

SBI-1 Comments on the Draft Report of the Expert Team on a Full Assessment of the Funds Needed for the Implementation of the Convention and its Protocols for the GEF-7

Tuesday, 3 May 2016

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Thank you, Mr. Chair.

The GEF is submitting this report, UNEP/CBD/SBI/1/8/Add.1, in response to the invitation by the Conference of the Parties to the Global Environment Facility to provide a preliminary draft of its official report to the Conference of the Parties with particular focus on the response of the GEF to previous guidance from the Conference of the Parties (decision XII/30, para. 8 (e)).

This draft report only covers the period from July 1, 2014 to March 14, 2016 given the formal submission date of our report to the SBI-1. The final report to the COP will cover the period from July 1, 2014 to June 30, 2016 and therefore will include the upcoming June GEF work program and the entirety of the first two years of GEF's activities during GEF-6.

This report consists of three parts.

First, Table One summarizes GEF response to guidance contained in COP Decision XII/30.

Second, the report provides an update on programming of GEF biodiversity resources in GEF-6 by the 10 GEF biodiversity programs and the Aichi Biodiversity Targets as prioritized by countries in their submissions to the GEF. In addition, the report demonstrates the programming contributions to the Aichi Biodiversity Targets from other GEF focal areas and programs.

of any GEF phase, and at times countries have used as much as 60% of all biodiversity resources to support protected areas. During GEF-5 countries shifted programming priorities with 49% of resources supporting protected area management and 41% being invested in biodiversity mainstreaming. In addition, we noted an increase in capacity building requests for access and benefit sharing and the development of ABS agreements.

During the first 21 months of GEF-6, we find this trend continuing with approximately 32% of STAR allocations being invested in protected areas management and in the creation of new protected areas, and about 60% of STAR allocations being invested in biodiversity mainstreaming. The remaining 8% have been invested in other GEF programs addressing ABS, biosafety, invasive alien species, and prevention of species extinction driven by the illegal wildlife trade.

This shift in programming emphasis at the country level bodes well for progress in achieving the Aichi Targets; many of which are strongly linked to and reliant on success in biodiversity mainstreaming at scale.

Resource mobilization beyond the biodiversity focal area

The Strategic Plan for Biodiversity is comprehensive in its breadth and given its multi-sectoral approach to improving biodiversity management it touches upon areas of GEF investment beyond the biodiversity focal area. Therefore, we

across all of GEF's program areas to advance implementation of the Strategic Plan and achievement of the Aichi Targets. In addition, we encourage Parties that have yet to program resources from their allocation under GEF-6 to accelerate their efforts.

Thank you for your attention.

EU AND ITS MEMBER STATES AMENDMENTS

The Subsidiary Body on Implementation,

Recalling the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility,

Also recalling decisions X/24, X/25, XI/5 and XII/30,

Taking note of the submissions from the biodiversity-related conventions in accordance with decision XII, section A, the preliminary report of the Global Environment Facility, and the report of the expert team on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment of the Global Environment Facility,

1. *Requests* the Executive Secretary to undertake the following, for consideration by the Conference of the Parties to the Convention on Biological Diversity at its thirteenth meeting:

a) To prepare, in collaboration with the Global Environment Facility, a draft four-year framework of programme priorities for the seventh replenishment of the Global Environment Facility Trust Fund, taking into account, inter alia, the GEF-6 biodiversity strategy, potential synergies across the biodiversity-related conventions and the Conventions for which the GEF serves as a financial mechanism, potential synergies between achievement of the Aichi Targets and the SDGs, the global assessment of progress and the need to prioritize activities to fill gaps, as well as a Party's individual responses to the questionnaire from the Expert Team using the responses to the questionnaire on GEF-7 funding needs from recipient country Parties and the report of the expert team;

To prepare, in consultation with the Independent Evaluation Office of the Global Environment Facility, draft terms of reference for the fifth review of the effectiveness of the financial mechanism;

3. *Notes* the progress made by the expert team in preparing the report on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment period of the Global Environment Facility;

4. *Extends* its appreciation to those Parties that responded to the questionnaire circulated by the expert team and *urges* recipient Parties that have not done so to submit their response by 31 October 2016;

5. *Encourages* the expert team to take into account the comments emanating from the first meeting of the Subsidiary Body on Implementation and further submissions from recipients and to finalize the assessment report, ~~including terms of reference for the proposed standing panel for funding needs assessments,~~ in time for consideration by the Conference of the Parties at its thirteenth meeting;

6. *Recommends* that the Conference of the Parties at its thirteenth meeting adopt a decision that addresses the following elements:

(a) Consolidated guidance to the financial mechanism, including programme priorities;

(b) Additional guidance to the financial mechanism, including advice received from the biodiversity-related conventions in line with decision XII/30 (A);

- (c) ~~Endorsement~~ Take note of the report on assessment of needs for the seventh replenishment of the Global Environment Facility Trust Fund and an invitation to the Global Environment Facility to give due consideration in the process of replenishment for GEF 7 to all aspects of the Expert Team's needs assessment report on the levels of funding for biodiversity, and report back on its responses;
- (d) Adoption of a four-year framework of programme priorities for the seventh replenishment of the Global Environment Facility Trust Fund and request the Global Environment Facility to report on its implementation;
- (e) Consideration of the report of the Council of the Global Environment Facility;
- (f) Adoption of terms of reference for the fifth review of the effectiveness of the financial mechanism;
- (g) ~~Adoption of the terms of reference proposed by the expert team for a standing panel for funding needs assessments;~~
- (h) Consideration of ~~ways the organization of joint workshops by the Convention on Biological Diversity and the Global Environment Facility to promote national and regional implementation of the Convention and its Protocols, and encouragement of the two secretariats to continue collaboration on providing support for national and regional implementation.~~

**Comentarios al documento *Recomendaciones al mecanismo financiero*
UNEP/CBD/SBI/1/8/Add.1**

Reconocemos el esfuerzo realizado por el grupo de expertos y el Secretariado para realizar una evaluación de necesidades financieras como insumo para el programa de trabajo de GEF-7. Llama la atención que los países que respondieron al cuestionario siguen considerando como prioridades temas como áreas protegidas, biodiversidad marina, restauración y uso. Sin embargo, poco se reconoce sobre la necesidad de financiar iniciativas y proyectos que de manera integral atiendan los retos de la integración de la biodiversidad con otros sectores, dado que los drivers de pérdida de biodiversidad residen muchas veces fuera del ámbito ambiental. El GEF tiene una historia de proyectos en este sentido, y querríamos ver en GEF 7 este tema como una de las prioridades.

México le da especial importancia al financiamiento del GEF para presentar proyectos innovadores que permitan crear condiciones habilitadores para lograr cambios en política pública. La implementación de estrategias nacionales de movilización de recursos puede detonar cambios para avanzar en el cumplimiento de las Metas de Aichi con menor avance, como la Meta 3, lo cual podría retomarse en lo que hoy es el Programa 10 en GEF-6.

Adicionalmente, esperamos los avances de los proyectos financiados por el “Non-grant Pilot” del GEF y esperamos se escalen estos esfuerzos para la programación de GEF 7 con el objetivo de que los países puedan diseñar proyectos de biodiversidad que demuestren rentabilidad y se implementen mecanismos financieros innovadores.

Tenemos algunos comentarios por escrito que presentaremos a la Secretaría.

Gracias Sr. Presidente.

global platform for key stakeholders and funding partners to share funding information, experiences and perspectives, including pertinent funding programmes and initiatives and associated good practices and lessons learned, and on how to track and report biodiversity-related funding. Funding information from some 20 major donors and funding institutions has been updated and made available at <https://www.cbd.int/financial/ibd2015.shtml> and nearly 7,000 page views were executed by a wide range of stakeholders in that two-day period. A total of 11 GEF agencies participated in the electronic forum, including the African Development Bank (AFDB), Conservation International (CI), the Development Bank of Latin America (CAF), the Development Bank of Southern Africa (DBSA), the Food and Agriculture Organization of the United Nations (FAO), the Inter-American Development Bank (IADB), the International Fund for Agricultural Development (IFAD), the World Bank, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Wildlife Fund (WWF).

VII. SUGGESTED RECOMMENDATIONS²

29. The Subsidiary Body on Implementation may wish to adopt a recommendation along the following lines:

The Subsidiary Body on Implementation,

Recalling the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility,³

Also recalling decisions X/24, X/25, XI/5 and XII/30,

Taking note of the submissions from the biodiversity-related conventions in accordance with decision XII, section A, the preliminary report of the Global Environment Facility,⁴ and the report of the expert team on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment of the Global Environment Facility,⁵

1. *Requests* the Executive Secretary to undertake the following, for consideration by the Conference of the Parties to the Convention on Biological Diversity at its thirteenth meeting:

(a) To prepare, in collaboration with the Global Environment Facility, a draft four-year framework of programme priorities for the seventh replenishment of the Global Environment Facility Trust Fund, ~~using consider as an input the responses to the questionnaire on GEF-7 funding needs from recipient country Parties and the report of the expert team;~~

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(b) To prepare, in consultation with the Independent Evaluation Office of the Global Environment Facility, draft terms of reference for the fifth review of the effectiveness of the financial mechanism;

3. *Notes* the progress made by the expert team in preparing the report on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment period of the Global Environment Facility;⁵

² This recommendation is complementary to those under agenda items 5 and 9 (regarding financial reporting).

³ Decision III/8, annex.

⁴ UNEP/CBD/SBI/1/8/Add.1.

⁵ UNEP/CBD/SBI/1/8/Add.2.

Swiss Statement and Edits to SBI-1 Item 10 Financial Mechanism

Thank you Mr. Co-Chair,

Dear Colleagues, Switzerland would like to thank the CBD Secretariat, the GEF Secretariat and the Expert Team for the preparation of all the documents and the draft recommendations for this agenda item.

We appreciate the effort of the Expert Team that has gone into their draft report and appreciate the bottom-up approach taken. In our view the report of the expert team is currently still a draft, given that many countries have not responded to the questionnaire and have also not included the relevant data in their financial reporting framework. We believe this should be appropriately reflected in the recommendations and we encourage all GEF recipient countries to provide robust information to the Expert Team to increase the overall credibility of the report.

While we appreciate the hard work of the expert team, we clearly oppose the creation of a standing panel for funding needs assessments since we do not see the need for it. In our view it is primarily the responsibility of Parties to express their needs appropriately through their NBSAPs and Financial Reporting Frameworks. If parties don't assess and report their needs, the demand-driven approach is jeopardized. It is not up to the CBD to create a new body to take over this responsibility of Parties. If the aim is to improve the capacity of Parties to capture their financial needs to implement their NBSAP and design their financial plans, initiatives such as BIOFIN are much more suitable than the proposed panel.

We support the idea of a four-year programming priorities framework of the CBD as an input to the GEF-7 replenishment negotiations. We also believe that it would be very helpful if the GEF Secretariat and the CBD Secretariat would jointly draft such a framework for consideration by the COP. To provide a comprehensive draft, we believe it is important to also consider other sources than the reply to the questionnaires by Parties. Especially the synergies between the biodiversity-related conventions and the other conventions for which the GEF is the financial mechanism should be taken into consideration. Further the programming priorities should build on the current GEF biodiversity strategy to ensure coherence.

Switzerland will provide these and further smaller amendments in writing.

Thank you!

Swiss amendments to the draft recommendations (edits in red):

The Subsidiary Body on Implementation,

Recalling the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility,¹

Also recalling decisions X/24, X/25, XI/5 and XII/30,

*Taking note of the submissions from the biodiversity-related conventions in accordance with decision XII, section A, the preliminary report of the Global Environment Facility,² and the **draft** report of the expert team on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment of the Global Environment Facility,³*

Comment: In our understanding the report is just in its draft version and will be updated until COP13.

¹ Decision III/8, annex.

² UNEP/CBD/SBI/1/8/Add.1.

³ UNEP/CBD/SBI/1/8/Add.2.

~~(g) Adoption of the terms of reference proposed by the expert team for a standing panel for funding needs assessments;~~

Comment: We oppose the creation of such a panel and do not see the need for it. It is primarily the responsibility of Parties to express their needs appropriately through their NBSAPs and Financial Reporting Frameworks. If this is not the case a demand driven approach can not be followed. It is not up to the CBD to create a new body to take over this responsibility of Parties. In addition, the needs assessment is only relevant for the replenishment process every 4 years and a standing body would not reflect that requirement.

~~(h) Consideration of the organization of joint workshops by the Convention on Biological Diversity and the Global Environment Facility to promote national and regional implementation of the Convention and its Protocols, and encouragement of the two secretariats to continue coordination and collaboration on providing support for national and regional implementation.~~

Comment: We understand that these workshops have happened in the past linked to the introduction of the new financial reporting framework, but we do not believe this should be a standing task of the CBD Sec. The secretariat is not an implementing agency and it should leave the capacity building activities primarily to the implementing agencies of the GEF. Of course, we always support the coordination and collaboration of the CBD Sec with other international organizations for enhanced implementation of the Convention.

③ China 03-05 PM

ATTN:

① The financial mechanism is the most important means and ways for providing financial support to developing countries. GCF-7 should set an ambitious replenishment target by following

② Article 20 and Article 21 of the Convention.

SENEGAL : Point 10 SBI1

Le Sénégal remercie le Secrétariat pour le document

Le Sénégal est un des pays qui a répondu au questionnaire.

Le Sénégal à l'instar de certaines délégations pense qu'il n'est pas nécessaire de mettre en place un comité permanent sur l'évaluation des besoins de financement.

Agenda 10 // UNGOAY

(36) @ 4:03-05 PM

- Agradecemos infome Grupo Expertos en la draft
- también agradecemos mucho de la Secretaría
- Estamos en general con las recomendaciones del Proyecto de Decision
- Si entendemos que debería ser importante tener un panel permanente que de seguimiento al Programa aunque podría ser una tarea que incorporara la Secretaría
- Entendemos si presidente que los Países deberían seguir orientando las prioridades para aplicar para el GEF
- Estamos de acuerdo con crear talleres conjunto CBD/GEF destinados a promover la aplicación nacional y regional del CBD con sus Protocolos

Timor-Leste

Financial Mechanism

Timor-Leste is one of the GEF recipient countries. Timor-Leste submitted financial assistance proposal for GEF 7 last year. The proposed programs in the proposal are based on the NBSAP. Timor-Leste also responded to the questionnaire provided for GEF 7 even though we need to incorporate it for more detail.

However looking at the strict rules and procedures to access the GEF allocation we would like to recommend the flexibility of GEF policy for the recipient countries that have difficulties to implement the GEF policy and regulation.

Co-financing ratio of 4 equal 1 (4:1) is too high for some country that has low annual budget allocation from the state budget for biodiversity program. This rule is very crucial for the country like Timor-Leste as the annual budget allocated to Biodiversity is below 1 million USD. Therefore the co-financing ratio should be flexible according to the country's condition.

Australia intervention item 10

Thank you Mr Chair.

Australia thanks the Secretariat for the papers prepared for this item and notes the limited input received to undertake a full assessment. Australia would like to see the updated analysis provided to the Parties for their consideration as far in advance of COP 13 as possible.

Australia like Switzerland and others we also question the need to establish a 'funding needs assessment panel' and what role this panel would perform.

In line with this statement, Australia has very minor changes to the draft recommendations and will submit these in writing to the Secretariat.

Thank you Chair.

The Subsidiary Body on Implementation,

Recalling the Memorandum of Understanding between the Conference of the Parties and the Council of the Global Environment Facility,¹

Also recalling decisions X/24, X/25, XI/5 and XII/30,

Taking note of the submissions from the biodiversity-related conventions in accordance with decision XII, section A, the preliminary report of the Global Environment Facility,² and the report of the expert team on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment of the Global Environment Facility,³

1. *Requests* the Executive Secretary to undertake the following, for consideration by the Conference of the Parties to the Convention on Biological Diversity at its thirteenth meeting:

(a) To prepare, in collaboration with the Global Environment Facility, a draft four-year framework of programme priorities for the seventh replenishment of the Global Environment Facility Trust Fund, using the responses to the questionnaire on GEF-7 funding needs from recipient country Parties and the report of the expert team;³

(b) To prepare, in consultation with the Independent Evaluation Office of the Global Environment Facility, draft terms of reference for the fifth review of the effectiveness of the financial mechanism;

3. *Notes* the progress made by the expert team in preparing the report on a full assessment of the funds needed for the implementation of the Convention and its Protocols for the seventh replenishment period of the Global Environment Facility;³

4. *Extends its Notes with appreciation to* those Parties that responded to the questionnaire circulated by the expert team and *urges* recipient Parties that have not done so to submit their response by 31 October 2016;

5. *Encourages* the expert team to take into account the comments emanating from the first meeting of the Subsidiary Body on Implementation and further submissions from recipients and to finalize the assessment report, ~~including terms of reference for the proposed standing panel for funding needs assessments~~, in time for consideration by the Conference of the Parties at its thirteenth meeting;

6. *Recommends* that the Conference of the Parties at its thirteenth meeting adopt a decision that addresses the following elements:

¹ Decision III/8, annex.

² UNEP/CBD/SBI/1/8/Add.1.

³ UNEP/CBD/SBI/1/8/Add.2.



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**The ICCA
Consortium**

Statement on Agenda Item 10: Financial mechanism

Delivered by Mrinalini Rai mrinalini.raai@globalforestcoalition.org, on behalf of the Global Forest Coalition, Community Conservation Resilience Initiative and ICCA Consortium

Thank you, Mr. Chair, I speak on behalf of the Global Forest Coalition, Community Conservation Resilience Initiative and ICCA Consortium

Given the substantial contributions and the unique, context-specific needs of indigenous peoples and local communities, including women, we encourage Parties to add the following text to what is currently **para 5**:

“Encourages the expert team to take into account ... further submissions from recipients, including indigenous peoples and local communities and other relevant organizations including women’s organizations, and to finalize the assessment report ...”

We also encourage Parties to add reference to the following COP Decisions in the Preamble: VIII/18, VIII/24¹, XI/14/A² and XII/7.

We suggest these additions because the official document (UNEP/CBD/SBI/1/8) suggests two **approaches to conducting needs assessments and setting priorities** for the financial mechanism and seventh replenishment of the GEF Trust Fund (GEF-7): (b) a “bottom-up” approach based on country submissions (**Section II.C, para 10**; and **Section V, para 25**). We understand that in a traditional multilateral context, country submissions could be considered “bottom-up”. However, no mention is made of the need to include **indigenous peoples’ and local communities’ views, including those of women**, which is how ‘bottom-up’ is generally understood. We also point out that the above-mentioned COP Decisions provide a clear mandate for the participation of **indigenous peoples, local communities and women**.

Lastly, we would like to acknowledge the vital financial support of the GEF Small Grants Program for ICCAs and other community conservation initiatives, including women's initiatives to date, and we would like to underscore the importance of further expanding such support in GEF-7. We feel that Indigenous peoples, local communities and women should also have the opportunity to fully and effectively participate in medium and large GEF grants in close collaboration with State Parties and other actors.

¹ *Decision VIII/24, para 18(f)(vii)*, which invites Parties to consider funding mechanisms to support indigenous [peoples’] and local communities’ conserved areas, as part of financial plans for protected area systems;

Decision VIII/24, para 27(c), which calls for support for indigenous [peoples’] and local communities’ conservation and sustainable use initiatives in implementation of PoWPA;

² *Decision XI/14/A, para 9*, which urges Parties (including through GEF and the Small Grants Programme) and invites other donors to support indigenous [peoples] and local communities to document, map and register their ICCAs and to prepare and implement their community conservation plans, and calls for support to be provided to countries to strengthen their recognition of ICCAs