



Convention on Biological Diversity

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CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY
Tenth meeting
Nagoya, Japan, 18-29 October 2010
Agenda item 4.10

DECISION ADOPTED BY THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL DIVERSITY AT ITS TENTH MEETING

X/24. Review of guidance to the financial mechanism

The Conference of the Parties,

Recalling the decisions and elements of decisions related to the financial mechanism that were adopted by the Conference of the Parties from its first to ninth meetings,

Having considered recommendation 3/10 of the third meeting of the Ad Hoc Open-ended Working Group on Review of Implementation,

1. *Adopts* the consolidated list of guidance to the financial mechanism, including programme priorities, as contained in the annex to the present decision;
2. *Agrees* to retire the previous decisions and elements of decisions, as related to the financial mechanism and limited only to those provisions related to the financial mechanism;
3. *Requests* the Executive Secretary to maintain the full text of these retired decisions and elements of decisions on the Secretariat website while indicating they have been retired;
4. *Decides* that guidance to the financial mechanism, for a specific replenishment period, consists of a consolidated list of programme priorities that defines what to be financed, and an outcome-oriented framework, taking into account the Strategic Plan for Biodiversity 2011-2020, including its Aichi Biodiversity Targets and associated indicators;
5. *Invites* Parties and relevant stakeholders, including indigenous and local communities, to submit information and views on the further development of programme priorities, taking into account the Strategic Plan for Biodiversity 2011-2020, including its Aichi Biodiversity Targets and associated indicators, by 30 November 2011, and requests the Executive Secretary to compile the information for consideration by the fourth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation;
6. *Requests* the Ad Hoc Open-ended Working Group on Review of Implementation to review the implementation at its fourth meeting of the four-year outcome-oriented framework of programme priorities as related to utilization of Global Environment Facility resources for biodiversity

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for the period from 2010 to 2014, taking into account the Strategic Plan for Biodiversity 2011-2020, including its Aichi Biodiversity Targets and associated indicators;

7. *Decides* that at its eleventh meeting, the Conference of the Parties will adopt a four-year outcome-oriented framework of programme priorities, taking into account the Strategic Plan for Biodiversity 2011-2020, including its Aichi Biodiversity Targets and associated indicators, as well as the outcome of the review, for consideration during the sixth replenishment of the Global Environment Facility Trust Fund, as related to utilization of Global Environment Facility resources for biodiversity for the period July 2014 to June 2018.

Annex

CONSOLIDATED GUIDANCE TO THE FINANCIAL MECHANISM OF THE CONVENTION

A. *Policy and Strategy*

Financial resources should be allocated to projects that fulfil the eligibility criteria and are endorsed and promoted by the Parties concerned. Projects should contribute to the extent possible to build cooperation at the subregional, regional and international levels in the implementation of the Convention. Projects should promote the utilization of local and regional expertise. The conservation of biological diversity and sustainable use of its components is one of the key elements in achieving sustainable development and therefore contributing to combating poverty.

B. *Programme priorities*

1. While the Subsidiary Body on Scientific, Technical and Technological Advice should consider the financial implications of its proposals, its recommendations will only include advice to the Conference of the Parties regarding financial matters, including guidance to the financial mechanism, when the Conference of the Parties has so requested.

2. Guidance to the financial mechanism should be incorporated into a single decision, including the identification of priority issues which will provide support for cross-cutting issues and capacity-building, especially for developing countries and countries with economies in transition, in a manner that: (a) is transparent; (b) allows participation; and (c) allows full consideration of its other decisions.

3. The four-year outcome-oriented framework of programme priorities as related to utilization of Global Environment Facility resources for biodiversity for the period from 2010 to 2014 is contained in the annex to decision IX/31 B.

4. The Global Environment Facility should provide financial resources to developing country Parties, taking into account the special needs of the least developed countries and the small island developing States, as well as Parties with economies in transition, for country-driven activities and programmes, consistent with national priorities and objectives and in accordance with the following programme priorities, recognizing that economic and social development and poverty eradication are the first and overriding priorities of developing countries, and taking fully into consideration all relevant decisions from the Conference of the Parties.

4.1 *Biodiversity planning*

(a) Capacity building, including human resources development and institutional development and/or strengthening, to facilitate the preparation and/or implementation of national biodiversity strategies and action plans;

(b) Elaboration, development, review, revision and updating of national biodiversity strategies and action plans;

(c) Priority actions identified in the national plans and strategies of developing countries and countries with economies in transition;

(d) Projects aimed at the conservation of biological diversity and sustainable use of its components that integrate social dimensions, including those related to poverty;

(e) Capacity-building to implement development activities in ways that are consistent with, and do not compromise, the achievement of the objectives of the Convention on Biological Diversity, including by improving environmental policies in relevant development agencies and sectors such as through integrating concerns relating to biodiversity and the Millennium Development Goals more directly into environmental impact assessments, strategic environmental assessments and other such tools, including at

the national level through the national strategies for sustainable development and poverty reduction strategies and programmes.

4.2 Identification and monitoring (Article 7)

- (a) Identification and monitoring of wild and domesticated biodiversity components, in particular those under threat, and implementation of measures for their conservation and sustainable use;
- (b) Capacity-building for developing monitoring programmes and suitable indicators for biological diversity;
- (c) Development and implementation of effective biodiversity indicators;
- (d) Conducting national and other subglobal assessments making use of the conceptual framework and methodologies of the Millennium Ecosystem Assessment.

4.3 Global Taxonomy Initiative

- (a) National and regional taxonomic capacity-building activities for the Global Taxonomy Initiative;
- (b) Project components that address taxonomic needs in the achievement of the Convention's objectives.

4.4 Conservation and protected areas (Article 8(A)-(F))

- (a) Community-conserved areas;
- (b) National and regional systems of protected areas;
- (c) Country-driven early action activities of the programme of work on protected areas;
- (d) Addressing the long-term financial sustainability of protected areas, including through different mechanisms and instruments;
- (e) Further development of the portfolio on protected areas towards comprehensive, representative and effectively managed protected area systems addressing system wide needs;
- (f) Projects that demonstrate the role-protected areas play in addressing climate change;
- (g) Capacity-building activities for the implementation of the Global Strategy for Plant Conservation;
- (h) Projects that promote the conservation and/or sustainable use of endemic species.

4.5 Invasive alien species (Article 8(h))

- (a) Capacity-building to prevent or minimize the risks of the dispersal and establishment of invasive alien species at the national, subregional, or regional levels;
- (b) Projects that assist with the development and implementation, at national and regional levels, of the invasive alien species strategies and action plans, in particular those strategies and actions related to geographically and evolutionarily isolated ecosystems;
- (c) Improved prevention, rapid response and management measures to address threats of alien invasive species, in accordance with its mandate.

4.6 Traditional knowledge (Article 8(j) and related provisions)

- (a) Building the capacity of indigenous and local communities to develop strategies and systems for the protection of traditional knowledge;
- (b) Enhancement of national capacities for the establishment and maintenance of mechanisms to protect traditional knowledge at national and subnational levels;

- (c) Development of national action plans for the retention of traditional knowledge relevant to conservation and sustainable use of biological diversity;
- (d) Implementation of the priority activities identified in the programme of work on Article 8(j) and related provisions;
- (e) Projects that strengthen the involvement of local and indigenous people in the conservation of biological diversity and sustainable use of its components.

4.7 Sustainable use (Article 10)

- (a) Implementation of the Addis Ababa Principles and Guidelines at the national level to ensure that the use of biological diversity is sustainable.

4.8 Incentive measures (Article 11)

- (a) Design and approaches relevant to the implementation of incentive measures, including, where necessary, assessment of biological diversity of the relevant ecosystems, capacity-building necessary for the design and implementation of incentive measures and the development of appropriate legal and policy frameworks;
- (b) Projects that incorporate incentive measures that promote the development and implementation of social, economic and legal incentive measures for the conservation and sustainable use of biological diversity;
- (c) Projects that assist with the implementation of the programme of work on incentive measures;
- (d) Innovative measures, including in the field of economic incentives and those which assist developing countries to address situations where opportunity costs are incurred by local communities and to identify ways and means by which these can be compensated.

4.9 Research and training (Article 12)

- (a) Project components addressing targeted research which contributes to conservation of biological diversity and the sustainable use of its components including research for reversing current trends of biodiversity loss and species extinction, when relevant to the project's objectives and consistent with national priorities.

4.10 Public education and awareness (Article 13)

- (a) Capacity development for education, public awareness and communication in biological diversity at the national and regional levels, as prioritized in the Global Initiative on Communication, Education and Public Awareness;
- (b) Implementation of national communication, education and public-awareness strategies, programmes and activities, in accordance with its mandate;
- (c) Implementation of the identified communication, education and public awareness priority activities at national and regional levels in support of biodiversity strategies and action plans;
- (d) Project components addressing promotion of the understanding of the importance of, and measures required for, the conservation and sustainable use of biological diversity.

4.11 Access to genetic resources (Article 15)

- (a) Stocktaking activities, such as, for example, assessments of current legislative, administrative and policy measures on access to genetic resources and benefit-sharing, evaluation of the strengths and weaknesses of a country's institutional and human capacity, and promotion of consensus-building among the different stakeholders;

(b) Capacity-building:

(i) To promote the successful development and implementation of legislative, administrative and policy measures and guidances on access to genetic resources, including scientific, technical, business, legal and management skills and capacities;

(ii) On measures on access to genetic resources and sharing of benefits, including capacity-building on economic valuation of genetic resources;

(iii) Regarding the transfer of technologies which enables providers to fully appreciate and actively participate in benefit-sharing arrangements at the stage of granting access permits;

(c) Projects that assist with the implementation of the Action Plan on Capacity-building for Access and Benefit-sharing in support of the implementation of the Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefit Arising out of their Utilization;

(d) Formulation of access and benefit-sharing mechanisms at the national, subregional and regional levels, including monitoring, assessment, and incentive measures;

(e) Within biodiversity projects, other specific benefit-sharing initiatives such as support for entrepreneurial developments by local and indigenous communities, facilitation of financial sustainability of projects promoting the sustainable use of genetic resources, and appropriate targeted research components.

4.12 Access to and transfer of technology (Article 16)

(a) Implementation of the programme of work on technology transfer and technological and scientific cooperation, consistent with Articles 16 to 20 of the Convention and based on needs and priorities identified by developing country Parties and Parties with economies in transition, in particular:

(i) Building policy, legal, judicial and administrative capacity;

(ii) Facilitating access to relevant proprietary technologies;

(iii) Providing other financial and non-financial incentives for the diffusion of relevant technologies;

(iv) Building capacities of, and empowering, indigenous and local communities and all relevant stakeholders with respect to access to and use of relevant technologies;

(v) Improving the capacity of national research institutions for the development of technologies, as well as for adaptation, diffusion and the further development of imported technologies consistent with their transfer agreement and international law including through fellowships and international exchange programmes;

(vi) Supporting the development and operation of regional or international initiatives to assist technology transfer and cooperation as well as scientific and technical cooperation, including those initiatives designed to facilitate South-South cooperation and South-South joint development of new technologies and also such cooperation among countries with economies in transition;

(b) Preparation of national assessments of technology needs for implementation of the Convention;

(c) Ongoing national programmes for conservation and sustainable use of biodiversity through improved access to and transfer of technology and innovation;

(d) Provision of capacity building, where needed, on, inter alia: (i) technologies for conservation and sustainable use; (ii) governance and regulatory frameworks associated with access and transfer of technology and innovation;

(e) Projects which promote access to, transfer of and cooperation for joint development of technology.

4.13 *Technical and scientific cooperation and Clearing-House Mechanism (Article 18)*

(a) Capacity-building for the clearing-house mechanism, such as training in information and communication technologies and web content management that enable developing countries and countries with economies in transition to fully benefit from modern communication, including the Internet;

(b) Establishing and strengthening biodiversity information systems such as, inter alia, training, technology and processes related to the collection, organization, maintenance and updating of data and information;

(c) Establishment and updating of national clearing-house mechanisms and participation in the clearing-house mechanism of the Convention;

(d) Activities that provide access to scientific and technical cooperation.

4.14 *Biosafety, within its mandate*

(a) In-country, regional and subregional stock-taking studies to enable: (i) the better planning and customizing of future assistance to the respective needs of eligible countries, given the fact that a “one-size-fits-all” approach to biosafety has been demonstrated to be inappropriate; (ii) the identification of clear and realistic targets; (iii) the identification and provision of technical and adequately experienced expertise for the implementation of national biosafety frameworks; (iv) the development of effective coordination which facilitates the support, ownership and involvement of all relevant national ministries and authorities, to ensure synergy and continuity;

(b) Development and implementation of capacity-building activities, including organization of national, regional and inter-regional capacity-building workshops and preparatory meetings. Development of technical, financial, and human capacity including postgraduate education, biosafety-related laboratories and relevant equipment. Implementation of the revised Action Plan for Building Capacities for the Effective Implementation of the Cartagena Protocol on Biosafety;

(c) Development and implementation of national biosafety frameworks. Coordination and harmonization of national biosafety frameworks at regional and subregional levels;

(d) Awareness-raising, public participation and information sharing, including through the Biosafety Clearing-House;

(e) Sustainable national participation in the Biosafety Clearing-House, including capacity-building, to take into account the need for Parties to be able to provide summary information in the common formats for reporting information (particularly keywords for categorizing records) in an official language of the United Nations to enable registration of such information with the Central Portal;

(f) Building, consolidating and enhancing sustainable human-resource capacity in risk assessment and risk management, and in developing detection techniques for identifying living modified organisms, including the setting up of laboratory facilities and training of local regulatory and scientific personnel. Transfer and joint development of technology in risk assessment, risk management, monitoring and detection of living modified organisms;

(g) Facilitation of the consultative information-gathering process leading to the preparation of national reports under the Protocol.

4.15 *Ecosystem approach*

(a) Projects that utilize the ecosystem approach, without prejudice to differing national needs and priorities which may require the application of approaches such as single-species conservation programmes.

4.16 Forest biological diversity

(a) Projects and capacity-building activities for implementing the programme of work of forest biological diversity at the national, regional and subregional levels and the use of the clearing-house mechanism to include activities that contribute to halting and addressing deforestation, basic assessments and monitoring of forest biological diversity, including taxonomic studies and inventories, focusing on forest species, other important components of forest biological diversity and ecosystems under threat;

(b) Projects focusing on the identified national priorities, as well as regional and international actions that assist the implementation of the expanded work programme considering conservation of biological diversity, sustainable use of its components and fair and equitable sharing of the benefits from genetic resources in a balanced way, underscoring the importance of ensuring long-term conservation, sustainable use, and benefit-sharing of native forests.

4.17 Agricultural biological diversity

(a) Projects that assist with the implementation of the Plan of Action for the International Initiative for the Conservation and Sustainable Use of Pollinators;

(b) Projects which implement the Convention's programme of work on agricultural biodiversity.

4.18 Inland water biological diversity

(a) Projects which help Parties to develop and implement national, sectoral and cross-sectoral plans for the conservation and sustainable use of biological diversity of inland water ecosystems, including comprehensive assessments of the biological diversity of inland waters, and capacity-building programmes for monitoring the implementation of the programme of work and the trends in inland water biological diversity and for information gathering and dissemination among riparian communities;

(b) Projects that assist with the implementation of the programme of work on biological diversity of inland water ecosystems.

4.19 Marine and coastal biological diversity

(a) Projects that implement the elaborated programme of work on marine and coastal biodiversity;

(b) Country-driven activities aimed at enhancing capabilities to address the impacts of mortality related to coral bleaching and physical degradation and destruction of coral reefs, including developing rapid response capabilities to implement measures to address coral-reef degradation, mortality and subsequent recovery;

(c) Projects that promote the conservation and sustainable use of marine and coastal biodiversity under threat;

4.20 Island biological diversity

(a) Projects that implement the programme of work on island biodiversity.

4.21 Dry and sub-humid lands

(a) Projects that implement the Convention's programme of work on biodiversity of dry and sub-humid lands;

(b) Projects that promote the conservation and sustainable use of biological diversity in arid and semi-arid areas.

4.22 Mountain biological diversity

- (a) Projects which promote the conservation and sustainable use of biological diversity in mountainous areas.

4.23 *Climate change and biodiversity*

- (a) Capacity-building with the aim of increasing the effectiveness in addressing environmental issues through their commitments under the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, and the United Nations Convention to Combat Desertification, inter alia, by applying the ecosystem approach;
- (b) Developing synergy-oriented programmes to conserve and sustainably manage all ecosystems, such as forests, wetlands and marine environments, that also contribute to poverty eradication;
- (c) Country-driven activities, including pilot projects, aimed at projects related to ecosystem conservation, restoration of degraded lands and marine environments and overall ecosystem integrity that take into account impacts of climate change.

4.24 *National reporting*

- (a) The preparation of national reports by developing country Parties and Parties with economies in transition, bearing in mind the need for timely, easy and expeditious access to funding.

C. *Eligibility criteria*

1. Only developing countries that are Parties to the Convention are eligible to receive funding upon the entry into force of the Convention for them. In accordance with the provisions of the Convention, projects that seek to meet the objectives of conservation of biological diversity and sustainable use of its components are eligible for financial support from the institutional structure.
2. The Global Environment Facility continues to provide financial resources to Parties with economies in transition for biodiversity-related projects.
3. All developing countries, in particular the least developed and small island developing States, as well as countries with economies in transition, including countries amongst these that are centres of origin and centres of genetic diversity, which are Parties to the Cartagena Protocol on Biosafety, are eligible for funding by the Global Environment Facility.
4. All developing countries, in particular the least developed and small island developing States, as well as countries with economies in transition, including countries amongst these that are centres of origin and centres of genetic diversity, which are Parties to the Convention and provide a clear political commitment towards becoming Parties to the Protocol, shall also be eligible for funding by the Global Environment Facility for the development of national biosafety frameworks and the development of national biosafety clearing-houses and other necessary institutional capabilities to enable a non-Party to become a Party. Evidence of such political commitment shall 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.

D. *Reporting from the GEF Council to the Conference of the Parties*

1. The report from the Council of the Global Environment Facility to the Conference of the Parties should be made available three months prior to an ordinary meeting of the Conference of the Parties as well as with updates as appropriate, and in accordance with rules 28 and 54 of the Rules of Procedure for meetings of the Conference of the Parties, the Executive Secretary should make it available in all six United Nations languages.
2. The Global Environment Facility should improve results-based reporting on the total contribution of the Global Environment Facility to achieving the objectives of the Convention, including the Facility's contribution to incremental-cost financing and leveraging co-financing.

E. Review of the effectiveness of the financial mechanism

1. The review of the effectiveness of the financial mechanism will be conducted every four years and this review should coincide with the meeting of the Conference of the Parties.

2. The Global Environment Facility should take the following action to further improve the effectiveness of the financial mechanism:

2.1 Project procedures

(a) Further streamlining its project cycle with a view to making project preparation simpler, more transparent and more country-driven;

(b) Further simplifying and expediting procedures for approval and implementation, including disbursement, for GEF-funded projects;

(c) Developing policies and procedures that fully comply with the guidance from the Conference of the Parties in a straightforward and timely manner;

(d) Increasing its flexibility to respond to the thematic longer-term programme of work of the Convention on Biological Diversity, in accordance with the guidance of the Conference of the Parties;

(e) Improving the project information system, including through data sets and web-based data tools, to increase the accessibility of project information and allow for better tracking against the guidance from the Conference of the Parties;

(f) Considering the benefits to Parties, particularly small island developing States, of an appropriate balance between national and regional projects in the implementation of decisions of the Conference of the Parties;

2.2 Cofinancing

(a) Mobilizing co-financing and other modes of financing for its projects related to implementation of the Convention;

(b) Support diffusion, and facilitate replication and scaling-up, of new and innovative financing mechanism initiatives that have proved to be successful;

2.3 Incremental costs

(a) Applying in a more flexible, pragmatic and transparent manner the incremental cost principle;

2.4 Compliance and collaboration of agencies

(a) Promoting efforts to ensure that the implementing agencies fully comply with the policy, strategy, programme priorities and eligibility criteria of the Conference of the Parties in their support for country-driven activities funded by the Global Environment Facility;

(b) Undertaking efforts to improve the efficiency, effectiveness and transparency of the process of cooperation and coordination between the implementing agencies with a view to improving the processing and delivery systems of the Global Environment Facility, and to avoid duplication and parallel processes;

2.5 Country ownership

(a) Promoting genuine country ownership through greater involvement of participant countries in GEF-funded activities;

(b) Promoting utilization of regional and local expertise and be flexible to accommodate national priorities and regional needs within the objectives of the Convention;

(c) Encouraging collaboration at national level between national focal points for the Convention, for related environmental agreements and for the Global Environment Facility, including through the projects supported by the Facility, and including through regional and national workshops for the focal points;

2.6 *Monitoring and evaluation*

(a) Consulting with the Executive Secretary in relevant review processes undertaken by the Global Environment Facility that affect the financial mechanism of the Convention;

(b) Including in its monitoring and evaluation activities the assessment of the compliance with the policy, strategy, programme priorities and eligibility criteria established by the Conference of the Parties;

(c) Elaborating and transmitting to the Conference of the Parties, well-summarized evaluation products and full evaluation reports relevant to biological diversity and to the guidance provided by the Conference of the Parties;

(d) Include in its regular report findings, conclusions and recommendations of all relevant evaluations of the GEF Evaluation Office;

2.7 *Small grants programme*

(a) Continuing its expansion of the Small Grants Programme of the Global Environment Facility to other developing countries, in particular the least developed countries and the small island developing States;

2.8 *Gender*

(a) Including gender, indigenous peoples and local communities' perspectives in the financing of biodiversity and ecosystem services;

2.9 *Sustainability*

(a) Promoting exchange of experience and lessons learned in addressing sustainability of funded projects on biological diversity.

F. Replenishment of the GEF Trust Fund

The updated list of developed country Parties and other Parties that voluntarily assume the obligations of developed country Parties in accordance with Article 20, paragraph 2 of the Convention, is contained in the annex to decision VIII/18.

G. Inter-Secretariat Cooperation

1. Participation of a representative of the Subsidiary Body on Scientific, Technical and Technological Advice of the Convention and of the Scientific and Technical Advisory Panel of the Global Environment Facility is requested in respective meetings of the Subsidiary Body on Scientific, Technical and Technological Advice and the Scientific and Technical Advisory Panel on a reciprocal basis.

2. The Executive Secretary should promote, in collaboration with the Global Environment Facility, exchange of experience and good practice in financing for biological diversity.

3. The Executive Secretary, the Chief Executive Officer of the Global Environment Facility and the Director of the GEF Evaluation Office are encouraged to continue to strengthen inter-secretariat cooperation.