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### CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY

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Item 4.16 of the provisional agenda\*

#### REVIEW OF IMPLEMENTATION OF ARTICLES 20 AND 21

*Elements for the four-year (2010-2014) framework for programme priorities related to utilization of GEF resources for biodiversity, and recommendations to enhance the process of formulating and consolidating guidance to the financial mechanism*

#### *Note by the Executive Secretary*

1. The Executive Secretary is circulating herewith a compilation of submissions received in response to recommendation 2/3, paragraph 2, of the second meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (UNEP/CBD/COP/9/4, annex), in which the Working Group invited Parties and Governments, relevant organizations and the Global Environment Facility (GEF) to submit to the Secretariat of the Convention their views on elements for the four-year (2010-2014) framework for programme priorities related to the utilization of GEF resources for biodiversity, as well as ways and means to enhance the process of formulating and consolidating guidance to the financial mechanism.
2. The submissions are being reproduced in the language and form in which they were received by the Secretariat.

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\* UNEP/CBD/COP/9/1.

## **SUBMISSION OF PORTUGAL AND THE EUROPEAN COMMISSION, ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES**

In response to recommendation 2/3 of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (WGRI-2), the Executive Secretary of the CBD in notification 2007-089 invites Parties and Governments, relevant organizations and the GEF, to submit to the Secretariat of the Convention on Biological Diversity their views on elements for the four-year (2010-2014) framework for programme priorities related to the utilization of GEF resources for biodiversity, as well as ways and means to enhance the process of formulating and consolidating guidance to the financial mechanism (paragraph 2).

### a) Enhancing the process of formulating and consolidating guidance to the GEF

The EU remains convinced that it is useful to mandate a group of financial mechanism negotiators, set up during each COP, to deal with the guidance to the GEF. However, the EU believes that better use of the expertise of this group could be made in order to improve the guidance process. This could be achieved by mandating the group

- to review existing guidance in relation to the COP-9 agenda (see table 1 of UNEP/CBDWG-RI/2/5);
- to identify obsolete, repetitive, overlapping and missing guidance;
- to retire, streamline, consolidate old guidance and suggest guidance for gaps;
- in light of the above, to clarify the new guidance with respect to earlier guidance (para 36 of doc. UNEP/CBD/WG-RI/2/5 of 16 May 2007).

In addition, this group should play a role in the prioritization process agreed at WGRI 2. However, the EU believes that this process requires broader assistance and consultation beyond the group.

The EU would find it useful to establish the group at the beginning of the COP instead of having the group merely consolidate all guidance to the GEF developed under other agenda items during the last days of the COP.

The group's task would be greatly facilitated if the CBD Secretariat could provide the necessary documentation beforehand, e.g. a document which organizes all existing guidance in accordance with the COP-9 agenda.

The EU proposes to test this approach at COP9. After this first experience, the COP will be in a better position to decide which additional improvements or actions are required to further enhance the guidance process.

### b) Framework for programme priorities for GEF resources

According to the principles of the Paris Declaration, it is up to the recipient countries to define their own development priorities. The views expressed in this submission on elements for the programme priorities represent mainly a donor perspective and are therefore not driven by the same principles as for countries receiving GEF funding. Thus, the EU will not provide a detailed list of priorities, but rather propose general criteria and guidelines for the process of developing guidance.

The interest of the EU is focused on sustaining ecosystem services through securing as much global biodiversity value for GEF investments as possible. Any list or guidance has to respect the GEF's principle of incremental cost funding.

The GEF Council has recently approved the Focal Area Strategies and Strategic Programming for GEF-4. They consist of strategic long-term objectives and strategic programmes, the latter of which define the focus of GEF-4 activities. In the EU's view, the frame of the focal area strategy for GEF-4, related to the

three objectives of the CBD and CPB, and with four strategic priorities should in principle be maintained for GEF-5 because

- it has been developed in a consultative process involving all GEF partners, including the Convention Secretariats\*;
- it should reflect most of the guidance provided by the COP to the GEF in recent years and is sufficiently broad to allow for more detailed priority setting;
- this would avoid unnecessary interruption due to complete new formulation of strategic programmes.

Thus, programme priorities identified should primarily fit into the general framework of GEF-4, also with regard to cross-sectoral issues like e.g. sustainable forest management. However, the EU believes that the linkages to the three CBD-objectives should be further strengthened and be more explicit.

The development of programme priorities should be based on a broad basis of sources of information:

The EU believes that sustainable achievement of global biodiversity objectives will greatly depend on the extent to which GEF activities are country-driven, respond to programmes of national priority that fulfil the obligations of the Convention and are related to appropriate national policy frameworks and plans for sectoral, economic, and social development. Therefore, the establishment of the GEF four-year framework for programme priorities in anticipation of the fifth replenishment of its Trust Fund has to be built on the principles of country-drivenness and country ownership, must give due to consideration to the important role of national biodiversity strategies and action plans (NBSAP) as a tool in identifying national needs and priorities for GEF financing while recognizing the need to provide coherent and prioritized guidance to the GEF. However, NBSAPs will only serve in this process, as long as they correspond to the exigencies of prioritization and are revised on a regular basis.

In countries where updated NBSAPs do not exist prior to COP9, a country-based inquiry of priorities could be a possible information source for the development of programme priorities. The EU would find it helpful if parties that have not submitted their programme priorities in response to this notification, came to COP9 with a clear understanding of their choices. In this respect, the EU would like to emphasize, that prioritization also requires identification of areas and topics that are considered less important.

Unfortunately the results of some major evaluations that could guide the selection process will not become available before May 2008, e.g. evaluation of the 2010 target, GBO 3, Mid-Term-Evaluation of the RAF etc. In order to make use of their findings, the COP could adopt a more general piece of guidance asking the GEF to support, among others, projects which aim to overcome gaps and deficiencies identified in these reports and evaluations.

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\* At [http://www.gefweb.org/uploadedFiles/Focal%20Area%20Strategies\\_10.04.07.pdf](http://www.gefweb.org/uploadedFiles/Focal%20Area%20Strategies_10.04.07.pdf) the whole document can be downloaded. The annex for biodiversity can be found on pp. 9-27.

## SUBMISSION OF SWITZERLAND

### Background

In 1996, Switzerland has set up an expert network for the GEF (Réseau d'Appuis GEF, RdA GEF) that comprises experts from the federal administration (Federal Office for the Environment FOEN and the Swiss Agency for Development and Cooperation SDC) and external experts whose professional activities are closely linked to international project activities and/or institutional cooperation. One of the tasks of the RdA GEF is the systematic review of GEF project proposals.

In 2004, a similar expert network has been created for the CBD (RdA CBD) to assist the federal offices in the implementation of the Convention.

The present note is based on the experiences gained through these networks and takes into account relevant international publication on the state of the environment and the analysis of the CBD Secretariat on opportunities for streamlining the guidance to the GEF (UNEP/CBD/WG-RI/2/5).

### Introduction

Switzerland welcomes the CBD initiative to establish a four-year framework for GEF's programme activities on biodiversity for the period 2010 – 2014, equivalent to its 5<sup>th</sup> replenishment.

### State of the Art

In the past two years three global assessments of the environment were published, i.e. the Millennium Ecosystem Assessment, the Global Biodiversity Outlook and the Global Environment Outlook. All three assessments conclude that loss of biodiversity continues, thus restricting future development options.

Meanwhile, the CBD has entered a new era of increased implementation. However, the Convention and the international community face serious problems regarding financing activities relating to the conservation of biological diversity, the sustainable use of its components and equitable sharing of the benefits from the use of genetic resources. As pointed out by the Executive Secretary, only US\$ 1 million, on average, is available through the GEF to each eligible Party over the next four years for implementing some 1'800 CBD decisions.

So far, despite a rather extensive overall guidance by the CBD, the follow-up (and possibly even the control) of the GEF was not optimal. Therefore the question of how to maximize the coherence between CBD and GEF and its performance with view to the global environment are of major interest, and the new four-year framework could be the right step for it.

From our point of view, although the CBD is the orienting body, and GEF its financial mechanism to assist recipient countries to achieve their targets with the conservation and sustainable use of biodiversity, the 2010-2014 framework cannot / should not be defined exclusively from top to down, without considering the current situation and reality of the GEF itself. **The main challenge for the design of the "2010-2014 framework" does not refer to the provision of additional guidance by the CBD to the GEF, but to the improvement of the follow-up of GEF by the CBD (regarding strategic decisions and evaluations).**

### Important background elements to be considered

For any position by the CBD on the GEF, its financial mechanism, the following background elements have to be considered:

- In July 2006, GEF introduced its Resource Allocation Framework (RAF); since February 2007 the allocations within the focal area biological diversity are determined by the RAF.
- In November 2006, GEF revised its focal area strategies. Thus since then, for all new projects and programmatic programmes of the focal area biological biodiversity, the new strategy is to be considered.
- And finally, in June 2007, the GEF introduced a new modality of its project cycle.
- GEF's resources are limited and it is a zero sum game. As soon as we ask for increases of funding in one area, there will be a need to reduce these funds in another area.

Major concerns regarding the GEF's overall performance with biodiversity and its progress with the implementation of the RAF

- Following the GEF's recent Progress Report on the Implementation of the RAF (GEF/C.32/Inf.6/Rev.1) we are concerned that: (1) the overall levels of utilization and pipeline programming of the allocated funds seem clearly behind schedule, (2) out of the total of 57 countries with individual allocations, so far for 10 countries no progress is reported, and (3) out of the total of 95 countries in group allocation, only for 19 countries (corresponding to 20%) any (little) progress is reported. Thus with RAF 76 countries in group allocations and 10 countries with individual allocations do not benefit so far from the GEF under its RAF. **Thus, the questions must be raised: is the current picture on the implementation of the RAF still consistent with the vision of the CBD, and is the national implementation of the CBD not affected negatively in all those countries, which so far show no progress under RAF?**
- The Overall Performance Study of GEF-3 (OPS-3) outlined the projects' difficulties to demonstrate impact in terms of global environment, and to scale-up project outcomes to global benefits. Earlier evaluations already identified deficiencies in the definition of indicators in the planning phase as a major cause of this problem. And even with the revised focal area strategy for biodiversity, the problem with the indicators seems not resolved and the coherence with CBD's targets (2010) is still not well-achieved.
- There are a number of specific areas in which the adoption and implementation of the RAF do not conform to COP guidance, or in which the COP has expressed significant scepticism about the RAF. These include<sup>‡</sup>:
  - Country eligibility, depending on the outcome of the in-depth review of the financial mechanism that COP 9 will conduct (Paragraphs 146-147).
  - GEF Benefits Index treatment of marine biodiversity, especially in respect to SIDS (Paragraphs 154-158, 172).
  - Regional projects, depending on the impact that the RAF has on the ability and willingness of LDCs and SIDS to participate in them (Paragraphs 159-161).
  - Impact on funding for the Cartagena Biosafety Protocol (Paragraphs 163-165, 171).
  - Agricultural biodiversity, insofar as its exclusion from consideration under the GBI<sub>BIO</sub> is concerned (Paragraph 173).

#### Conclusions and recommendations

- We fully support the CBD in their intention to establish a framework for GEF-5.
- Emphasis should be given on strengthening the follow-up regarding compliance of GEF activities to the Conventions targets and indicators, i.e. regarding the coherence between CBD and GEF.
- Implementation of the 50% rule, which does not conform to the COP's guidance requesting the GEF to "further simplify and streamline procedures in consideration of the special conditions within developing country Parties, in particular LDCs and SIDS (Paragraphs 186-190)", should be revised.

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<sup>‡</sup> Legal analysis of the GEF Resource Allocation Framework. Prepared by the Centre for International Environmental Law (CIEL), Glenn M. Wisner, May 2007.

[http://www.ciel.org/Publications/GEF\\_RAF\\_analysis\\_May07.pdf](http://www.ciel.org/Publications/GEF_RAF_analysis_May07.pdf), last visited December 2007.

- In order for the GEF to properly implement the CBD's guidance, this guidance has to be clearly prioritized.
- Guidance shall be issued to the GEF regarding how the SGP should be managed. The GEF's new approach of shifting support for the SGP from GEF core funding to individual countries could have serious, negative implications for the future of the program.

Proposition of elements for a 4 year framework for programme priorities related to the utilization of GEF resources for biodiversity

GEF has a very rich experience regarding the implementation of biodiversity projects. However, this experience is so far not sufficiently capitalised by the COP CBD. This is among others due to:

- an insufficient follow-up by CBD COP of its guidance to the GEF;
- an insufficient follow-up by CBD COP of GEF policy; and
- an insufficient reporting by GEF to CBD COP.

The proposed 4 year framework for programme priorities is an excellent opportunity to address these issues in order to strengthen the arrangements between both organisations.

The **overall goal** of the framework could be an increased accountability of CBD COP regarding GEF through strengthening the follow-up of CBD COP guidance in order to foster the efficiency and effectiveness of GEF biodiversity activities and their contribution to the achievement of the Convention's goals.

Strengthening the follow-up according to the global goals and targets of the CBD

The CBD has established a global framework for its implementation that consist of a strategy, programmes of work, crosscutting issues and an indicator framework to monitor the implementation. However, this framework is so far poorly addressed in the guidance to the GEF as well as in GEF project proposals and GEF reports. Therefore, we recommend that:

- CBD COP should limit its future guidance to a minimum and include specific targets from the CBD framework (2010 target or successor, targets of the programmes of work). Indeed, we recognise the need to adopt a more directive / indicative language rather than the so far adopted indicative /advisory language.
- CBD COP requests GEF to deliver reports and evaluations according to this framework, in order to strengthen the coherence between CBD and GEF.
- CBD COP discusses and comments on the reports delivered by the GEF, but also on policy issues (e.g. regarding resource allocation) so as to increase its accountability versus the financial mechanism of the Convention.

Strengthening the follow-up regarding national priorities (NBSAPs)

At the national levels, priority activities to implement the Convention are included into the NBSAPs. However, priority activities at the national levels may differ widely between Parties, depending of the socio-economic context as well as on the bio-geographic location of a country (see e.g. UNEP/CBD/WG-RI/2/5, Tab. 2). Further, priority activities within NBSAPs might be grouped according criteria than those of the Convention (i.e. programmes of work, cross-cutting issues).

So far, GEF project proposals address NBSAPs by indicating the consistency of the project proposal with the NBSAPs. However, project proposals do very rarely directly address national goals and targets identified in the NBSAPs.

Switzerland proposes to:

- utilise national goals and targets identified in NBSAPs as criteria to prioritize project activities. This could strengthen the coherence between CBD and GEF as well as the role of GEFs Operational Focal Points, but also increase country-drivenness and country ownership for project activities. Further, this procedure fosters the significance of NBSAPs as mayor instruments for the implementation the Convention. This proposition could be implemented through CBD COP guidance.

Prioritise projects according to the MYPOW and/or direct drivers of biodiversity loss

The Convention has entered an era of increased implementation. We expect that future guidance will mostly evolve around the established programmes of work and cross-cutting issues. Thus, we recognise the possibility that the CBD and the GEF agree to prioritise project activities according to a sectoral approach based on the MYPOW, or using a cross-sectoral approach based, for instance, on the direct drivers identified by the Millennium Ecosystem Assessment (MA).

**Sectoral/MYPOW approach:** Project activities could be prioritised according to the MYPOW. For instance, the issues identified for in depth review could be given priority during the 4 subsequent years (Table 1). A percentage for resource allocation could be defined within focal areas (e.g. 75%).

Table 1: Thematic priorities according to the MYPOW.

Years	In-depth review by COP-9	In-depth review by COP-10	In-depth review by COP-11
2009	1. Agriculture 2. GSPC		
2010	3. IAS 4. Forests		
2011	5. Incentives 6. EA	1. Inland waters 2. Marin & coastal 3. Sustainable use	
2012		4. Protected areas	
2013		5. Mountains	1. to be determined
2014		6. Climate change	

**Cross-sectoral approach:** As a sectoral approach might discriminate some countries, a cross-sectoral approach, based on direct drivers identified by the MA could be adopted. Switzerland proposes that:

- CBD COP requests GEF, within its focal area biodiversity, to prioritize projects addressing direct drivers and to allocate, within a focal area, a percentage to be defined to these activities. This option allows to directly addressing the underlying causes of biodiversity loss without favouring specific ecosystems.

The most important direct drivers of biodiversity loss and ecosystem service changes are habitat change (such as land use changes, physical modification of rivers or water withdrawal from rivers, loss of coral reefs, and damage to sea floors due to trawling), climate change, invasive alien species, overexploitation, and pollution.