Plan for Biodiversity 2011-2020 in an efficient manner, with a view to enabling Parties to enhance progress towards the Aichi Biodiversity Targets by 2020;

7. *Invites* the Global Environment Facility, in line with the consolidated guidance provided in decision XIII/21, to continue to provide all eligible Parties with support for capacity-building:

(a) On issues identified by the Parties to facilitate further implementation of the Cartagena Protocol on Biosafety and the Nagoya Protocol on Access and Benefit-sharing, including regional cooperation projects, with a view to facilitating the sharing of experiences and lessons learned and harnessing associated synergies;

(b) On the use of the Access and Benefit-sharing Clearing-House, on the basis of experiences and lessons learned during the Project on Continued Enhancement of Building Capacity for Effective Participation in the Biosafety Clearing-House and using resources under the biodiversity focal area;

8. *Invites* the Global Environment Facility to continue making funds available to assist eligible Parties in implementing the Cartagena Protocol, in particular:

(a) To assist eligible Parties that have not yet done so in fully putting in place measures to implement the Protocol;

(b) To support eligible Parties in fulfilling their reporting obligations under the Protocol, including the preparation and submission of their fourth national reports under the Protocol;

(c) To support Parties in implementing compliance action plans regarding the achievement of compliance with the Protocol;

9. *Invites* the Global Environment Facility and other relevant funding agencies to provide funds for regional projects to support the implementation of the Cartagena Protocol, including projects aimed at building scientific capacity that could support countries' actions towards detection and identification of living modified organisms, and in particular that could promote North-South and South-South sharing of experiences and lessons;

10. *Expresses its appreciation* for the financial support provided by the Global Environment Facility for a number of eligible Parties to support the preparation of their interim national reports on the implementation of their obligations under the Nagoya Protocol, and notes the importance of timely availability of financial resources to support the preparation and submission of national reports by the reporting deadline;

11. *Invites* the Global Environment Facility to continue to assist eligible Parties to implement the Nagoya Protocol, including the establishment of legislative, administrative and policy measures on access and benefit-sharing and related institutional arrangements, and to make funds available to this end;

12. *Considers* the sixth overall performance study of the Global Environment Facility, conducted by the Facility's Independent Evaluation Office and completed in December 2017, as a good basis for the fifth review of the effectiveness of the financial mechanism, as well as the related submissions received from Parties, and *invites* the Council of the Global Environment Facility to take the following action in order to further improve the effectiveness of the financial mechanism:

(a) Continue to improve the design, management, and performance of the sixth-replenishment Integrated Approach Pilots, the seventh-replenishment impact programmes, other programmatic approaches, and multi-focal area projects in addressing drivers of environmental degradation;

(b) Promote awareness to the existing processes under the Conflict Resolution Commissioner to address complaints related to the operations of the financial mechanism;

(c) Further improve the sustainability of funded projects and programmes, including sustainable financing of protected areas;

(d) Continue to improve the efficiency and accountability of the Global Environment Facility partnership;

(e) Include the following information in its report to the Conference of the Parties at its fifteenth meeting:

(i) Progress in implementing the new co-financing policy;

(ii) Performance of the Global Environment Facility's network of agencies;

13. *Requests* the Executive Secretary to take into account the experiences gained from past reviews of the effectiveness of the financial mechanism in preparing the terms of reference for the sixth review of the effectiveness of the financial mechanism, for consideration by the Conference of the Parties at its fifteenth meeting;

14. *Adopts* the terms of reference for a full assessment of the amount of funds needed for the implementation of the Convention and its Protocols during the eighth replenishment period of the Trust Fund of the Global Environment Facility, as annexed to the present draft decision;

15. *Invites* relevant Parties to submit to the Executive Secretary their estimated funding and investment needs under the financial mechanism for the third determination of funding and investment requirements by the Conference of the Parties at its fifteenth meeting in connection with the eighth replenishment of the Trust Fund of the Global Environment Facility;

16. *Requests* the Executive Secretary, working with the contracted expert team in accordance with the terms of reference referred to in paragraph 14 above, to prepare a compilation of estimated funding and investment needs submitted by relevant Parties, building on and further fine-tuning the methodology and the three scenarios used by the second determination of funding needs, for consideration by the Subsidiary Body on Implementation, at its third meeting, to inform the third determination of funding requirements by the Conference of the Parties at its fifteenth meeting, in anticipation of the eighth replenishment of the Trust Fund of the Global Environment Facility;

17. *Requests* the Subsidiary Body on Implementation at its third meeting to prepare proposals for a four-year outcome-oriented framework of programme priorities for the eighth replenishment period (July 2022 to June 2026) of the Global Environment Facility Trust Fund, aligned with the draft post-2020 global biodiversity framework, for consideration by the Conference of the Parties at its fifteenth meeting;

18. *Encourages* the Executive Secretary to work closely with the Global Environment Facility in the transition to the post-2020 global biodiversity framework;

19. *Also encourages* the Executive Secretary to work closely with agencies associated with the Global Environment Facility in the transition to the post-2020 global biodiversity framework, taking into account the need to promote greater synergies between the Global Environment Facility and other financing mechanisms.

Annex

TERMS OF REFERENCE FOR A FULL ASSESSMENT OF THE AMOUNT OF FUNDS NEEDED FOR THE IMPLEMENTATION OF THE CONVENTION AND ITS PROTOCOLS FOR THE EIGHTH REPLENISHMENT PERIOD OF THE TRUST FUND OF THE GLOBAL ENVIRONMENT FACILITY

Objective

1. The objective of the work to be carried out under the present terms of reference is to enable the Conference of the Parties to make an assessment of the amount of funds that are necessary to assist developing countries and countries with economies in transition, in accordance with the guidance provided by the Conference of the Parties, in fulfilling their commitments under the Convention and its Protocols over the eighth Global Environment Facility (GEF) replenishment cycle, and determine the amount of resources needed, in accordance with Article 21, paragraph 1 and decision III/8.

Scope

2. The assessment of funding needs for the implementation of the Convention and its Protocols should be comprehensive and primarily directed towards assessing total funding needs required to meet the agreed full incremental costs of measures that developing country Parties and Parties with economies in transition that are eligible for GEF support may implement, in accordance with the guidance provided by the Conference of the Parties, in order to fulfil their obligations under the Convention and its Protocols for the period July 2022 to June 2026.

Methodology

3. The funding needs assessment should take into account:

(a) Article 20, paragraph 2, and Article 21, paragraph 1, of the Convention, as well as Aichi Biodiversity Target 20 of the Strategic Plan for Biodiversity 2011-2020;

(b) Guidance to the financial mechanism from the Conference of the Parties which calls for future financial resources;

(c) All obligations under the Convention and its Protocols and relevant decisions adopted by the Conference of the Parties;

(d) The information communicated to the Conference of the Parties in the national reports and, information provided by the Parties through the financial reporting framework;

(e) Rules and guidelines agreed by the Council of the Global Environment Facility for determining eligibility for funding of projects;

(f) National strategies, plans or programmes developed in accordance with Article 6 of the Convention;

(g) Experience to date, including limitations and successes of projects funded by the Global Environment Facility, as well as the performance of the Facility and its implementing and executing agencies;

(h) Synergies with other Global Environment Facility-funded Conventions.

(i) Synergies with other biodiversity-related Conventions.

(j) The strategy for resource mobilization and its targets;

(k) The second report of the High level Panel on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020 and its recommendations;

(l) National biodiversity strategies and action plans, where available;

- (m) The draft post-2020 global biodiversity framework;
- (n) Progress made on the implementation of the Sustainable Development Goals, in particular Goal 17 (strengthen the means of implementation).

Procedures for implementation

4. Under the authority and with the support of the Conference of the Parties, the Executive Secretary shall contract a team of three or five—experts, subject to the availability of resources, with equal representation from developing country Parties and developed country Parties, and one from international non-governmental organizations, to prepare a report on the full assessment of funding necessary and available for the implementation of the Convention for the period July 2022 to June 2026, in accordance with the above objective and methodology.

5. In preparing the assessment report, the expert team should undertake such interviews, surveys, quantitative and qualitative analyses, and consultation, as may be required, including:

- (a) Compilation and analysis of the needs identified in national biodiversity strategies and action plans, including country-specific resource mobilization strategies, prepared by GEF-eligible Parties pursuant to Article 6 of the Convention;

- (b) Review of reports submitted by Parties pursuant to Article 26 of the Convention to identify funding needs in fulfilment of their obligations under the Convention;

- (c) Estimated financial implications of guidance to the financial mechanism from the Conference of the Parties;

- (d) Experience to date in the provision of funds by the financial mechanism for each replenishment period;

- (e) Compilation and analysis of any supplementary information provided by GEF-eligible Parties on their funding needs for the implementation of their obligations under the Convention and its Protocols.

6. The Global Environment Facility and the Executive Secretary shall conduct a review of the draft assessment reports of the expert team to ensure accuracy and consistency of data and approach as specified in these terms of reference.

7. The Executive Secretary shall ensure that the assessment report of the expert team will be distributed to all Parties one month before the third meeting of the Subsidiary Body on Implementation.

8. The Subsidiary Body on Implementation at its third meeting should consider the expert team's assessment report and make recommendations for consideration by the Conference of the Parties at its fifteenth meeting.

9. The Conference of the Parties, at its fifteenth meeting, will take a decision on the assessment of the amount of funds that are necessary for the implementation of the Convention and its Protocols for the eighth replenishment period of the GEF Trust Fund, and communicate the results to GEF accordingly.

Consultation process

10. In preparing the assessment report, the expert team should consult widely with all relevant persons and institutions and other relevant sources of information deemed useful.

11. The expert team should design a questionnaire on funding needs for the period July 2022 to June 2026, in consultation with the Secretariat and the GEF, and circulate it to all developing country Parties and Parties with economies in transition, and include the results in the assessment report.

12. Interviews and consultation meetings should be organized with participation of relevant key stakeholders, including major groups of Parties, the Convention Secretariat, as well as the secretariat, the Independent Evaluation Office and the agencies of GEF.

13. As far as possible, the expert team should endeavour to undertake regional and subregional consultations, taking advantage of regional and subregional workshops organized by the secretariats of the Convention and the Global Environment Facility during the study period.

14. The approaches to assessing the funding necessary and available for the implementation of the Convention and its Protocols should be transparent, reliable and replicable, and demonstrate clear incremental cost reasoning in accordance with Article 20, paragraph 2, taking into consideration information gathered from other international funds serving conventions and information submitted by Parties in the application of the concept of incremental costs as well as current rules and guidelines of the Global Environment Facility as approved by the Council of the Global Environment Facility.

15. On the basis of experience with the preparation of the current needs assessment report, the expert team will make recommendations to the Executive Secretary for the elements and modalities of an online system to facilitate submissions by relevant Parties for future needs assessments.

16. The expert team should address additional issues that may be raised by the Subsidiary Body on Implementation during its consideration of the assessment report at its third meeting.
