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CONFERENCE OF THE PARTIES TO THE CONVENTION
ON BIOLOGICAL DIVERSITY SERVING AS THE
MEETING OF THE PARTIES TO THE CARTAGENA
PROTOCOL ON BIOSAFETY

Fifth meeting

Nagoya, Japan, 11-15 October 2010

Item 7 of the provisional agenda*

MATTERS RELATED TO THE FINANCIAL MECHANISM AND RESOURCES

Note by the Executive Secretary

I. INTRODUCTION

1. At its previous meetings, the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety has adopted a number of decisions on matters related to the financial mechanism and resources, including recommendations to the Conference of the Parties to the Convention on Biological Diversity regarding guidance to the financial mechanism with respect to biosafety (decisions BS-II/5, BS-III/5 and BS IV/5).

2. The present note provides an update on the status of implementation of the guidance provided to the financial mechanism with respect to biosafety as well as information on other financial resources for the implementation of the Protocol. Section II presents a status report on the Global Environment Facility (GEF) funding for biosafety and the fifth replenishment of the GEF Trust Fund (“GEF-5”), the outcomes of the review of the Resource Allocation Framework and the establishment of the new “System for Transparent Allocation of Resources” (STAR), and an overview of the revised GEF-5 project cycle and programmatic approaches. Section III presents a report on the status of countries that received GEF funding before becoming parties to the Protocol in accordance with paragraph 21 (b) of decision VII/20 of the Conference of the Parties. Section IV discusses options for mobilizing additional financial resources for the implementation of the Protocol, and the final section proposes elements of a possible decision on matters related to the financial mechanism and resources.

3. The full report submitted by the Council of the Global Environment Facility (GEF) to the tenth meeting of the Conference of the Parties to the Convention on the status of implementation of the guidance to the financial mechanism, including the guidance with respect to biosafety, is contained in document UNEP/CBD/COP/10/6.

* UNEP/CBD/BS/COP-MOP/5/1.

4. Parties to the Protocol are invited to consider the information provided in the present note and the report submitted by the Global Environment Facility in taking, as appropriate, its decision on matters relating to the financial mechanism and resources and making recommendations to the Conference of the Parties to the Convention regarding further guidance to the financial mechanism with respect to biosafety.

II. STATUS OF IMPLEMENTATION OF THE GUIDANCE TO THE GLOBAL ENVIRONMENT FACILITY WITH RESPECT TO BIOSAFETY

5. In its decisions VII/20 (paragraph 23), VIII/18 (paragraphs 11 and 12) and IX/31 C (paragraph 5), the Conference of the Parties to the Convention on Biological Diversity provided, upon recommendation by the Parties to the Protocol, guidance to the financial mechanism with respect to biosafety. In decision IX/31 C, paragraph 5, the Conference of the Parties specifically requested the financial mechanism to consider the guidance, submitted in its entirety in decision IV/5, paragraph 4, of the fourth meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety, noting that paragraph 5 (f) should be considered in the context of the programme priorities in the annex to decision IX/31 B, and to report back to the Conference of the Parties at its tenth meeting.

6. The table below summarizes the response by the GEF to the guidance contained in paragraph 5 of decision IX/31 C. The report submitted by the GEF Council to the tenth meeting of the Conference of the Parties to the Convention (UNEP/CBD/COP/10/6) provides details on the status of, and steps taken towards, the implementation of the guidance to the financial mechanism with respect to biosafety.

Table 1: Overview of guidance to GEF with respect to biosafety as provided by the Conference of the Parties at its ninth meeting and the response of GEF

Decision IX/31 C, paragraph 5	GEF response
(a) Assess the impact of the Resource Allocation Framework (RAF) on the implementation of the Protocol, and propose measures that can minimize potential resource limitations that may affect the implementation of the Protocol	The GEF Evaluation Office conducted a mid-term review of the RAF and the Fourth Overall Performance Study (OPS4) and presented its reports to the GEF Council at its November 2008 and June 2009 meetings, respectively. Please refer to section II C below and to the "GEF Evaluation Office" section in the report submitted by the GEF to the tenth meeting of the Conference of the Parties to the Convention (UNEP/CBD/COP/10/6) for further information on the findings and recommendations of the two reports.
(b) Make financial resources available to enable eligible Parties to prepare their national report	The GEF received no requests from countries for preparation of national reports during GEF-4. This would be eligible in GEF-5 under enabling activities. The second national reports are due in 2011 and the Parties at their fifth meeting are expected to adopt a new reporting format based on proposal by the Executive Secretary (UNEP/CBD/BS/COP-MOP/5/14/Rev.1).

Decision IX/31 C, paragraph 5	GEF response
(c) Extend the UNEP-GEF Biosafety Clearing-House project in its original form as a global project outside the Resource Allocation Framework (RAF)	The GEF Council approved a project identification form (PIF) for the second UNEP-GEF project for continued enhancement of building capacity for effective participation in the Biosafety Clearing-House in November 2009 to support up to 50 countries (UNEP, GEF \$2.5 million, co-financing \$2.515 million, total \$5.015 million). Please see annex 5 of the GEF report to the tenth meeting of the Conference of the Parties (UNEP/CBD/COP/10/6) for a summary project description.
(d) Provide financial and other support to enable universities and relevant institutions to develop and/or expand existing biosafety academic programmes and provide scholarships to students from developing country Parties	The GEF does not provide financial support for this kind of intervention under the Council-approved GEF biosafety strategy. GEF has never provided this kind of support in the biodiversity focal area given that it is not consistent with the GEF mandate.
(e) Support eligible Parties to build their capacities in the area of sampling and detection of living modified organisms, including the setting up of laboratory facilities and training of local regulatory and scientific personnel	This is eligible under the GEF biosafety strategy and is already a part of some of the ongoing national biosafety framework (NBF) implementation projects.
(f) Consider funding implementation of the following programme priority needs for biosafety during the fifth GEF replenishment period, where appropriate, using the issue-specific approach and providing longer-term support for building, consolidating and enhancing sustainable human resource capacity: legal and administrative systems for notification procedures; risk assessment and risk management; enforcement measures including detection of living modified organisms; and liability and redress measures.	The Council approved the GEF biosafety strategy which remains the guiding document for GEF support for the Protocol implementation. Given that not all countries have finished the second stage of GEF support (implementation of the NBFs), the GEF focus during the fifth replenishment period will be to ensure that all remaining countries complete their NBF implementation projects. Within the GEF-5 biosafety strategy allowances have also been made for thematic and regional projects.

7. The report submitted by the Global Environment Facility to the tenth meeting of the Conference of the Parties to the Convention (UNEP/CBD/COP/10/6) provides details on the status and steps taken towards the implementation of the guidance to the financial mechanism with respect to biosafety.

A. GEF biosafety project support during the reporting period

8. During the current reporting period (1 January 2008 to 30 June 2010), GEF approved all biosafety project proposals presented to it that met the GEF funding criteria. It approved a total of 37 project identification forms (PIFs) for the implementation of national biosafety frameworks (NBFs) and related obligations to the Cartagena Protocol on Biosafety in 46 countries, totalling \$35.2 million while leveraging co-financing of \$43 million. GEF also approved a global project for continued enhancement of building-capacity for effective participation in the Biosafety Clearing-House in response to the guidance in paragraph 5 (c) of decision IX/31 C. GEF contributed \$2.5 million and leveraged an additional \$2.515 million in co-financing.

9. The status of the above projects was as follows as of 30 June 2010:

(a) Nine medium-sized projects for implementation of national biosafety frameworks, (i.e., Albania, Bhutan, Cambodia, Costa Rica, Ecuador, El Salvador, Guatemala, the Lao People's Democratic Republic and Madagascar) received final approval by the GEF Chief Executive Officer (CEO) and were posted on the GEF website. Details are provided in annex I below;

(b) One full-sized national project for India, on capacity-building for implementation of the Cartagena Protocol - phase II, was approved by the GEF Council, and the project document was being finalized by the Implementing Agency;

(c) One full-sized national project for Cameroon, on development and institution of a national monitoring and control system (framework) for living modified organisms (LMOs) and invasive alien species (IAS), was approved by the Council and received a project-preparation grant;

(d) Two full-sized regional projects for the implementation of national biosafety frameworks were approved by the Council and the final project documents were being finalized by the Implementing Agency, i.e.:

(i) UNEP-GEF regional project for implementing national biosafety frameworks in the Caribbean subregion (Antigua and Barbuda, Barbados, Dominica, Saint Kitts and Nevis, Saint Lucia, Trinidad and Tobago, Saint Vincent and the Grenadines); and

(ii) UNEP-GEF project on implementation of national biosafety frameworks in Caribbean subregion countries of Bahamas, Belize, Grenada, Guyana and Suriname in the context of a regional project;

(e) One medium-sized regional World-Bank-GEF project for Latin America on communication and public awareness capacity-building for compliance with the Cartagena Protocol on Biosafety received final approval from the Chief Executive Officer;

(f) One full-sized global project, i.e. UNEP-GEF project for continued enhancement of building capacity for effective participation in the Biosafety Clearing-House (phase II) was approved by the Council and the final project documents were being finalised by the Implementing Agency;

(g) Project documents of the following 22 approved project identification forms for implementation of national biosafety frameworks were being finalised by the implementing agencies for final CEO approval and posting on the GEF website: Bangladesh, Cuba, Ethiopia, Ghana, Indonesia, Iran, Jordan, Lesotho, Liberia, the Libyan Arab Jamahiriya, the former Yugoslav Republic of Macedonia,

Mongolia, Mozambique, Namibia, Nigeria, Panama, Peru, Rwanda, the Syrian Arab Republic, Tajikistan, Turkey and Turkmenistan. Details are provided in annex II below.

10. GEF will continue supporting the Cartagena Protocol on Biosafety during GEF-5 under objective three of the biodiversity strategy. The GEF will support single-country projects that implement national biosafety frameworks, regional or subregional projects and thematic projects that develop the capacities of groups of countries lacking competencies in relevant fields. Table 11 provides a list of biosafety projects approved during the reporting period.

B. Fifth replenishment of the GEF Trust Fund (GEF-5) and the programming of resources

11. On 12 May 2010, donor countries pledged a total of US\$ 4.25 billion for the fifth replenishment of the GEF Trust Fund (“GEF-5”) to support GEF operations and activities for the next four years from 1 July 2010 to 30 June 2014. This marked a 34 per cent increase over GEF-4 levels.²

12. Of US\$ 4.25 billion, \$1.2 billion (28%) will be directed to the biodiversity focal area.³ In the GEF-5 programming document (GEF/R.5/31/CRP.1), the proposed indicative GEF-5 resource envelope for biosafety (objective three of the biodiversity focal area strategy) is US\$ 40 million. This amount is less than the amount that was suggested in the GEF strategy for financing biosafety (GEF/C.30/8/Rev.1) and set aside in GEF-4 (US\$ 75 million).⁴ The \$40 million is intended to enable those countries that have not yet implemented their national biosafety frameworks to do so and the remaining resources would be dedicated to regional and thematic projects as proposed in the GEF Strategy for Financing Biosafety Activities. Given the average allocation of \$600,000 for national biosafety projects during GEF-4 and considering the previous amounts allocated to regional projects, the resource envelope of \$40 million could potentially fund 58 national biosafety framework implementation projects.

13. The proposed GEF-5 programming levels for all the thematic under the biodiversity focal area are presented in the table 2 below. It should be noted that the allocations per strategic objective are only indicative and reflect past demand from countries. The GEF will provide additional resources over the notional allocations if it receives more requests from countries for project support under a given strategic objective. It should also be noted that, as GEF is country-driven, ultimate programming levels will be determined, among other things, by the priorities expressed by countries and the amounts requested against their country allocations under each focal area, as well as actual funds available in the GEF Trust Fund. By the end of GEF-5 the actual amount invested per each objective will reflect country demand.

Table 2. Indicative GEF resource envelope for the biodiversity focal area

<i>Biodiversity focal area strategic objectives</i>	<i>GEF-5 programming target (US\$ million)</i>
1. Improve sustainability of protected area systems	700

² The Global Environment Facility has been replenished four times since its inception in 1991: \$2.02 billion in 1994, \$2.75 billion in 1998, \$2.92 billion in 2002, and \$3.13 billion in 2006.

³ It should be noted that some of the funds allocated to climate change (e.g. for the programme on reducing emissions from deforestation and forest degradation in developing countries (REDD) and the Sustainable Forest Management-REDD Plus initiative), international waters (marine protected areas beyond national jurisdiction) and desertification will provide additional funding for biodiversity.

⁴ A copy of the GEF-5 programming document (GEF/R.5/31/CRP.1) can be accessed at: <http://www.thegef.org/gef/node/3020>.

<i>Biodiversity focal area strategic objectives</i>	<i>GEF-5 programming target (US\$ million)</i>
2. Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes, and sectors	250
3. Build capacity for the Cartagena Protocol on Biosafety	40
4. Build capacity on access to genetic resources and benefit sharing	40
5. Integrate CBD obligations into national planning processes through enabling activities	40
6. Contribution to sustainable forest management	130
TOTAL	1,200

Source: GEF-5 programming document (GEF/R.5/31/CRP.1), page 76

C. Review of the Resource Allocation Framework and establishment of a new “System for Transparent Allocation of Resources”

14. In its decision IX/31 C, paragraph 5 (a), the Conference of the Parties, upon recommendation by the Parties to the Protocol, requested the Global Environment Facility Evaluation Office to assess the impact of the Resource Allocation Framework (RAF) on the implementation of the Protocol, and propose measures that can minimize potential resource limitations that may affect the implementation of the Protocol including measures that facilitate consideration of regional and subregional projects developed by the countries of the region.

15. The Global Environment Facility Evaluation Office conducted the mid-term review of the RAF in 2008 and its report was considered by the GEF Council at its November 2008 meeting.⁵ The report included the following statements in relation to biosafety:

(a) “[E]nabling activity funding is supposed to be accessed from RAF allocations. However, their cost could deplete the full amount allocated for countries in the group allocation, leaving no funding for other projects. The Cartagena Protocol on Biosafety is of particular concern in this regard, as it is the only protocol fully supported by the GEF as the financial mechanism” (p. 7);

(b) “So far in GEF-4, a biosafety programmatic approach and 10 biosafety projects have been approved in the biodiversity area; this is less than expected given historic patterns. In GEF-3, most support for biosafety (\$21 million) was provided through global projects. The RAF appears to have slowed the momentum created by the previous global biosafety project” (pp. 7-8). “The average cost of country implementation plans is about \$600,000, which is not possible to fund within the RAF allocations for most countries” (p. 123);

(c) “The Delphi study ... raised questions as to whether biosafety can be addressed appropriately through indexes” used in the RAF to measure the potential global benefits that can be

⁵ The report of the mid-term review of the Resource Allocation Framework can be accessed at: http://gefco.org/uploadedFiles/Evaluation_Office/RAF/raf-mtr.pdf

realized from biodiversity related activities in a country (page 15, 54)⁶.... "International experts agree that biosafety is not covered well in the indexes or through country allocations, and could potentially be treated as an exception as well" (page 15). However, "there was no agreement among the Delphi participants to amend the index to give greater weight to biosafety. Experts pointed out that it was difficult to envision how this issue could be measured, particularly as national data are not yet broadly available" (page 55);

(d) "The introduction of the RAF changed the nature of many regional and global projects under development, disrupting the preparation of some". For example, the GEF Strategy for Financing Biosafety Strategy, which emphasizes the importance of regional approaches, has become difficult to implement under the RAF due to limitations on global and regional programs.⁷ "The reduction in corporate funds for global and regional projects means that there is some pressure on countries to contribute with their RAF country resources to such initiatives". Given the reduction in funds available corporately, it was assumed during the RAF design that countries would voluntarily provide funds from their country allocation, especially for group allocation countries. This assumption is not holding up, and it has become more difficult to organize regional projects" (pp. 119-120);

16. Among other things, the report recommends that as biosafety is not covered well in the biodiversity indexes and/or through country allocations, it could potentially be treated as an exception. The Delphi experts consulted during the review agreed that biosafety is best addressed as a transboundary issue outside the RAF design.

17. The report of the Fourth Overall Performance Study also noted that since the introduction of the RAF there had been a slow-down in GEF support to the implementation of the Protocol. For example, during GEF-4, about US\$ 32 million was spend on biosafety projects despite the fact that a resource envelope of US\$ 75 million had been set aside for biosafety. The report observed that this could have been due to the fact that countries, faced with difficult choices on how to invest their limited biodiversity allocation among numerous competing obligations under the Convention and the Protocol, opted to request funding for biodiversity projects over biosafety activities. The report presumed that if the allocation of funding for biosafety per country would have been kept separate from biodiversity then more projects could have been funded (page 94 of the report).

18. In response to the shortcomings of the RAF identified in the mid-term review of the RAF, the GEF Council at its thirty-sixth meeting, convened in November 2009 adopted a new System for Transparent Allocation of Resources (STAR), which will replace the Resource Allocation Framework (RAF) during the GEF-5 programming period. The STAR will be applied to the focal areas of biodiversity, climate change and land degradation and will become operational in July 2010. The operational rules and procedures related to the practical application of the STAR are provided in a document entitled, "GEF-5 Operational Procedures for the System for a Transparent Allocation of Resources (STAR)" (GEF/C.38/9).

19. Under the STAR, all countries will have an indicative individual allocation that they can access during the replenishment period to support projects in each of the three focal areas, a feature that was lacking in the RAF. Group allocations used in GEF 4 have been discontinued. The individual allocation will be at least \$1.5 million for biodiversity, \$2 million for climate change and \$0.5 million for land

⁶ More than 112 independent experts representing a variety of institutions from around the world participated in the Delphi exercises addressing the GEF Benefits Indices (GBI) for biodiversity. Details about the Delphi exercises can be assessed at: <http://www.thegef.org/gef/node/2319>.

⁷ The limitations are due to the demand-supply gap and the trade off that countries make between national projects and regional or global projects.

degradation. The indicative allocations have been calculated based on a combination of the GEF benefits index (GBI), the GEF performance index (GPI), and an index based on the gross domestic product (GDP). The GDP-based index is a new feature of the STAR designed to enhance equity by increasing the allocation to countries that are at the lower range of per capita GDP. The initial country resource envelopes, for countries with STAR allocations, are disclosed in a document entitled: “GEF-5 STAR Initial Allocations” (GEF/C.38/Inf.8).⁸

20. Under the STAR, there will be additional resources available for enabling activities, such as for funding of national reports, with up to \$500,000 per country for biodiversity which did not exist in GEF-4. This new feature addresses one of the main concerns that were raised in decision BS-III/5, paragraph 2 (i), of the Conference of the Parties serving as the meeting of the Parties to the Protocol.

21. The STAR also introduces new features intended to enhance flexibility and equity in the use of the STAR allocations. For example, there is no restriction on how much of its indicative allocation a country can access any time during the replenishment period as was the case under the RAF. However, in order for the system to run as smoothly as possible countries are encouraged to spread the development and submission of project proposals for funding over the entire replenishment period and not to use all the indicative allocation at the beginning of the period or keep all the allocation until the end.

22. Furthermore, the STAR allows countries for which the total of focal area allocations is under a certain threshold flexibility to move their country allocations across any of the STAR focal areas during the GEF-5 cycle. The threshold has been set to ensure that at least ninety percent of total GEF-5 biodiversity and climate change resources are in fact used for projects in these focal areas. At least 50 countries are expected to benefit from this feature.⁹

23. Despite the improvements introduced, it is not certain if the new System for Transparent Allocation of Resources under GEF-5 will improve the countries’ allocation of GEF funding for the implementation of the Biosafety Protocol. As recommended in the RAF review report, the meeting of the Parties to the Protocol may wish to ask the Conference of the Parties to request the Global Environment Facility to fund biosafety projects outside of the STAR, like in the case with the international waters, given that biosafety is not appropriately addressed through the current biodiversity indexes as observed by the panel of independent experts consulted during the Delphi study of the RAF for the midterm review.

D. Revised GEF-5 project cycle procedures and programmatic approaches

24. In paragraph 1 of decision BS-II/5, the Parties to the Protocol encouraged donors and their agencies as well as the Global Environment Facility to simplify, to the extent possible, their project cycle requirements in order to expedite access, by developing country Parties and the Parties with economies in transition, to the financial resources needed to assist the implementation of the Protocol. In paragraph 6

⁸ The document entitled: “GEF-5 STAR Initial Allocations” can be accessed at: <http://www.thegef.org/gef/node/3205>.

⁹ The following countries are expected to benefit from this feature in Africa: Burundi, Congo, Central African Republic, Comoros, Equatorial Guinea, Guinea, Guinea-Bissau, Lesotho, Liberia, Libya, Rwanda, Sierra Leone, Swaziland, and Togo. In Asia and the Pacific: Bhutan, Cook Islands, Iraq, Kiribati, Maldives, Marshall Islands, Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu. In Europe and Central Asia: Albania, Bosnia-Herzegovina, Georgia, the former Yugoslav Republic of Macedonia, Montenegro, and Tajikistan. In Latin America and the Caribbean: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, El Salvador, Grenada, Guyana, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Suriname.

of the same decision the Global Environment Facility was further encouraged to develop its funding modalities for organizing its support to the Protocol in a systematic and flexible manner.

25. The GEF Secretariat has adopted a more streamlined project cycle for medium-sized and full-sized projects as well as two types of GEF programmatic approaches to be implemented during the fifth replenishment period. The proposed changes are aimed at further improving the effectiveness and efficiency of GEF business processes and speeding up the project approval process while maintaining due-diligence and quality. Expedited procedures for enabling activities will remain unchanged.¹⁰

26. The modified project-cycle procedures for medium-sized projects provide the GEF Chief Executive Officer (CEO) with delegated authority to approve projects without prior circulation to the Council for comments. GEF Implementing Agencies will work with recipient countries to identify concepts and prepare the full project documents which will be reviewed and approved by the CEO within 10 working days. Following CEO approval, the project document will then be approved by the Agency following its own procedures, after which project implementation will begin. The approved project document will be posted on the GEF website for information. In addition, the criteria employed for medium-sized projects will be revised to ensure that the documentation requirements and review processes are in line with the size of the grant request. The size of medium-sized projects will also be increased to \$2 million, from the current limit of \$1 million.

27. For full-sized projects, the current two-step Council approval process has been modified to a one-step Council approval process. In the revised process, GEF Agencies will work with recipient countries to develop concepts and prepare project identification forms (PIFs). The GEF Secretariat will review the project identification forms on an ongoing basis, with a 10-working-day business standard, and those cleared by the CEO will be included in the work programme to be considered by the Council. The Council will continue to approve the contents of work programmes comprised of project identification forms as is currently done. Following Council approval, recipient countries, in partnership with the Agencies, will undertake detailed project development. Requests for a project preparation grant may be submitted to the Secretariat along with the project identification form, and once the project identification form in the work programme has been approved the CEO will review the preparation grant requests for approval. When a project has been fully prepared, it will be reviewed and endorsed by the GEF CEO, after which the project will be approved by the Agency following its own procedures and at that point the project can begin implementation. In the new system, the requirement to circulate final project documents to the Council, prior to CEO endorsement, will be abolished. All project documents will be posted on the GEF website.

28. Two types of approaches have also been introduced to refine the programming approach, whereby countries, GEF agencies and other stakeholders (e.g. the scientific community, private sector and/or donors) may seek GEF support for programmes (involving a set of projects that are linked through common objective/s of the programme), rather than single projects, in order to secure larger-scale and sustained impact.

29. The first type proposes minor modifications to the current programmatic approach outlined in document GEF/C.33/6 (April 2008). These modifications include the introduction of a coordination budget (in the case of multi-agency programmes) for the programme coordination agency and the provision of agency fees, calculated at 9 per cent of a prorated share of the aggregate amount of the GEF grant associated with the programme, to the participating agencies.

¹⁰ The new project cycle and programmatic approaches are described in document GEF/C.38/5 entitled, "Streamlining the project cycle and refining the programmatic approach", accessible at: <http://www.thegef.org/gef/node/3225>

30. The second type of programmatic approach, proposed for GEF Agencies that meet criteria for a delegation of authority to approve projects as outlined in annex I, involves additional streamlining. The Council will still approve a programme framework document along with the overall grant amount associated with the programme. Individual projects, after being fully prepared, will be reviewed and endorsed by the CEO. After CEO endorsement of each project, the Agency will approve the project following its own procedures and being implementation.

31. Details of the revised project-cycle procedures and programmatic approaches are provided in a document entitled: “Streamlining the project cycle and refining the programmatic approach” (GEF/C.38/5).¹¹

E. Cooperation between the Secretariat and the Global Environment Facility

32. In paragraph 5 of decision BS-II/5, the Parties to the Protocol encouraged the Global Environment Facility and the Executive Secretary of the Convention to continue their collaboration in advancing support to the implementation of the Protocol.

33. During the inter-sessional period, the Secretariat continued to work closely with the Secretariat of the Global Environment Facility. The Secretariat communicated to the GEF in a timely manner the COP guidance to the financial mechanism, including guidance with respect to biosafety, and received relevant documents from the GEF concerning steps being taken to implement the guidance. The Executive Secretary and the Chief Executive Officer/Chairman of the GEF met on a number of occasions and have communicated continuously on matters concerning GEF’s support for the implementation of the Convention and the Protocol.

34. The Secretariat provided input during the mid-term review of the Resource Allocation Framework and the Fourth Overall Performance Study by the Global Environment Facility Evaluation Office. It also had the opportunity to review and comment on the draft Biodiversity Focal Area Strategy for GEF-5, which includes biosafety.

35. The Global Environment Facility also participated in some activities related to the Protocol organised by the Secretariat including the Sixth meeting of the Liaison Group on Capacity-building for Biosafety which was held on 12-13 March 2009 in San José, Costa Rica.

III. REPORT ON THE STATUS OF COUNTRIES THAT RECEIVED GEF FUNDING BEFORE BECOMING PARTIES TO THE PROTOCOL IN ACCORDANCE WITH PARAGRAPH 21 (b) OF DECISION VII/20

36. In its guidance to the financial mechanism with respect to biosafety (decision VII/20, paras 21-26) the Conference of the Parties to the Convention on Biological Diversity varied the eligibility criteria to allow Parties to the Convention that are not yet Parties to the Protocol to receive GEF funding for certain capacity-building activities related to biosafety after providing a clear political commitment towards becoming Parties to the Protocol. Evidence of such political commitment would take the form of a written assurance to the Executive Secretary that the country intends to become a Party to the Protocol on completion of the activities to be funded. The eligible activities specified in the decision were the development of: national biosafety frameworks, national nodes of the Biosafety Clearing-House and other necessary institutional capabilities to enable non-Parties to become Parties.

¹¹ Document GEF/C.38/5 can be accessed at: <http://www.thegef.org/gef/node/3225>

37. Pursuant to the guidance, and in response to the request by the GEF Council made at its May 2004 meeting, the Chief Executive Officer of the GEF and the Executive Secretary of the Convention sent a joint letter to all focal points of the Convention on Biological Diversity and the GEF, clarifying the procedures to be followed. Among other things, non-Parties that received GEF funding in accordance with paragraph 21 (b) of decision VII/20 were required to report to the Executive Secretary of the Convention, on an annual basis, regarding actions being taken towards becoming Parties to the Protocol.

38. In its decision BS-II/5, paragraph 4, the Conference of the Parties serving as the meeting of the Parties to the Protocol invited countries that had received funding from the Global Environment Facility for activities referred to in paragraph 21 (b) of decision VII/20 to report to the Executive Secretary of the Convention on actions being taken towards becoming Parties to the Protocol and requested the Executive Secretary to compile the reports submitted and distribute them to Parties and to the Council of the Global Environment Facility for information.

39. The following is the status of countries that received or could receive GEF funding before becoming Parties to the Protocol in accordance with paragraph 21 (b) of decision VII/20, as of 15 June 2010:

(a) 19 countries sent to the Executive Secretary and the Chief Executive Officer of the GEF letters of political commitment towards becoming Parties to the Protocol. Out of those countries 14 have since become Parties to the Protocol.¹² The remaining five countries have not yet become Parties and have not submitted their reports on the action being taken towards becoming Parties to the Protocol;¹³

(b) 12 countries did not submit letters of commitment following the decision but have since become Parties.¹⁴

(c) 18 non-Parties have neither submitted letters of commitment nor submitted reports on the steps being taken towards becoming Parties to the Protocol.¹⁵

40. The meeting of the Parties may wish to provide guidance with regard to those countries that received GEF funding before becoming Parties to the Protocol in accordance with paragraph 21 (b) of decision VII/20 but have not fulfilled the obligations that were set out in that decision.

IV. ADDITIONAL FINANCIAL RESOURCES FOR THE IMPLEMENTATION OF THE PROTOCOL

41. Paragraph 1 of Article 28 of the Protocol requires Parties to take into account the provisions of Article 20 of the Convention on Biological Diversity in considering financial resources for the implementation of the Protocol. Article 20 of the Convention, among other things, requires developed

¹² Countries which submitted letters of commitment and have since become Parties to the Protocol are: Bosnia and Herzegovina, Burundi, Cape Verde, Chad, Comoros, Costa Rica, Gabon, Guinea, Indonesia, Malta, Swaziland, Thailand, the former Yugoslav Republic of Macedonia, and Yemen.

¹³ Countries that submitted letters of political commitment but have not yet become Parties to the Protocol and have not submitted reports on the steps taken towards becoming Parties are: Côte d'Ivoire, Equatorial Guinea, Haiti, Lebanon and Sao Tome and Principe.

¹⁴ Countries that did not submit letters of commitment but have since become Parties are: Angola, Central African Republic, Georgia, Guinea-Bissau, Guyana, Honduras, Malawi, Myanmar, Pakistan, Saudi Arabia, Suriname and Turkmenistan.

¹⁵ Countries that have neither submitted letters of commitment nor submitted reports on the steps being taken towards becoming Parties to the Protocol are: Afghanistan, Argentina, Bahrain, Chile, Cook Islands, Jamaica, Kazakhstan, Micronesia, Morocco, Nepal, Russian Federation, Sierra Leone, Timor-Leste, Tuvalu, United Arab Emirates, Uruguay, Uzbekistan and Vanuatu.

Parties to provide new and additional financial resources through a multilateral financial mechanism (the Global Environmental Facility) and/or through bilateral, regional and other multilateral channels to enable developing country Parties to fulfil their obligations under the Convention. In the implementation of these commitments, it requires Parties to take into account:

- (a) The need for adequacy, predictability and timely flow of funds;
- (b) The specific needs and special situation of least developed countries;
- (c) The special situation of developing countries, including those that are most environmentally vulnerable; and
- (d) the fact that economic and social development and eradication of poverty are the first and overriding priorities of the developing country Parties.

42. Paragraph 6 of Article 28 of the Protocol states that developed country Parties may also provide, and the developing country Parties and the Parties with economies in transition avail themselves of, financial and technological resources for the implementation of the provisions of the Protocol through bilateral, regional and multilateral channels.

43. To date, most of the financial resources for the implementation of the Protocol have been provided through the Global Environment Facility. Out of the estimated US\$ 135 million spent on biosafety capacity development activities in developing countries, according to the assessment carried out in 2007 by the United Nations University Institute of Advanced Studies (UNU-IAS),¹⁶ the Global Environment Facility had provided and leveraged a total of more than US\$ 89 million by then. However, as stated in the report of the Fourth Overall Performance Study the GEF, “the available GEF funding is insufficient for implementing convention guidance on ... biosafety...” The report noted that biosafety funding “has not kept up with potential demand based on the number of countries that have completed national frameworks so far (110) and based on consultations with CBD Secretariat and GEF Focal Points.” As stated in paragraph 12 above, the resource envelope for biosafety under GEF-5 has been reduced by almost 50%, to US\$ 40 million, compared to the GEF-3 and GEF-4 funding levels.

44. Moreover, as noted in the report of the Fourth Overall Performance Study of the GEF, the introduction of the Resource Allocation Framework (and even the new “System for Transparent Allocation of Resources”) in which countries have to make hard choices on how to invest their limited country allocation among numerous competing activities under the Convention, often relegating biosafety activities to bottom of the priority list of projects for GEF funding. This in turn has reduced the overall actual GEF funding for biosafety and slowed down the implementation of the Protocol.

45. There is an urgent need to mobilise and channel additional financial resources to developing country Parties and Parties with economies in transition to enable them to effectively implement the Protocol. These resources should be in addition to what is currently available through the biodiversity focal area of the Global Environment Facility.

46. The draft Strategic Plan for the Cartagena Protocol on Biosafety (2011-2020) also notes that the implementation of the strategic plan would require additional financial resources outside what is currently available to Parties through the Global Environment Facility (GEF). In this regard, the draft strategic plan recommends that a Special Biosafety Fund, financed through voluntary contributions and administered by the Global Environment Facility, be established to support national activities for the

¹⁶ A copy of the assessment report is available at: http://www.ias.unu.edu/sub_page.aspx?catID=111&ddIID=673

implementation of the Strategic Plan. The funding could be mobilized from diverse sources beyond the GEF replenishment. At its meeting held in Nairobi on 23 May 2010, the Bureau of the Conference of the Parties serving as the meeting of the Parties to the Protocol noted that the implementation of the Strategic Plan calls for additional financial resources over and above the amount currently available to Parties through the Global Environment Facility (GEF). The Bureau further noted that a special Biosafety Fund, financed through voluntary contributions and administered by the Global Environment Facility, could support national activities for the implementation of the Strategic Plan.

47. The Global Environmental Facility has previously established special funds to finance specific activities of developing country Parties and Parties with the economies for implementation of the Protocol that are complementary to those funded by the Global Environment Facility Trust Fund. These include the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF) established under the United Nations Framework Convention on Climate Change and the GEF Earth Fund established to help accelerate the emergence and replication of innovative and market-based projects that will generate global environmental benefits in a sustainable and cost-effective manner in the developing world.

48. The Parties may wish to consider establishing a Special Biosafety Fund to be administered by the Global Environment Facility and invite Parties, other Governments, foundations and other relevant organizations to make voluntary contributions to the Fund. The meeting of the Parties may also wish to urge developed country Parties to provide to developing country Parties and the Parties with economies in transition additional financial and technological resources for the implementation of the Protocol through bilateral, regional and multilateral channels.

VI. ELEMENTS OF A POSSIBLE DECISION ON MATTERS RELATED TO THE FINANCIAL MECHANISM AND RESOURCES

49. On the basis of the information provided in this note, the Conference of the Parties serving as the meeting of the Parties to the Protocol may wish to:

(a) Welcome the successful fifth replenishment of the Global Environment Facility Trust Fund and express its appreciation to the donor countries that made pledges to the Trust Fund;

(b) Take note of the report of the Global Environment Facility and the information provided in the present note on the implementation of the guidance to the financial mechanism with respect to biosafety and consider the need for further guidance;

(c) Welcome the measures undertaken by the GEF to streamline the project cycle and the programmatic approaches;

(d) Recommend to the Conference of the Parties to the Convention in adopting its guidance to the GEF to consider the following guidance with respect to the support for the implementation of the Cartagena Protocol on Biosafety:

(i) Request the financial mechanism to fund biosafety projects outside of the System for Transparent Allocation of Resources;

(ii) Reiterate its request to the GEF to make available financial resources to eligible Parties to facilitate the preparation of their second national reports.

(To be completed based on the decisions relating to the GEF adopted by the Parties under the different items on the agenda for their fifth meeting)

50. The Conference of the Parties serving as the meeting of the Parties to the Protocol may also wish to make decisions relating to additional financial resources along the following lines:

(a) Decide to establish a Special Biosafety Fund, financed through voluntary contributions from diverse sources, to provide expedited support for activities and programmes of developing country Parties and Parties with the economies for implementation of the Protocol that are complementary to those funded by the Global Environment Facility, especially those identified in the Strategic Plan for the Protocol.

(b) Designate the Global Environment Facility, the current entity entrusted with the operation of the financial mechanism, to operate the Fund under the authority and guidance of, and with accountability to, the Conference of the Parties serving as the meeting of the Parties to the Protocol for purposes of the Protocol;

(c) Request the Global Environment Facility to make arrangements for the establishment of the fund and develop operational policies, guidelines and simplified procedures for accessing resources from the Fund and submit a report on the progress made to the sixth meeting of the Parties;

(d) Invite developed countries, and relevant organizations, including foundations to make voluntary contributions to the Fund;

(e) Request the Executive Secretary to explore other means for mobilising additional financial resources for implementation of the Protocol and report to the next meeting of the Parties.

*Annex I**Projects approved and posted on the GEF website during the reporting period (January 1, 2008 and June 30, 2010)*

Project ID	IA	Country	Project Type	Project title	Approval date	GEF Grant	Co-financing (US\$)	Project Cost (US\$)
2819	UNEP	Cambodia	MSP	Building Capacity for the Detection and Monitoring of LMOs in Cambodia Biosafety Program	July 11, 2006	656,528	1,000,000	1,656,528
3751	UNEP	India	FSP	Capacity Building on Biosafety for Implementation of the Cartagena Protocol - Phase II under the Biosafety Program	January 27, 2009	2,727,273	6,000,000	8,727,273
3642	UNEP	Lao PDR	MSP	Support the Implementation of the National Biosafety Framework of Lao PDR	June 22, 2009	995,000	505,000	1,500,000
3850	UNEP	Bhutan	MSP	Implementation of the National Biosafety Framework of Bhutan	January 8, 2010	869,000	854,000	1,723,000
3630	UNEP	Guatemala	MSP	Development of Biosafety Mechanisms to Strengthen the Implementation of the Cartagena Protocol in Guatemala	April 8, 2010	636,364	490,020	1,126,384
3335	UNEP	Madagascar	MSP	Support for Implementation of the National Biosafety Framework of Madagascar	April 29, 2010	613,850	290,001	903,850
3405	UNEP	Ecuador	MSP	Implementation of the National Biosafety Framework	May 26, 2010	681,818	660,824	1,342,642
3895	UNEP	Albania	MSP	Capacity Building for the Implementation of the National Biosafety Framework	May 27, 2010	558,000	306,600	864,600
3332	UNEP	El Salvador	MSP	Contributing to the Safe use of Biotechnology	June 3, 2010	900,000	1,025,000	1,925,000
3629	UNEP	Costa Rica	MSP	Implementation of the National Biosafety Framework	June 18, 2010	718,873	750,102	146,8975
3562	IBRD	Regional	MSP	Latin-America: Communication and Public Awareness Capacity-Building for Compliance with the Cartagena Protocol on Biosafety	March 5, 2008	900,000	1,020,000	1,920,000
3856	UNEP	Global	FSP	UNEP-GEF Project for Continued Enhancement of Building Capacity for Effective Participation in the BCH	November 12, 2009	2,500,000	2,515,000	5,015,000

Annex II

BIOSAFETY PROJECT DOCUMENTS BEING FINALIZED FOR CEO APPROVAL AND POSTING ON THE GEF WEBSITE
(as of 30 June 2010)

Agency	Country	Project Type	Project Title	GEF Grant	Cofinancing	Total (\$)
UNEP	Bangladesh	MSP	Implementation of the National Biosafety Framework	884,090	533,300	1,417,390
UNEP	Cameroon	FSP	BS Development and Institution of A National Monitoring and Control System (Framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS)	2,400,000	8,400,000	10,800,000
UNEP	Cuba	MSP	Completion and Strengthening of the Cuban National Biosafety Framework for the Effective Implementation of the Cartagena Protocol	900,091	895,800	1,795,891
UNEP	Ethiopia	MSP	Implementation of Cartagena Protocol on Biosafety through Effective Implementation of National Biosafety Framework	600,000	700,000	1,300,000
UNEP	Ghana	MSP	BS Implementation of the National Biosafety Framework for Ghana	636,364	800,000	1,436,364
UNEP	Indonesia	MSP	Implementation of the National Biosafety Framework	830,196	709,200	1,539,396
UNEP	Iran	MSP	Building National Capacity to Implement the National Biosafety Framework of Islamic Republic of Iran and the Cartagena Protocol on Biosafety	749,000	851,000	1,600,000
UNEP	Jordan	MSP	Support for the Implementation of the National Biosafety Framework for Jordan	\$884,000	\$905,000	\$1,789,000
UNEP	Lesotho	MSP	Support the Implementation of the National Biosafety Framework of Lesotho	884,806	166,888	1,051,694
UNEP	Liberia	MSP	Support the Implementation of the National Biosafety Framework of Liberia	577,679	530,000	1,107,679
UNEP	Libya	MSP	Support the Implementation of the National Biosafety Framework for Libya	908,100	950,000	1,858,100
UNEP	Mongolia	MSP	Capacity Building for Implementation of the National Biosafety Framework	381,800	335,000	716,800
UNEP	Mozambique	MSP	Support to the Implementation of the National Biosafety Framework of Mozambique	755,000	188,750	943,750

Agency	Country	Project Type	Project Title	GEF Grant	Cofinancing	Total (\$)
UNEP	Namibia	MSP	Institutional Capacity Building towards the implementation of the Biosafety Act 2006 and related obligations of the CPB	510,000	396,000	906,000
UNEP	Nigeria	MSP	Support for the Implementation of the National Biosafety Framework of Nigeria	965,000	1,046,000	2,011,000
UNEP	Panama	MSP	Consolidation of National Capacities for the Full Implementation of the Cartagena Protocol on Biosafety in Panama	954,927	1,000,000	1,954,927
UNEP	Peru	MSP	Implementation of the National Biosafety Framework	811,804	900,000	1,711,804
UNEP	Rwanda	MSP	Support to the implementation of the national biosafety framework for Rwanda	645,455	969,085	1,614,540
UNEP	Syria	MSP	Support to the implementation of the national biosafety framework for Syria	875,000	953,000	1,828,000
UNEP	Tajikistan	MSP	Support to the Implementation of the national biosafety framework of Republic of Tajikistan	\$840,000	540,000	1,380,000
UNEP	The former Yugoslav Republic of Macedonia	MSP	Support to the implementation of the national biosafety framework	407,000	236,000	643,000
UNEP	Turkey	MSP	Support to the implementation of the national biosafety framework	542,650	750,000	1,292,650
UNEP	Turkmenistan	MSP	Capacity-building for the development of the national biosafety framework	284,600	167,625	452,225
UNEP	Regional	FSP	BS Regional Project for Implementing National Biosafety Frameworks in the Caribbean Subregion - under the GEF Biosafety Program (Antigua And Barbuda, Barbados, Dominica, St. Kitts And Nevis, St. Lucia, Trinidad and Tobago, St. Vincent and Grenadines)	3,344,043	3,767,950	7,111,993
UNEP	Regional	FSP	BS Implementation of National Biosafety Frameworks in Caribbean Sub Region Countries of Bahamas, Belize, Grenada, Guyana and Suriname in the Context of a Regional Project	2,628,450	3,150,674	5,779,124