



CONVENTION ON MIGRATORY SPECIES

Distr. General

UNEP/CMS/Conf.10.41
26 October 2011

Original: English

TENTH MEETING OF THE
CONFERENCE OF THE PARTIES
Bergen, 20-25 November 2011
Agenda Item 21

ENHANCING ENGAGEMENT WITH THE GLOBAL ENVIRONMENT FACILITY

(Prepared by the Secretariat)

I. Context and scope of this document

1. The updated Strategic Plan 2006-2014 (UNEP/CMS/Conf.10.22) notes (paragraph 33) that future financing of the Convention's programmes and the need to diversify sources of income are a principal challenge for the next three years, and in particular (paragraph 18) that resources available for CMS small grants have decreased significantly. Target 4.8 of the Plan seeks "extra budgetary funding from a wider range of sources", while Operational Principle 6 is "to attract at least 50 per cent matching funding for project activities".
2. In the analysis of CMS national reports presented to the COP as the annex to document UNEP/CMS/Conf.10.11, insufficient funding is the factor most frequently cited by Parties as a limitation on action to protect migratory species.
3. The present document explores options for better CMS engagement with the Global Environment Facility (GEF), as one potential source of funds to support implementation of the Convention at global, regional and national levels. Discussions for the next funding cycle of the GEF will start in 2013. An excellent opportunity therefore exists now for Parties to make recommendations for the possible enhancement of their engagement with the GEF. The information in this paper is provided as background for the related draft Resolution (UNEP/CMS/Resolution 10.25).

II. Background to the GEF

4. The Global Environment Facility was established in pilot form in 1991, and was formalized permanently in 1994 as a funding mechanism to assist in the protection of the global environment and to promote environmentally sound and sustainable economic development. Almost US\$9.2 billion has been invested to date, making the GEF the largest financier of the global environment.
5. Operating as a partnership among 178 countries, international institutions, non-governmental organizations (NGOs), and the private sector, the Facility's mandate is to provide "new and additional" grant and concessional funding to meet the agreed "incremental

costs” of measures to achieve global environmental benefits. It provides grants for projects related to six focal areas:

- biological diversity;
- climate change;
- international waters;
- land degradation, primarily desertification and deforestation;
- ozone layer depletion; and
- persistent organic pollutants (POPs).

6. The GEF is the designated financial mechanism (or operating entity of the financial mechanism) for four multilateral environmental agreements (MEAs):

- Convention on Biological Diversity (CBD);
- UN Framework Convention on Climate Change (UNFCCC);
- Stockholm Convention on Persistent Organic Pollutants (POPs); and
- UN Convention to Combat Desertification (UNCCD).

7. As such, it receives guidance from these Conventions’ governing bodies for its operational programmes, which are aimed at assisting countries to meet their obligations under the Conventions to which they are a Party. The GEF is also associated with a number of regional MEAs dealing with international waters and trans-boundary water systems.

III. The Biodiversity Focal Area, and the relevance of migratory species

8. Since its inception, the GEF has invested approximately US\$ 2.8 billion in its Biodiversity Focal Area. The goal for this Area in GEF-5 (the current funding cycle) is “the conservation and sustainable use of biodiversity and the maintenance of ecosystem goods and services”. There are five objectives:

- (a) to improve the sustainability of protected area systems;
- (b) to mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors;
- (c) to build capacity to implement the Cartagena Protocol on Biosafety;
- (d) to build capacity on access to genetic resources and benefit-sharing; and
- (e) to integrate CBD obligations into national planning processes through enabling activities.

9. The primary focus of this has been on projects for the protection of habitats, and only a small fraction of the biodiversity allocation has gone to support activities directly addressing the conservation of species. Any benefits for migratory species have otherwise occurred only indirectly.

10. GEF funding criteria and operational programmes are shaped by advice from the COPs of the Conventions for which it is a designated financial mechanism, meaning that for biodiversity this follows the priorities of the CBD. When the GEF became permanently formalized in 1994, there was little or no discussion of its potentially supporting implementation of other biodiversity-related Conventions¹. This may have been because they

¹ As well as the CMS, adopted in 1979, at global level these include the Convention on Wetlands (Ramsar, 1971), the World Heritage Convention (1972) and the Convention on International Trade in Endangered Species (CITES, 1973). The more recent International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGR, 2001) is now also regarded as part of the biodiversity MEA “cluster”.

were felt to be sufficiently funded by other means, or because it was seen that their objectives might be assisted through synergies with the CBD.

11. Given that CMS came into force 14 years before the GEF was established, and that the GEF is not a financial mechanism for CMS, there is no formal route for CMS objectives to feed into the GEF's strategic priority-setting process. The GEF develops its biodiversity strategy and operational programme, taking into account guidance it receives from CBD COP. As such, synergy with the CBD offers some possibilities. The CBD COP has named the CMS as its "lead partner" in the conservation and sustainable use of migratory species (Decision VI/20, 2002 and Decision X/20, 2010), and a Joint Work Programme has been agreed between the two Conventions². Species-based conservation features in the global Aichi Targets for biodiversity, specifically Target 12 which reads: "By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained".

12. Synergistic thinking on priorities can develop at national level too, through the nominated government focal points for the two Conventions. In practice, however, the links at this level are often not strong. In 40 countries, the CMS and CBD focal points are situated in different ministries, and in over half of the countries where they are in the same ministry, they are still separated in different departments. There are only 22 cases where the same individual is responsible for both Conventions. National GEF focal points are different again.

IV. Past and present support from the GEF for migratory species conservation

13. Although there is no history of direct engagement between the GEF and the CMS or its Parties in a CMS context, there have been cases where GEF support, through either its biodiversity or international waters focal areas, has benefited the conservation of migratory species. Examples include:

- The African Eurasian Flyways Project "Wings over Wetlands", including partial funding of a Critical Site Network Tool which provides access to information on birds (www.wingsoverwetlands.org);
- The Siberian Crane Wetland Project (www.scwp.info);
- The Marine Ecosystem Management Project in Seychelles (for Green and Hawksbill turtles) (www.gefonline.org/projectDetailsSQL.cfm?projID=800);
- In-Situ Conservation of Kazakhstan's Mountain Agro-biodiversity (including globally significant migratory birds) (www.gefonline.org/projectDetailsSQL.cfm?projID=1148);
- The Migratory Soaring Birds Project (along the Rift Valley/Red Sea flyway) (www.birdlife.org/action/ground/soaring_birds/index.html);
- Improving Coverage and Management Effectiveness of Marine and Coastal Protected Areas (in Albania and the Otranto Channel; a critical migratory route for many avian and marine migratory species) (www.thegef.org/gef/node/3281); and
- Communities of Conservation: Safeguarding the World's Most Threatened Species (terrestrial, avian and marine migratory species in Bolivia, Ecuador and Peru) (www.gefonline.org/projectDetailsSQL.cfm?projID=3790).

² A Joint Work Programme was endorsed by CMS COP8 (Res.8.18) in 2008. A completely revised Joint Work Programme will be presented for approval to CMS StC38 on 19 November 2011, and is available at UNEP/CMS/Inf.10.36.

14. Projects for migratory species inherently need to be multi-country in nature, if they are to address range-wide concerns. GEF allocations are made for individual countries, but funding for multi-country projects is also possible where countries agree to pool these allocations. These projects may also be eligible to receive some top-up from the “set aside” for biodiversity. Organizing such projects can however be complex, and in recent years they have become more difficult to accommodate in the programme. The introduction in the GEF-4 funding round of the Resource Allocation Framework (RAF) and then later the System for Transparent Allocation of Resources (STAR) resulted in an increased emphasis on single-country projects, and in the GEF-5 round the “set aside” provision for biodiversity was reduced.

15. In addition, currently these projects cannot directly address species conservation needs, and must work instead through measures for protected areas or for international waters, which narrows the scope of possibilities.

16. Another avenue of approach arises from the mandate which GEF has to provide financial resources to country-driven projects and activities which are aligned with CBD COP decisions and which are identified as priorities in adopted National Biodiversity Strategies and Action Plans (NBSAPs). The global Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets which were adopted at CBD COP10 in 2010 are explicitly designed to be “relevant to all biodiversity-related Conventions” (CBD Decision X/2), and not just to be tools for the CBD. In light of the Strategy, Decision X/2 urged Parties to update their NBSAPs “taking into account synergies among the biodiversity-related conventions in a manner consistent with their respective mandates”.

17. Integration of CMS implementation activities into updated NBSAPs should therefore increase the possibility of support. Only a few countries have attempted this integration so far, but new draft guidelines produced for this purpose by the CMS Secretariat in 2011 (UNEP/CMS/Conf.10.27) should help to secure wider uptake of this opportunity. The CBD Secretariat is facilitating a programme of capacity-building workshops around the world to assist countries with updating their NBSAPs, and an open invitation has been issued to the national focal points of all biodiversity-related Conventions to attend (although no specific funding has been provided for them to do so).

V. Options for enhancing CMS engagement with the GEF

18. Six potential ways of enhancing CMS engagement with GEF (and enhancing GEF’s impact on the conservation and sustainable use of migratory species), are summarized below. Although described as “options”, they are of course not necessarily mutually exclusive. Four of these could be pursued immediately, while the other two would entail adjustments to current procedures.

V.I Options under the existing GEF structure:

Option 1: Develop further habitat-based projects under existing GEF strategies

19. Parties may wish to continue to develop ideas with the GEF Agencies³ for global, multi-country or country-specific projects that would deliver objectives defined in the GEF

³ Asian Development Bank, African Development Bank, European Bank for Reconstruction and Development, Food and Agricultural Organization of the United Nations, Inter-American Development Bank, International Fund for Agricultural Development, United Nations Development Programme, United Nations Environment Programme, United Nations Industrial Development Organization and the World Bank.

biodiversity and international waters strategies while also delivering CMS objectives. Opportunities for concept development are provided by the optional GEF National Portfolio Formulation Exercises (NPFES), which are designed to help countries programme their GEF allocations under the STAR.

Option 2: Develop further species-based projects

20. Projects designed to benefit migratory species can continue to be developed, so long as they fit within the guidelines set forth in the GEF Focal Area Strategy for Biodiversity and International Waters. Parties that are Range States for a given species or group of species may wish to collaborate in the development of joint project proposals.

Option 3: Enhance collaboration at National Focal Point level

21. There is good scope for CMS National Focal Points to establish collaborative links with the GEF Operational and Political Focal Points in their country and to participate as appropriate in the National Portfolio Formulation Exercises and other relevant GEF business planning processes. This is a key way for informed advice on migratory species issues to be taken into account in deliberations on the use of the biodiversity funding allocation.

Option 4: Integrate relevant objectives into support for NBSAPs

22. As discussed above, new opportunities have emerged for strong reflection of migratory species issues in National Biodiversity Strategies and Action Plans as they come to be revised in light of the global Strategic Plan for Biodiversity 2011-2020, and hence for funding of NBSAPs to support CMS implementation. This will require good engagement by CMS National Focal Points in processes relevant to NBSAP revision and support, and hence good dialogue with the CBD Focal Points in their countries.

V.II Options requiring a change in the GEF structure:

Option 5: Add a “window” for species conservation and sustainable use to the GEF Biodiversity Focal Area

23. The GEF could be invited to create a specially targeted “window” in its Biodiversity Focal Area to allow funds to be set aside for the conservation and sustainable use of species, in the context of the Aichi Targets. This would enable countries to expand their biodiversity portfolio to cover implementation of species-based measures in support of the role of relevant MEAs in delivering the Targets. Programming of relevant projects and allocation of resources through STAR would then be more readily facilitated.

24. A species-based window exists at present, but only for the specific purpose of the Save our Species programme (SOS)⁴ for globally threatened species. It can only be accessed by NGOs involved in this programme, and not by governments to augment MEA-related initiatives.

25. The creation of a new window would in effect be an amendment to the scope of GEF strategies for biodiversity and international waters. These strategies will be revised in the

⁴ The SOS programme has been launched in collaboration with the International Union for Conservation of Nature (IUCN), the World Bank and the GEF, which is managed and executed by IUCN. It is intended to be a long-term programme to improve the conservation status of globally threatened species.

course of the discussions which are due to begin in 2013 on reform and replenishment of the GEF for its sixth cycle (GEF-6), which will start in 2014. Those discussions therefore provide an appropriate opportunity, and options could be explored *inter alia* through good dialogue between CMS National Focal Points, GEF Council members and GEF National Focal Points.

Option 6: Designate the GEF as a financial mechanism for CMS

26. A more secure and enduring solution could be to seek the designation of the GEF as a financial mechanism for CMS. If Parties favour exploring this possibility, a formal request could be made to the GEF by the COP, and work could begin on elaborating possible terms of reference and a *modus operandi*. The ultimate result would be to give the COP the role of providing formal guidance to GEF on priorities for the latter's biodiversity strategy and operational programme.

27. This option would require endorsement by the GEF General Assembly, and commencement would be linked to a given replenishment round. If details were not concluded in time for GEF-6 in 2014 then the timeframe would be linked to the start of GEF-7, which is scheduled for 2018.

VI. Developments among other MEAs concerning their relationships with the GEF

28. A number of other MEAs have taken steps to enhance their engagement with GEF, and their experiences may be of interest to CMS Parties. Some examples are summarized below.

VI.I Similar processes on-going under other MEAs:

CITES

29. The Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) has initiated a process to enhance its engagement with the GEF, and also to explore other financial mechanisms and instruments which may assist with the implementation of the Convention. The CITES Standing Committee, at its 61st meeting in August 2011, discussed a paper on "Access to finance, including GEF funding" (SC61 Doc.16). It will address the matter again at its 62nd meeting in July 2012 on the basis of a report from its Finance and Budget Subcommittee.

Chemicals and Waste Conventions

30. A "consultative process on financing options for chemicals and wastes" was launched by the Executive Director of UNEP in 2009, in recognition of the need for adequate resources in the field of chemicals and wastes management. Ideas being explored in this process include the introduction of a new focal area in the GEF on safe management of chemicals and waste; expansion of the existing POPs focal area; and establishment of a new trust fund.

VI.II Amendment to the GEF Instrument to include additional MEAs:

Stockholm Convention

31. Article 14 of the Stockholm Convention on Persistent Organic Pollutants designates the GEF to be the principal entity to operate its financial mechanism, on an interim basis. At

the second GEF Assembly in 2002, the “Instrument for the establishment of the restructured GEF” was amended to allow the GEF to serve as a financial mechanism for the Convention.

UNCCD

32. Although the UN Convention to Combat Desertification (UNCCD) was among the “Rio Conventions”, when the GEF was designated as the financial mechanism for the CBD and UNFCCC, the UNCCD was not included. In 2000, the UNCCD Parties agreed to explore options for GEF support, and in 2003 they agreed that the GEF should be the financial mechanism for the Convention, following the GEF General Assembly’s agreement to this in the previous year, when the Assembly also added a “land degradation” focal area to the Facility’s portfolio. Formalities were concluded in 2010, when the “Instrument for the establishment of the restructured GEF” was amended to allow GEF to serve as a financial mechanism of the UNCCD. Further details of this example are given in Annex 1.

33. It should be pointed out that both the Stockholm Convention and the UNCCD, as post-Rio Conventions, have specific articles in their text referring to a financial mechanism. In contrast, the text of CMS does not contain any such reference.

VII. Schedule of upcoming opportunities

34. A number of opportunities offer themselves as future milestones for action, if Parties decide that they would wish these issues to be pursued further. Some key examples are given below.

35. A primary agenda item at the **UN Conference on Sustainable Development (Rio de Janeiro, June 2012)** will be international environmental governance, and this will include discussion of the currently highly fragmented environmental funding “landscape”. CMS Parties may wish to call for reform of financing for biodiversity-related Conventions in general. As noted in Annex 1, the previous UN conference (WSSD, Johannesburg 2002) played a role in securing the current GEF relationship with UNCCD.

36. In advance of **CBD COP11 (New Delhi, October 2012)**, CMS Parties may wish to enhance their dialogues at national and regional level with CBD counterparts, including discussion of the role of well-funded CMS implementation activities as an important contribution to the achievement of the Aichi Biodiversity Targets.

37. As noted above, discussions on the **restructuring and replenishment of GEF** will begin in **mid-2013**, and these will be an important focus for any relevant actions agreed by CMS Parties on this subject. The **fifth GEF General Assembly** is likely to be held in **2013 or 2014**. **GEF-6** will begin in **July 2014**. Any decisions by CMS Parties to invite the examination of options for a species window in GEF, or the designation of GEF as a financial mechanism for the Convention, should be geared to these timeframes.

38. **CMS COP11 (2014)** will be a further decision-point for Parties, on important issues of principle or structural reform.

VIII. Conclusions

39. The CMS has a Trust Fund which supports the core activities of the Secretariat and is derived from annual contributions from the Parties, set according to the UN scale. Much CMS implementation activity relies otherwise on restricted voluntary funding for specific activities. Unlike most of the other Conventions referred to in this paper, CMS has no financial mechanism to which Parties can have access for supporting implementation of their commitments.

40. Global biodiversity funding arrangements currently under-cater for migratory species, despite the crucial role of such species in the delivery of ecosystem services for human well-being, and the obvious need for coordinated international responses to the trans-boundary pressures that threaten their survival.

41. This deficiency might be surprising, given that a close reading of the mandates in the Global Environmental Facility's Biodiversity Focal Area, and the related identification of CMS as a lead partner on migratory species issues for the Convention on Biological Diversity, appear to make CMS activities eligible for many strands of support, and offer good scope in principle for financing of requisite measures.

42. The reality is more disappointing. This is partly because levels of awareness and motivation on these issues could be improved: some options are outlined above for enhancements to this that would be feasible within existing procedures. It is also partly a result of limitations that are more structural; and options for addressing these have also been presented.

Action requested:

The Conference of the Parties is requested to:

- a. Note and comment as appropriate on the description of current constraints and opportunities given in this paper;
- b. Make additional suggestions for areas of action that will enhance the engagement of CMS with the GEF;
- c. Adopt draft Resolution UNEP/CMS/Resolution 10.25, incorporating any additional suggestions as referred to above;
- d. Provide inputs to the Secretariat on the way forward, as proposed in draft Resolution UNEP/CMS/Resolution 10.25; and
- e. Seek opportunities to raise the issues discussed in this paper in other appropriate fora and in the course of enhanced dialogue at national and regional levels with the Focal Points of other MEAs and Focal Points of the GEF.

Annex I¹

Summary of the process followed by the UN Convention to Combat Desertification (UNCCD) to Designate the GEF as its Financial Mechanism

In 1992, the UN General Assembly adopted Resolution 47/188 which called for the establishment of an intergovernmental negotiating committee (INC) for the elaboration of a convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa (INCD). Between May 1993 and June 1994 the INC met five times and drafted the UNCCD and four regional implementation annexes for Africa; Asia; Latin America & the Caribbean; and Northern Mediterranean (a fifth annex for Central & Eastern Europe was adopted during COP4 in 2000). The Convention entered into force on 26 December 1996.

The GEF Council, in December 1999, approved the document *Clarifying Linkages between Land Degradation and the GEF Focal Areas: An Action Plan for Enhancing GEF Support*. This allowed land degradation projects to be funded through the existing GEF focal areas. In December 2000, the 4th Meeting of the UNCCD COP adopted a decision on the Council initiative to explore the best options for GEF support of UNCCD implementation. In October 2001, the COP supported a proposal by the GEF to designate land degradation as an additional focal area for GEF funding.

In 2002, the World Summit on Sustainable Development (WSSD) called on the Second Assembly of the GEF “to take action on the recommendations of the GEF Council concerning the designation of land degradation (desertification and deforestation) as a focal area of GEF, as a means of GEF support for the successful implementation of the Convention to Combat Desertification; and consequently, consider making GEF a financial mechanism of the Convention, taking into account the prerogatives and decisions of the Conference of the Parties to the Convention, while recognizing the complementary roles of GEF and the Global Mechanism of the Convention in providing and mobilizing resources for the elaboration and implementation of action programmes”.

Following the WSSD, the GEF Assembly, later in 2002, expanded GEF’s mandate by adding land degradation to its portfolio, and designated the Facility as the financial mechanism of the UNCCD. The GEF Council in May 2003 duly adopted the operational modalities on sustainable land management that designated land degradation, primarily desertification and deforestation, as the fifth focal area of the Facility.

In 2003 the 6th meeting of the Conference of the Parties of the UNCCD accepted the GEF as a financial mechanism of the Convention. In 2005 at COP7 the Parties concluded a Memorandum of Understanding between the Convention and the Council of GEF.

At the 4th GEF Assembly in May 2010, the *Instrument for the Establishment of the Restructured GEF* was amended to make the GEF available to serve as a financial mechanism of the UNCCD.

¹ Adapted from CITES Standing Committee document SC61.16: “Access to finance, including GEF funding” (2011).