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OPEN-ENDED AD HOC INTERGOVERNMENTAL
COMMITTEE FOR THE NAGOYA PROTOCOL ON
ACCESS TO GENETIC RESOURCES AND THE
FAIR AND EQUITABLE SHARING OF BENEFITS
ARISING FROM THEIR UTILIZATION

Second meeting

New Delhi, 2-6 July 2012

Item 3.3 of the provisional agenda*

**ELABORATION OF GUIDANCE FOR RESOURCE MOBILIZATION FOR THE
IMPLEMENTATION OF THE NAGOYA PROTOCOL ON ACCESS AND BENEFIT-SHARING**

Note by the Executive Secretary

I. INTRODUCTION

1. In accordance with its work plan contained in decision X/1, annex II, section B, the Open-ended Ad Hoc Intergovernmental Committee for the Nagoya Protocol (the Intergovernmental Committee) is to consider the elaboration of guidance for resource mobilization for the implementation of the Protocol at its second meeting.
2. Pursuant to the above decision, the Executive Secretary invited Parties, other Governments, international organizations, indigenous and local communities and relevant stakeholders through notification 2011-142 (ref. No. SCBD/ABS/VN/SG/77099) of 1 August 2011, to provide views and/or relevant information to the Executive Secretary on the elaboration of guidance for resource mobilization for the implementation of the Nagoya Protocol in preparation for the second meeting of the Intergovernmental Committee. As of 27 March 2012, the Executive Secretary received submissions on this issue from the European Union and its Member States and Mexico. All submissions are available at: <http://www.cbd.int/icnp2/submissions/>
3. Taking into account the submissions received, the Executive Secretary has prepared the present note with a view to assisting the Intergovernmental Committee in considering guidance for resource mobilization for the implementation of the Nagoya Protocol.
4. Section II examines resource mobilization for the implementation of the Nagoya Protocol and the relationship with Article 20 of the Convention. Section III identifies the specific needs and opportunities in relation to resource mobilization for the implementation of the Protocol. Finally, section IV contains proposed recommendations for consideration by the Intergovernmental Committee at its second meeting.

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II. RESOURCE MOBILIZATION FOR THE IMPLEMENTATION OF THE NAGOYA PROTOCOL AND THE RELATIONSHIP WITH ARTICLE 20 OF THE CONVENTION

A. Scope of resource mobilization under the Nagoya Protocol

5. The availability of adequate and predictable financial resources is essential to ensure the effective implementation of the Nagoya Protocol. Article 25 of the Protocol calls for provision of financial assistance to developing country Parties and Parties with economies in transition to effectively implement the Protocol through the financial mechanism of the Convention¹ (paragraphs 2, 3 and 5) and through bilateral, regional and multilateral channels (paragraph 6).

6. Paragraphs 1, 4 and 6 of Article 25 provide the basis for considering resource mobilization under the Protocol, recognizing that the identification and mobilization of new financial resources in addition to those provided through the Global Environmental Facility (GEF) may be needed for the effective implementation of the Protocol.

7. Article 25, paragraph 1, of the Protocol states that in considering financial resources for the implementation of this Protocol, the Parties shall take into account the provisions of Article 20 of the Convention.

8. Article 25, paragraph 4, of the Protocol provides that in considering financial resources, the Parties shall also take into account the needs of the developing country Parties, in particular the least developed countries and small island developing States among them, and of the Parties with economies in transition, in their efforts to identify and implement their capacity-building and development requirements for the purposes of the implementation of this Protocol.

9. Finally, in its paragraph 6, Article 25 indicates that the developed country Parties may also provide, and the developing country Parties and the Parties with economies in transition avail themselves of, financial and other resources for the implementation of the provisions of this Protocol through bilateral, regional and multilateral channels.

B. Overview of the implementation of Article 20 of the Convention

10. Article 20 of the Convention, among other things, requires developed country Parties to provide new and additional financial resources through the GEF and/or through bilateral, regional and other multilateral channels to enable developing country Parties to fulfil their obligations under the Convention.²

11. At its ninth meeting, the Conference of the Parties adopted in decision IX/11 B the Strategy for Resource Mobilization in support of the achievement of the three objectives of the Convention for the period 2008-2015. Its objective is to "...substantially enhance international financial flows and domestic funding for biological diversity in order to achieve a substantial reduction of the current funding gaps in support of the effective implementation of the Convention's three objectives and the 2010 target..."³.

12. Considering that the Strategy is to support the three objectives of the Convention and that the Nagoya Protocol was adopted with a view to implement the third objective, it can be inferred that the Strategy for Resource Mobilization should support the implementation of the Nagoya Protocol. The following provides an overview of key developments in the implementation of the Strategy.

¹ The provision of financial resources through the financial mechanism of the Convention is examined in document UNEP/CBD/ICNP/2/3.

² Resource mobilization for the implementation of the Convention has been considered by all meetings of the Conference of the Parties and by the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (WGRI).

³ COP decision IX/11 B, paragraph 8.

13. In accordance with paragraph 12 of the Strategy, national implementation of the Strategy should include, as appropriate, the design and dissemination of a country-specific resource mobilization Strategy, in the frame of updated national biodiversity strategies and action plans (NBSAPs).

14. With a view to strengthening the Strategy, the Conference of the Parties adopted decision X/3 on “concrete activities and initiatives including measurable targets and/or indicators to achieve the strategic goals contained in the Strategy for Resource Mobilization and on indicators to monitor the implementation of the Strategy”. In this decision, in addition to adopting a set of fifteen indicators to monitor the Strategy, the Conference of the Parties decided to adopt funding targets at its eleventh meeting.

15. In decision X/3 A, the Conference of the Parties also requested the Executive Secretary to develop methodological guidance for the indicators (paragraph 8 (d)) and guidelines for the application of the indicators and the establishment of a baseline year (paragraph 8 (e)). In paragraph 8 (i) of the same decision, the Conference of the Parties also decided to adopt an effective reporting framework at its eleventh meeting. The Preliminary Reporting Framework, including the methodological and implementation guidance was made available at the fourth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (UNEP/CBD/WG-RI/4/6/Add/1).

16. Furthermore, in decision X/2 on the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets, Target 20 provides that: “by 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties”.

C. Summary of submissions

17. In their submission, the European Union and its Member States stated that the Strategy for Resource Mobilization under the Convention already addresses access and benefit-sharing. The submission suggested that the Conference of the Parties serving as the Meeting of the Parties to the Nagoya Protocol (COP-MOP) should review the relevant elements of the Strategy for Resource Mobilization and identify the specific needs related to resource mobilization for the implementation of the Nagoya Protocol. Furthermore, they were of the view that COP-MOP should develop guidance to the Conference of the Parties on how the Conference of the Parties could address those specific needs in the decision on resource mobilization.

18. The submission from Mexico pointed out that decision X/3 requested the Executive Secretary to organize regional and subregional workshops to assist with the development of country-specific resource mobilization strategies, including for indigenous and local communities, as part of the process of updating national biodiversity strategy and action plans. Mexico suggested that this section of the decision could be used for monitoring and ratification of the Nagoya Protocol, since it encourages economic awareness-raising. It also stated that resource mobilization should involve the participation of indigenous and local communities, because these communities are among the recipients of benefits arising from the use of genetic resources and associated traditional knowledge, and that they should have the capacity to receive and share the benefits paid by users.

D. Access and benefit-sharing as a mechanism to mobilize resources

19. Although the focus of this paper is to examine how resources can be mobilized to support the effective implementation of the Nagoya Protocol, it should be noted that access and benefit-sharing agreements can also contribute to the mobilization of resources for the achievement of the Convention’s three objectives through the sharing of benefits arising from the utilization of genetic resources.

20. The idea of directing the benefits arising from the utilization of genetic resources towards the implementation of the other two objectives of the Convention is reflected in the Protocol’s articles related

to contribution to conservation and sustainable use (Article 9) and the global multilateral benefit-sharing mechanism (Article 10).

21. This notion is also included in the Strategy for Resource Mobilization in two instances:

(a) The preamble of the Strategy underlines that effective national systems and a supportive international regime on access and benefit-sharing could support sustainable use and conservation of biodiversity and its associated ecosystem services, including through generating financial returns;⁴ and

(b) Strategic Goal 7, deals with enhancing implementation of access and benefit-sharing initiatives and mechanisms in support of resource mobilization.

22. In light of the above, it is understood that the implementation of the Nagoya Protocol will contribute to the development of ABS agreements, and that benefits derived from these agreements could support the mobilization of resources for the achievement of the Convention's objectives.

23. However, the subject of this paper is to address resource mobilization for the implementation of the Protocol.

E. Relationship between the Strategy for Resource Mobilization and the Nagoya Protocol

24. In light of the close relationship between the provisions of the Convention and the Protocol regarding financial resources and taking into account the ongoing efforts under the Convention on Biological Diversity to enhance funding for biological diversity through the Strategy for Resource Mobilization, which already covers resource mobilization for the third objective of the Convention, the Intergovernmental Committee may wish to recommend that COP-MOP invites the Parties and requests the Executive Secretary to include consideration of resource mobilization for the Nagoya Protocol in the implementation of the Strategy for Resource Mobilization.

25. Parties to the Protocol, when implementing the Strategy for Resource Mobilization under the Convention, could therefore include consideration of resource mobilization for the Nagoya Protocol. Likewise, activities carried out by the Executive Secretary in support of the Strategy could also include consideration of resource mobilization for the Nagoya Protocol, and thus, optimize efforts carried out for mobilizing resources for the achievement of the Convention's three objectives.

26. On the basis of the Strategy for Resource Mobilization, the Intergovernmental Committee may also wish to identify specific needs related to resource mobilization for the implementation of the Nagoya Protocol as well as possible opportunities to leverage the mobilization of resources.

III. SPECIFIC NEEDS AND OPPORTUNITIES RELATED TO RESOURCE MOBILIZATION FOR THE IMPLEMENTATION OF THE NAGOYA PROTOCOL

27. On the basis of the Strategy for Resource Mobilization under the Convention, this section examines the goals of the Strategy which could be of most relevance for the mobilization of resources for the Protocol by identifying the specific needs and opportunities for resource mobilization with respect to the Protocol, which may be different from those identified for the mobilization of resources under the Convention.

Funding needs, gaps and priorities

28. Goal 1 of the Strategy for Resource Mobilization recognizes the importance of improving the information base on funding needs, gaps and priorities.

29. The Nagoya Protocol being a new international instrument, Parties to the Protocol would need to adopt new or review existing legislative, administrative or policy measures, while ensuring that enough

⁴ Preamble of COP decision IX/11.

resources (financial, human and technical) are available and that there is capacity to effectively implement the Protocol. As part of their planning processes towards implementation, Parties would need to identify their funding needs, gaps and priorities to implement the Protocol, taking into account their national circumstances.

30. Against this background, Parties could include consideration of resource mobilization, funding needs, gaps and priorities, as part of their planning processes towards implementation of the Nagoya Protocol.

31. On the basis of the funding needs, gaps and priorities identified, Parties would need to assess the additional funding that would be required and to identify possible sources of funding, both from international and domestic sources, with a view to meeting their obligations under the Protocol.

Domestic financial resources

32. Goal 2 of the Strategy for Resource Mobilization aims to strengthen national capacity for resource utilization and mobilize domestic financial resources.

33. The exchange of experience and information between Parties on the mobilization of domestic resources, including through new and innovative financial mechanisms, for the implementation of the Nagoya Protocol could contribute to the strengthening of national capacity for resource mobilization.

International financial resources

34. Goal 3 of the Strategy for Resource Mobilization seeks to strengthen existing financial institutions, and promote replication and scaling-up of successful financial mechanisms and instruments. International resources have played a catalytic role in leveraging financial resources under the Convention. However, there is limited information on the status of funds mobilized to support access and benefit-sharing and more recently the implementation of the Nagoya Protocol.

35. Available information on funding of access and benefit-sharing initiatives reveals that a limited number of sources of international funding have been used so far to support access and benefit-sharing initiatives.⁵

36. However, there may be a number of available and existing bilateral, regional, multilateral and private funding possibilities that Parties could benefit from with a view to mobilizing international resources in support of the implementation of the Nagoya Protocol.

37. Bilateral and regional aid agencies are a very important source of funding and may have provided more than two-third of all finances towards biodiversity. Some regional institutions and organizations, such as the European Community, the Asian Development Bank (ADB) or the African Development Bank (AfDB) have demonstrated great potential to channel regional resources for biodiversity. Multilateral financial institutions, such as the World Bank, are also investing in biodiversity. Private channels, such as non-governmental organizations (NGOs), the corporate sector and foundations play also an important role in financing biodiversity related activities.⁶

38. Possible relevant sources of additional international funding could be further explored.

39. Taking into account the importance of ensuring availability of international resources to complement domestic funding for the effective implementation of the Protocol by developing country Parties and Parties with economies in transition, Parties, relevant organizations and existing financial institutions, could consider establishing or enhancing funding for the implementation of the Nagoya Protocol and include support to the implementation of the Nagoya Protocol as a priority area for funding.

⁵ Information on past and on-going access and benefit-sharing capacity-building activities is provided in the note on capacity-building and development prepared by the Executive Secretary for the first meeting of the Intergovernmental Committee (UNEP/CBD/ICNP/1/4).

⁶ For further information see document UNEP/CBD/WG-RI/2/INF/4 on review of availability of financial resources.

Mainstreaming the Nagoya Protocol in development cooperation plans and priorities

40. Goal 5 of the Strategy for Resource Mobilization aims to mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities. Benefits shared in accordance with the Protocol can contribute to developing national endogenous research capabilities and to building and developing capacity within countries to add value to their own genetic resources, through, *inter alia*, the provision of capacity-building or the transfer of technology from users to providers. The effective implementation of the Nagoya Protocol will, hence, provide development opportunities for developing country Parties and Parties with economies in transition.

41. With a view to enhance the mobilization of resources to support the implementation of the Nagoya Protocol, Parties could include reference to implementation of the Nagoya Protocol in their development cooperation plans and priorities with a view to contributing to national development.

Awareness-raising of the Nagoya Protocol

42. Goal 8 of the Strategy for Resource Mobilization looks into enhancing the global engagement for resource mobilization in support of the Convention by raising public awareness of the importance of biodiversity and the goods and services that it provides at all levels. Raising awareness of the importance of genetic resources and traditional knowledge, and related ABS issues in accordance with Article 21 of the Protocol could also play a role in enhancing the mobilization of resources for the implementation of the Nagoya Protocol.⁷

IV. RECOMMENDATIONS

43. Against this background, in order to ensure that consideration of the Nagoya Protocol is included in the implementation of the Strategy for Resource Mobilization in a timely manner and that early action is taken on this issue, the Intergovernmental Committee may wish to:

(a) Encourage Parties to include consideration of resource mobilization for the implementation of the Nagoya Protocol in the implementation of the Strategy for Resource Mobilization in support of the achievement of the three objectives of the Convention for the period 2008-2015; and

(b) Request the Executive Secretary to include consideration of resource mobilization for the Nagoya Protocol in its activities in support of the Strategy for Resource Mobilization, including in the organization of regional and subregional workshops.

44. In addition, the Intergovernmental Committee may wish to consider and forward the following draft recommendations to the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol for its consideration:

“The Conference of the Parties serving as the meeting of the Parties to the Protocol,

1. *Requests* the Executive Secretary to include consideration of resource mobilization for the Nagoya Protocol in its activities in support of the Strategy for Resource Mobilization;

2. *Encourages* Parties to include the consideration of resource mobilization, including funding needs, gaps and priorities, as part of their planning processes towards the implementation of the Nagoya Protocol;

3. *Encourages* Parties to direct domestic resources, including through new and innovative financial mechanisms, towards the implementation of the Nagoya Protocol;

4. *Encourages* Parties to take appropriate measures within the governing bodies of relevant multilateral financial institutions and development organizations to ensure that due

⁷A draft awareness-raising strategy to support implementation of Article 21 of the Protocol will be considered by the second meeting of the Intergovernmental Committee (UNEP/CBD/ICNP/2/11).

priority and attention is given to the effective allocation of predictable resources for the implementation of the Nagoya Protocol;

5. *Encourages* Parties, relevant organizations and existing financial institutions to establish or enhance funding for the implementation of the Nagoya Protocol and to include support to the implementation of the Nagoya Protocol as a priority area for funding;

6. *Encourages* Parties to mainstream implementation of the Nagoya Protocol in their development cooperation plans and priorities;

7. *Encourages* Parties and relevant organizations to raise awareness to the importance of genetic resources and traditional knowledge associated with genetic resources, and related access and benefit-sharing issues, in accordance with Article 21 of the Protocol, with a view to support the mobilization of resources for the Nagoya Protocol;

8. *Invites* Parties and relevant organizations to submit information to the Executive Secretary on their experiences related to the mobilization of resources in support of the implementation of the Nagoya Protocol, as well as on the status of funds mobilized;

9. *Requests* the Executive Secretary to prepare a synthesis of the information received regarding experience related to the mobilization of resources to support the implementation of the Nagoya Protocol and to provide an overview of the status and trends in funding for the consideration of the next meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol; and

10. *Requests* the Executive Secretary to prepare a document on possible relevant sources of international funding to support the efforts by Parties to mobilize additional international financial resources for the implementation of the Nagoya Protocol.
