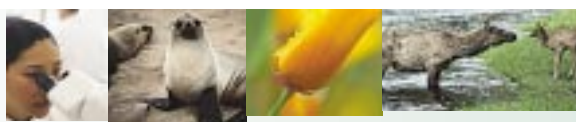




CBD

Convention
on Biological
Diversity

CBD



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SUPPLEMENT ON FINANCING FOR BIOLOGICAL DIVERSITY

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Financing for Biological Diversity

Hamdallah Zedan

*Executive Secretary Secretariat of the
Convention on Biological Diversity*

The Secretariat of the Convention on Biological Diversity is pleased to introduce the first supplement to the CBD News, dedicated to financing for biological diversity, being released to the sixth meeting of the Conference of the Parties. This supplement provides the Secretariat with another source in its efforts to implement the decisions on financial resources and mechanism adopted at the previous meetings of the Conference of the Parties, which highlighted the importance of the provision of funding information as well as sharing knowledge and experience among funding institutions.

The tenth anniversary of the Rio Conference on Environment and Development, where the Convention was opened for signature, offers an opportunity to take a look at what has been achieved and where further efforts are most needed. We can observe the following examples that provide an encouraging sign of the progress being made in the field of biodiversity finance:

- Most Parties are developing financial measures to support the implementation of the Convention;
- Considerable, though still insufficient, financial contributions have been made by developed country Parties and Governments as well as other Parties to the institutional structure operating the financial mechanism;
- The Global Environment Facility has been designated as the institutional structure operating the financial mechanism of the Convention. About 40 percent of its resources (over US \$1.3 billion as of December 2001 since its establishment) have been allocated to biodiversity projects and activities;
- Bilateral, regional and multilateral funding institutions as well as development agencies have been developing more biodiversity-friendly operational practices and policies. Some donors have established specific funding programmes to support biodiversity projects/activities;

(Continued on page 3)



Mobilizing Technical and Financial Resources for Biodiversity



Klaus Töpfer
United Nations
Under-Secretary-General
Director-General of the United Nations
Office at Nairobi (UNON)
Executive Director of the United Nations
Environment Programme (UNEP)

Klaus Töpfer became Executive Director of the United Nations Environment Programme and Director-General of the United Nations Office at Nairobi in February 1998. He was also appointed Acting Executive Director of the United Nations Centre for Human Settlements (UNCHS/Habitat) from July 1998 to August 2000.

Before joining the United Nations, Klaus Töpfer held several posts in the Federal Government of Germany. He was Federal Minister of Regional Planning, Building and Urban Development as well as Coordinator of the Transfer of Parliament and Federal Government to Berlin from 1994 to 1998. He held office as Federal Minister of the Environment, Nature Conservation and Nuclear Safety from 1987-1994. Prior to becoming a member of the German Federal Cabinet he was State Minister of Environment and Health of the Federal State of Rhineland-Palatine (1985-1987) and State Secretary at the Ministry of Social Affairs, Health and Environment for the same state (1978-1985).

Before his political career as a member of the Christian Democratic Union (CDU) began, Klaus Töpfer was Full Professor at the University of Hannover where he directed the Institute of Regional Research and Development (1978-1979), Head of the Department of Planning and Information in the State Chancellery of the Federal State of Saarland (1971-1978) and Head of the Economics Department of the Central Institute for Regional Planning of the University of Münster (1970-1971).

Klaus Töpfer is the recipient of several honours including the Order of Merit of the Federal Republic of Germany (1986), the Commander's Cross of the Order of Merit of the Federal Republic of Germany (1989), and the Grand Cross of the Order of Merit of the Federal Republic of Germany. In 1997 and 1998 he was bestowed

Honorary Professor of Tongji University, Shanghai, People's Republic of China and Honorary Doctor of the Technical University of Brandenburg, Cottbus, Germany. He holds a doctorate in Philosophy and a degree in Economics.

Since its establishment in 1972, UNEP has continued to mobilize technical and financial resources to support global and regional multilateral environmental conventions (MEAs) through its regular workprogramme and, being one of the implementing agencies of the GEF, through GEF-funded projects.

(Continued on page 4)

Payments for Environmental Services

Ian Johnson
Vice President
Environmentally and Socially
Sustainable Development
The World Bank



Environmental services provide mankind with economic, financial, ecological and cultural benefits, which more often than not are taken for granted. The hydrological services provided by forests, such as clean and regulated water flow, and reduced sedimentation, for example, are typically only noted when natural disasters, flooding, siltation of reservoirs and scarcity of water occur as a result of the removal of forest cover. That such services should be lost despite their value is easy to understand: land users typically receive no compensation for the services their land generates for others, and so do not take them into account in making land use decisions.

Recognition of this problem and of the failure of previous approaches in dealing with it has led to efforts to develop systems in which land users are compensated for the environmental services they generate. Several countries are

(Continued on page 14)



Financing for Biological Diversity (Continued)

- Major international biodiversity-advocating organizations have increasingly established modest conservation finance programmes. There are also examples of regional financial and technical cooperation programmes and initiatives, such as the European Biodiversity Resourcing Initiative;
- The United Nations Environment Programme Finance Initiatives have progressively been trying to promote the objectives of the Convention in the banking sector and insurance companies;
- Financial resources provided other than through the financial mechanism have been identified and monitored by the Convention Secretariat on an ongoing basis. Ways of accessing these resources have been promoted through the website of the Convention;
- A biodiversity marker has been developed and tried in the Creditor Reporting System of the Organization of Economic Cooperation and Development. The reporting system helps to track biodiversity projects funded by the OECD/DAC member countries;
- Sharing of biodiversity funding information, experience and knowledge has been promoted through workshops, including the Havana Workshop, and the publication of this supplement on financing for biological diversity;
- A strategic framework for financing biological diversity was developed and has been applied by the United Nations Foundation.
- Innovative and creative financial measures and instruments have not been explored adequately;
- Guidance to the financial mechanism, which grows with each meeting of the Conference of the Parties, does not provide a clear direction for resources programming and hence is not translated into focused action. The relationship between the various guidance addressing the same thematic issues has not been clarified;
- The amount of funds that are necessary to assist developing countries in fulfilling their commitments under the Convention over each GEF replenishment cycle has not been evaluated;
- The terms “new and additional financial resources” and “incremental costs” have not been further elaborated and operationalized;
- Insufficient coordination of funding efforts between different stakeholders;
- Lack of guidelines/recommendations/reference papers from the Convention to funding institutions and development agencies in order to improve the effectiveness of their support to biodiversity.

Despite these successes, the following gaps have been also observed:

- Funding requirements for the implementation of the Convention remain largely undefined and essential needs largely unmet;
- National reporting on financial resources and mechanism has not been standardized;
- Experience and knowledge of funding measures and instruments in support of national biodiversity activities has not been shared adequately at the international level;
- Involvement of the private sector (business and industry, foundations and other charities, etc.) has been insufficient;

The sixth meeting of the Conference of the Parties is expected to assess these achievements and gaps under agenda item 18.1 on financial resources and mechanism, and provide further guidance on the implementation of Articles 20 and 21. The information provided by funding institutions and development agencies through this supplement will not only serve as a record of their efforts to support the implementation of the Convention, but also prove to be useful in the work of the Conference of the Parties.

We wish to thank the authors of this Supplement for their sustained support to the work of the Convention. In addition, we would also like to acknowledge the assistance provided by the following people who have contributed to the successful production of this issue of supplement: Suhel Al-Janabi (GTZ), Paul Chabeda (UNEP), Monika Dirnberger (Austria), Anne Franklin and Gommaar Dubois (Belgium), Charles McNeill (UNDP), Gunars Platais (World Bank).



Mobilizing Technical and Financial Resources for Biodiversity (Continued)

Based on its strengths and experiences, UNEP's role in the field of financing has been quite distinctive and eventful. UNEP brings into the GEF family and donor community more than 25 years of experience in analyses relating to the state of the global environment and assessments of global and regional environmental threats and trends. It brings with it, its experience in catalysing international co-operation and action, furthering the development of international environmental law aiming at sustainable development and advancing the implementation of agreed international norms and policies. It promotes greater awareness and co-operation among all sectors of society involved in the implementation of the international environmental agenda and serves as an effective link between the scientific community and policy makers.

UNEP is implementing six major global assessments co-financed by the GEF among other donors. These are the Global International Waters Assessment (GIWA), the Millennium Assessment of Global Ecosystems (MA); Assessment of the Impact and Adaptation to Climate Change (AIACC); the Solar and Wind Energy Resource Assessment (SWERA); the Regionally-based Assessments of Persistent Toxic Substances (RBA) and the Land Degradation Assessment of Drylands (LADA).

UNEP's work in the GEF during 2001 has involved project implementation, development of new projects, support to the Scientific and Technical Advisory Panel of the GEF (STAP), implementation of the activities of its Strategic Partnership with the GEF Secretariat, and outreach activities. UNEP has also contributed to the corporate activities, including development of policy and strategy, programme planning in the GEF focal areas, monitoring and evaluation, and contributions to budgetary and financial matters.

UNEP-initiated projects in support of the MEAs, and funded through the GEF with co-financing by governments through counterpart contributions, include, for example, enabling activities to the Convention on Biological Diversity, the UN Framework Convention on Climate Change and now to the Stockholm Convention on POPs and UN Convention to Combat Desertification (UNCCD); as well as full sized and medium sized projects, for example to the Cartagena Protocol on Biosafety. And through its integrated watershed management programmes and regional Strategic Action programmes, to the GPA and Regional Seas agreements.

Building also on its distinct and demonstrated comparative advantage on biosafety related issues, UNEP succeeded in ensuring the early start of the operations of its GEF project on the Development of National Biosafety Frameworks aimed at assisting up to 100 countries to prepare for the entry into force of the Cartagena Protocol on Biosafety. Taking into account the outcomes of two workshops on biosafety held in Cuba 11-13 July 2002 and 14 July 2001, the triennial Business Plan for the





implementation of this strategic project was presented at the Second Meeting of the Intergovernmental Committee of the Cartagena Protocol on Biosafety (ICCP-2) held in Nairobi in October. In addition, a GEF portfolio workshop was held with the participation of more than 300 delegates. The year 2002 also coincided with the adoption by the GEF Council of eight medium sized projects submitted by UNEP on the implementation of national biosafety frameworks as demonstration activities aimed at assisting countries to fully implement the Cartagena Protocol when it enters into force in the near future.

Recognizing that technologies and business practices are both a source of the various global environmental problems, as well as a key to their solution, the Sustainable Technology Transfer Network project responds holistically to technology transfer needs identified by the different Multilateral Environmental Agreements (MEA) and demand for related support services substantiated in a preceding review under the UNEP/GEF

Partnership. Initial network foci will be technology systems and markets that offer best potentials to generate multiple environmental benefits, such as integrated natural resource management and energy generation systems. These major network practice areas will be backed by crosscutting networks on economic policies, technology financing and risk management.

Accordingly, and in spite of the financial constraints imposed on its operations, UNEP has during 2001, delivered a work programme worth US\$95 million comprising 5 full scale projects, 15 Medium Sized projects, 5 PDF Block B and 8 PDF Block A projects as well as 20 enabling activities. As a result, the total UNEP/GEF portfolio is worth more than half a billion dollars, including US\$300 million in GEF resources and involving the participation of 144 countries.

We look forward to even more eventful partnerships encompassing the GEF, bilateral and multilateral donors as well as NGOs, civil society and the private sector in the current decade and beyond.





Belgium – Financing International Cooperation

*Eddy Boutmans
Belgian Secretary of State
Development Cooperation*



The Belgian Government is strongly committed to the principles and guidelines contained in the Declaration of Rio of 1992. The contribution to the conservation of biodiversity is an important aspect of the cooperation policy, both in the form of scientific cooperation as well as through bilateral and multilateral channels. Belgium also adheres to a coordinated approach of donor countries, as reflected by its participation in the European Union and the OECD. Considering the worldwide dimension of the loss of biodiversity, only a well-coordinated strategy at international level stands a chance of success.

In recent years, the Belgian international cooperation policy underwent major legislative changes and administrative reforms that resulted in a new legal framework in 1999. The environment was selected as one of the three priority cross-sectoral themes, together with social economy and gender. In this reform, bilateral cooperation was reoriented in order to focus on 25 countries (see <http://www.dgic.be/>). This concentration of efforts is seen as an important step towards establishing longer-lasting relationships involving a more important financial contribution. Since 1997 indirect cooperation has also been the subject of reforms, with the aim to give greater responsibility to all the cooperation actors.

The Directorate General for International Cooperation (DGIC), the Belgian federal cooperation agency, has a long tradition of support of development cooperation via international bodies such as GEF, UNEP, UNESCO, World Bank, CGIAR, CBD, UNCCD, etc. Some programmes to which the money is allocated are directly related to biodiversity, such as the 'Regional Environmental Information Management Project' in the Central African Region, a project which aims at improving the management of natural resources, or the UNESCO programme "Biodiversity Conservation in Regions of armed conflict" which supports the conservation of 5 protected areas in the Democratic Republic of Congo. Other examples include the 'Monitoring of Illegal Killings of Elephants' project in the framework of CITES and the 'Global Programme of Action for the Protection of the Marine Environment from Land-Based

Activities' by UNEP. The Belgian cooperation is also active in the field of agro-biodiversity conservation and hosts the main international germplasm collection of banana and plantain.

Through its efforts of mainstreaming the environment, DGIC has the objective to increase the pertinence of all interventions for environmental issues. An environmental policy strategy is currently being developed and will emphasize biodiversity conservation as one of the priority themes.

Inter-governmental cooperation is carried out by the Belgian Technical Cooperation (BTC). The consideration of biodiversity is often included as a requisite in sustainable development projects, such as the "Support to the District Forestry Development Programme" in Kenya. The DGIC finances non-governmental cooperation initiatives, known as indirect cooperation, through outline agreements that focus on five-year programmes. Indirect co-operation currently concerns 123 recognized NGOs as well as associations, universities and scientific institutions. One of the intervention areas is sustainable rural development, for which biodiversity is taken into account in several reforestation and agro-forestry projects in the Philippines, Burkina Faso, Ecuador and other partner countries.

As a direct support to the CBD, DGIC finances the Clearing-House Mechanism (CHM) Partnership, an initiative from the Belgian CHM to host temporarily partner countries websites until they can be repatriated on national servers and to offer training courses on the building and maintenance of those websites. The websites of 7 African partner countries are already operational, while 4 more are in preparation.





UNDP Financing for Biodiversity

Alvaro Umana
Leader of UNDP's Environmentally
Sustainable Development Group (ESDG)

As the development arm of the United Nations, the United Nations Development Programme (UNDP) with its universal in-country presence and its regional and global networks, assists countries to build cross-sectoral capacities and put in place effective policies and institutions to both protect the environment and reduce poverty. Major areas of support include assisting countries with the development of national strategic, policy and regulatory frameworks for environmentally sustainable development; national and local level capacity development to support participatory approaches to environmental management; and helping countries meet their commitments under the global environmental conventions in ways that maximize their synergies with, and contributions to, national development objectives.

During the period 1991-2000, spanning UNDP's second and third programming cycles, UNDP has allocated more than \$920 million of its core resources to assist countries in integrating environment and development. Of this amount more than \$120 million has directly supported biodiversity activities, including agrobiodiversity, sustainable forestry and fisheries, support to Indigenous Peoples, and protected areas. UNDP has also been responsible for managing a further \$100 million leveraged in cost sharing for these and other projects by governments and other funding sources. In addition, as one of the three Implementing Agencies of the Global Environment Facility (GEF), UNDP has mobilized over \$430 million of GEF support to countries specifically for biodiversity activities. This in turn has leveraged more than \$600 million of support for biodiversity from other sources including the private sector.

UNDP's biodiversity support to countries is tightly integrated into its core work, mainstreaming biodiversity concerns into activities such as governance and poverty reduction in more than 50 countries. In the Philippines, for example, UNDP's assistance is helping to empower indigenous peoples to pursue their right to self-determination and strengthen the capacity of government and

NGO's to provide the support for sustainable management of ancestral domains. In agro-ecosystems UNDP's support of the Sustainable Agriculture Network and Extension (SANE) project promoted an international network of regional and local NGO's that assist small, resource-poor farmers in the development and demonstration of sustainable farming systems to overcome poverty, ensure food security, and conserve agrobiodiversity. Conservation of biodiversity in agro-ecosystems is also a goal of UNDP's work on integrated pest management. For example, integrating capacity building with policy advice in the area of IPM resulted in the Republic of Korea becoming the first Asian nation to adopt a pesticide and fertilizer reduction policy.

With its primary focus on capacity development, UNDP has partnered with the GEF in the Capacity Development Initiative (CDI). It is helping, and supporting through 'south-south' networking, more than 85 countries to prepare national biodiversity strategies and action plans and assess and develop capacities for biodiversity conservation and sustainable use, including critical issues such as biosafety and access and benefit sharing. At the grassroots level, the UNDP managed GEF Small Grants Programme assists local communities to integrate biodiversity conservation and sustainable use into their own local development activities (more than 1,300 projects to date). On a larger scale UNDP biodiversity projects provide more than \$1 billion in financing globally to assist countries in activities as diverse as developing sustainable financing mechanisms based on user fees in Belize's Barrier Reef, training teachers in conservation management, and helping communities establish local conservation site support groups at more than 100 different biodiversity sites in Africa. In all of these activities participation is the key to success and recent work is expanding the traditional notions of participation beyond local communities, NGO's and governments into partnerships with the private sector and international corporations.

(Continued on page 14)





Rationale: German Technical Co-operation efforts towards CBD implementation

Wolfgang Morbach
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Official development co-operation in Germany comprises Technical Co-operation, Financial Co-operation, manpower assistance and multilateral co-operation. Technical Co-operation is carried out by the GTZ (*Deutsche Gesellschaft für Technische Zusammenarbeit*). GTZ's mission is capacity development of people and organisations. For that purpose GTZ co-operates with partners in different projects and programmes in more than 130 countries. Through this broad geographical experience, with a multitude of project approaches GTZ offers integrated solutions to complex problems as they are dealt with under the Convention on Biological Diversity.

The GTZ Convention Project "Implementing the Biodiversity Convention (BIODIV)" plays a leading role in biodiversity-related activities of Germany's international co-operation. It was set up in 1994 to help speed the implementation of the Convention in development co-operation areas in which Germany is involved, and to promote the further development of the Convention itself, its instruments and bodies. Moreover, BIODIV supports developing countries in their efforts to implement the Convention at the national level. More than 25 bilateral pilot projects are presently being planned or implemented.

BIODIV activities are reaching beyond "classical" environment topics and nature conservation measures, incorporating development-oriented cross-cutting issues. When establishing protected areas the acceptance of the local population is absolutely necessary to achieve a participatory management. Innovative approaches and strategies in the sectors of (eco-)tourism, biodiversity research, game management, medicinal plants, etc. are being linked with the development and the application of participative management methods to achieve an equitable benefit sharing (pilot projects in Guinea, Côte d'Ivoire and Peru).

In this context securing *Traditional Knowledge and Access to Biological and Genetic Resources* is of paramount importance for local stakeholders. The BIODIV project supports indigenous groups in implementing article 8j of the CBD, e.g. in issues regarding the consequences of bioprospection (pilot project in The Philippines) or in the elaboration of project applications (pilot project in the Amazon Region/Brazil). Ensuring that modern biotechnological methods must not endanger biological diversity,

the Cartagena Protocol on *Biosafety* represents new challenges. The BIODIV project provided advisory work during the negotiation process of the Protocol and contributes now to its implementation. Priority activities are capacity and institution building as well as counselling in policy matters.

Furthermore, the BIODIV project focuses on the co-operation with other environmental agreements, particularly with the so called "Rio Conventions". But also in the context of a *Global Structural Policy* the BIODIV project endeavours to achieve more coherence with other agreements, like e.g. the TRIPS (Trade-Related aspects of Intellectual Property Rights) agreement of the WTO. The unsolved problem regarding property of and knowledge on genetic resources leads to a substantial demand for consultancy.

All activities are accompanied by a concerted domestic work of all GTZ "convention projects", targeting on an improved co-ordination with other political departments (e.g. environment, agriculture, foreign affairs) and Non-Governmental Organisations. A reinforcement of public relation activities in Germany and abroad as e.g. the Biodiversity Day 2001 in Colombia and Germany supports these efforts. In September 2000 the BIODIV project entered its third phase. The overall budget of the BIODIV project since 1994 is about 7.5 million €.

Regarding larger scale and regional projects GTZ sees an increasing potential in co-operation with the Global Environmental Facility (GEF) and its implementing agencies. Joint project and programme planning with GEF is considered, so that co-financing of projects by GEF and GTZ would be possible.

Further information can be obtained under: www.gtz.de/biodiv and www.gtz.de/agrobiodiv.





Biodiversity in Austrian Development Co-operation



*Günther Stachel
Deputy Director General
Austrian Development Co-operation, Federal Ministry for Foreign Affairs*

1. Biodiversity as cross-cutting issue

Austrian Development Co-operation perceives biodiversity promotion and conservation in a cross-cutting perspective. Almost every measure in a development context is directly or indirectly affecting the natural resource base and hence biological diversity. Furthermore, the conservation of biological is closely related to questions of livelihood security, socio-cultural strength and political power of local societies in sensitive regions and ecosystems. And vice-versa, the sustainable management of biological diversity can be instrumental for better living conditions of populations in a local context.

As a consequence, Austrian Development Co-operation strategically focuses on interfaces and synergies between social development, poverty reduction and biodiversity.

2. Implementing biodiversity conservation

2.1. EIAs

Since 1996 all bilateral projects supported by the Austrian Development Co-operation are subject to environmental impact assessments, whereby not only the ecological dimension in its strict sense is considered. Given that sustainable ecological conditions are inseparably linked to social dynamics, the assessment procedures also review questions regarding gender equality, effects on local rules and regulations, social systems and cultural characteristics. Hence, biodiversity issues are raised on several occasions from various perspectives, whenever concrete influences on ecosystems and natural resources are discussed, and in relation to questions dealing with the social and cultural dimension of the programs and measures under assessment, e.g. in connection with effects on local or indigenous knowledge systems.

2.2. Bilateral programs

Austrian environment policies in development partnerships are primarily based on:

- the institutional support of the targeted population segments or local interest groups;
- the support of a careful and responsible, economically and socially sustainable natural resource use;
- the support of traditional know-how and knowledge systems, and adapted innovative technologies.

Participatory approaches, aspects of poverty alleviation as well as gender related questions form key categories within the guiding principles for all these spheres.

Concrete CBD-related activities are carried out mainly with regard to agro-ecosystems, forest ecosystems and highland/mountain ecosystems. Research and training as well as conservation and sustainable use are the predominant fields of co-operation.

2.3. Projects outside bilateral programs

Major support to CBD goals was achieved through the Austrian National Initiative on Rainforests from 1993-1996. Within this initiative, more than 30 projects in the field of forest conservation, rehabilitation and sustainable management were funded. Although no comparable initiative is currently in operation, a small number of projects similar in terms of conceptual design and approach are continuously financed. Special attention is given to the consolidation of settlement boundaries and sustainable resource management in buffer-zone areas of natural reserves in Central America. Capacity development and institutional support to indigenous organisations and communities in the Amazon region of Brazil and Colombia form a second strategic focus.





Sustainable Development and Spanish Cooperation



María Noguero Álvarez

Technical Advisor

Multilateral Cooperation, Spanish Agency for International Cooperation

Law 23/1998, of 7th July, on International Cooperation for Development, in Article 1, defines the sustainability and regeneration of the environment as the teleological purpose of Spanish Cooperation, and establishes in Article 3 that “the policy on international cooperation for development will determine strategies and acts aimed at the promotion of human, social and economic sustainable development in order to contribute to the elimination of poverty in the world”.

The environment is also the subject matter of specific programmes and projects with sector priority nature of the Master Plan for the Spanish Cooperation 2001-2004, approved at a cabinet meeting held on 24 November 2000, which was adapted to the contents of Agenda 21 and which establishes an integral framework for global action in every sphere of sustainable development with a view to satisfying basic needs and to promoting production and consumption models that are more efficient and ecologically sustainable for present and future generations.

The Spanish Cooperation has established three types of action within the field of sustainable development:

Firstly, two ambitious biannual integrated regional programmes financed by Ministry of Foreign Affairs (Spanish Agency for International Cooperation), Ministry of Environmental Affairs, Ministry of Economy and Finance and Ministry of Science and Technology. Spain has designed two programmes, Araucaria for Latin America and Azahar for the Mediterranean, as efficient support instruments so as to promote in a sustainable manner human development of their least favoured populations while ensuring conservation of their natural resources and protection of their local environments. The following principles are to be followed:

1. Human development of local populations: every activity in these programmes must have a direct impact on the improvement of the quality of life of the population. The programme assumes that economic and social development

and elimination of poverty are basic and fundamental priorities for developing countries. The protection of the environment and the sustainable use of natural resources are - and must continue being - a source of present and future development. Every project and action must pay special attention to the improvement of the situation of women; a gender-based approach is intimately linked with the concepts of political, social and economic development and its incorporation into the programme is a key factor, given the central role of women in every activity related to natural resources and the environment.

2. Protection of the environment and conservation of natural resources: all programme activities must have as their central goals: to achieve a positive balance in respect of environmental quality in connection with a prior situation; to prevent any damages being caused to the region's ecosystems and to its biological diversity; to contribute to putting on a sound basis the environment and to fight pollution; sustainable planning and zoning of the territory, particularly the implementation of regional, national and local Agendas 21; the incorporation of sustainability and biodiversity conservation to sectoral policies of any beneficiary countries.
3. Organisational and institutional strengthening: Spanish cooperation must be a complement to local initiatives and to local planning and management capacities so that it does not replace, but rather complement, the earlier efforts and commitments of any beneficiary countries. The participation of the said countries must be effective throughout the whole cycle of projects and activities including identification, planning, management and evaluation.





The Araucaria and Azahar programmes look to achieve a positive impact on the reversion of the situation in areas degraded by human activities, in the protection of those ecosystems and species that are most threatened in those areas and in the transfer of cleaner technologies which are eco-efficient and adapted to the socio-environmental and cultural reality of the relevant regions. In order to achieve these goals, R&D in sustainable development, conservation of natural resources and protection of the environment will be encouraged.

Both programmes encourage, in the last instance, those activities that result in dialogue and consensus between government and non-government sectors (companies and private citizens), so that all social sectors shall participate in the search for solutions to the problems implicit in the protection of the environment, the conservation of natural resources and a sustainable development.

Secondly, specific sectoral activities. Here we should mention that many projects being carried out in different countries within the scope of activities of Spanish cooperation (Latin America, Africa, Asia and Pacific), through annual grants of subventions to non-government development bodies, as well as those projects that are channelled bilaterally in joint activities of cooperation between Spain and the governments of the relevant countries, particularly those projects that have been carried out in the fields of Energy and Environment.

Thirdly, support to multilateral activities. In addition to Spanish dues and contributions arising from its status as a party to various international environmental agreements and instruments, different voluntary contributions have been channelled through the Spanish Agency for International Cooperation (Agencia Española de Cooperación Internacional, AECI) in order to reinforce key sectors which are important for the objectives of Spanish cooperation.

Two important activities have been sponsored within the context of the Convention on Biodiversity: the Madrid Workshop on Traditional Knowledge held in November, 1997, and the first Meeting of the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions of the Convention on Biodiversity in March, 2000, in Seville. In 2001, the Spanish Agency for International Cooperation (AECI) conducted a short survey regarding the possible establishment of a focal point on traditional knowledge of indigenous and local communities within the clearing-house mechanism in fulfilment of Task 8 of the Programme of Work adopted by the Conference of the Parties in May 2000 in Nairobi. This survey involved different experts from the indigenous world and from international bodies such as the World Bank and the GEF through a brainstorming session organised by the AECI and the Convention Secretariat. AECI planned to organise and sponsor a meeting of experts on this subject if the next Conference of the Parties requests the Convention Secretariat to do so.

Another important contribution is that since 1996, the AECI's Indigenous Programme has supported the participation of indigenous representatives in the International Indigenous Forum on Biodiversity, which was called upon to advise the Conference of the Parties on the implementation of Article 8(j) and related provisions.

Another related activity is the support given to the Seventh Regional Meeting of Countries Parties to the Convention to Combat Desertification in Latin America and the Caribbean in preparation for the fifth Conference of the Parties held in La Serena, Chile, from 21 to 24 August 2001.





Sida's work under the Convention on Biological Diversity

Maria Schultz
Swedish International Development Cooperation Agency (Sida)

During 1998 the Swedish International Development Cooperation Agency (Sida) developed a paper called "Sida and the Convention on Biological Diversity" which constitutes Sida's strategy for work in the field of biodiversity.

BIODIVERSITY – INTEGRATION

An important point of departure in "Sida and the Convention on Biological Diversity" is the integration of biological diversity into ongoing programmes in bilateral and regional development cooperation. In 1998–2000 a special effort was made to investigate how this integration could be performed. Three case studies were made of ongoing programmes to see how issues concerning biological diversity could be integrated better into development cooperation. In 2000 a study was also initiated of how the TRIPS agreement under the WTO affects developing countries and what implications this has on Sida's development cooperation. The TRIPS agreement concerns intellectual property rights, for example patents, and affects access to plant material and medicines and, in the long run, food security, health and biological diversity.

In Sida's Guidelines for Environmental Impact Assessment in development cooperation, there are questions relating to biological diversity included as an integral part of relevant checklists. The issue of biological diversity is also included as an important component in Sida's environmental training courses. Work is under way to improve the integration of aspects of biological diversity into country strategies. A few years ago a group called the Life Group was formed at Sida to try to bridge different disciplines through which officers working with trade, agriculture, research support, biotechnology contributions, NGO-support, environment policy issues, etc. can meet and discuss. One outcome of this group is a discussion paper called "Can genetically modified crops contribute to alleviating hunger in the world?". Sida is also working on having biological diversity included as part of the EU's ordinary work and is participating actively in the international policy dialogue, particularly where plant genetic resources are concerned, and has also actively participated for example in the EC/IUCN/DFID led Biodiversity in Development Project and in the EC member states' Tropical Biodiversity Adviser Group.

BIODIVERSITY – SUPPORT

According to the strategy "Sida and the Convention on Biological Diversity" Sida shall give priority to support to:

- work to respect, maintain and develop knowledge on the conservation and sustainable use of biological diversity in local communities and indigenous populations including support for strengthened local control, by both women and men, over the use of biological resources and the fair and equitable sharing of the benefits of biological resources and of the use of local knowledge.
- conservation and sustainable use of biological diversity in areas which are cultivated by human beings including agriculture, forestry and fisheries. The focus should lie on mechanisms that make it possible to continue to maintain the sustainable use of biological diversity at higher levels of production and on mechanisms which permit the fair and equitable sharing of the benefits of such use of biological diversity.
- policy research and policy development in respect of access to and the fair and equitable sharing of genetic resources and knowledge of biological diversity. This shall include support for the work of developing mechanisms to ensure that compensation is given to farmers and societies that have developed and managed knowledge and genetic resources which are today utilised commercially, the so-called farmers' rights, in a way which is realistic and practicable. Support should also be given for capacity building in respect of biosafety and for the management of biotechnology.

Support to increase the participation of developing countries on the part of governments, NGOs and other interested parties in the international policy work is emphasised in the strategy.





The estimated cost of contributions directly related to the convention amounted to SEK 250 million (USD 25 million) in 2001. All contributions are not registered in the statistical system Sida has, therefore this is just estimation. It can also be discussed whether or not a contribution shall be registered as contributing to the goals of the convention when a project deals with biodiversity in a general way. Below are some examples of Sida's contributions.

Conservation and sustainable use

General support for conservation and sustainable use of biological diversity was given to: the Global Taxonomy Initiative associated with the Convention on Biological Diversity; research and education on dry areas biodiversity; Ramsar convention for the protection and sustainable use of wetlands; the work of international organisations and NGOs, for example support to International Centre for Living Aquatic Resources (ICLARM), World Wildlife Fund (WWF), the World Conservation Union (IUCN), World Resources Institute (WRI), International Institute for Environment and Development (IIED), Swedish Society for the Nature Conservation's (SSNC) north/south program, Instituto Nacional de Biodiversidad (INBio), Centre for Information on Low External Input and Sustainable Agriculture (ILEIA), among others. Sida also supports activities that contribute to the possibilities for developing countries to implement the biodiversity convention, as for example contributions to environmental authorities. Sida also supports activities at a national level, which contribute to sustainable use of natural resources and biodiversity.

Plant Genetic Resources

During 2001 Sida supported for example: Crucible II, 1994–2001, which takes up and works with scientific and policy development in respect of genetic resources, for example developing alternatives for developing countries prior to the revision of the WTO's agreement on trade-related intellectual property rights concerning the

ownership of biological material, access to genetic resources and traditional knowledge; the International Centre for Trade and Sustainable Development (ICTSD) to strengthen their capacity for negotiations for example the revision of WTO's TRIPS-agreement; FAO for international work on genetic resources, agriculture and food security, for example in relation to the treaty for plant genetic resources and the global action plan for plant genetic resources; a study on the harmonisation of national policies for the management of plant genetic resources in the light of the FAO negotiations on a multilateral agreement for plant genetic resources for agriculture and food and CGIAR's research agenda; international agriculture research through the Consultative Group for International Agriculture Research (CGIAR) for the collection, classification, analysis, refinement and sustainable use of genetic material; gene banks such as the SADC Plant Genetic Resource Centre (SPGRC), which goal is to through conservation of local plant genetic resources contribute to establishing an improved plant breeding and sustainable agriculture in the southern part of Africa; the Community Biodiversity Development and Conservation Programme (CBDC) for their work to strengthen farmers' capacity for conservation and sustainable use of plant genetic resources in situ (in the field); support to the work of other NGOs on sustainable use of genetic resources and work for the equitable sharing of benefits, for example through support via the Swedish Society for Nature Conservation (SSNC), Genetic Resources Action International (GRAIN) and the ETC group, former Rural Advancement Foundation International (RAFI).

Biosafety Protocol

During 2001 Sida supported for example: Bio-Earn working with bio-policy development (bio-technical research cooperation, policy development etc. including capacity building in biosafety issues) in East Africa; African Centre for Technology Studies (ACTS) for biopolicy work incl. biosafety; a regional research meeting in Asia on biopolicy and biosafety issues; and the publication and dissemination of the newspaper "Biotechnology and Development Monitor". Sida also contributes to NGOs working with capacity building, for example a program via GRAIN for capacity building on biosafety issues in Africa and the Third World Network (TWN) for work on establishing national institutes and mechanisms to implement the Biosafety Protocol.





Payments for Environmental Services (Continued)

already experimenting with such systems (see box)—especially in Central and South America, where the effects of Hurricane Mitch have made the need to protect environmental services clear. The World Bank is assisting several countries in developing systems of payments for environmental services, with the Latin America and Caribbean region taking the operational lead and the Environment Department providing technical support.

The Bank is quite concerned that the systems developed work. Environmental service payments will only have the desired effect if they reach the land users in ways that motivates them to change their land use decisions. In general, several principles are clear: make payments on-going; target payments; and avoid perverse incentives. Equally important is to secure the sources of financing and to deal realistically with the institutional and political economic issues.

The Bank is also aware of the need for capacity building and training and has developed a training course for senior level technical staff on environmental services. The course, now in its fourth edition has met with a strong demand and the organizers are coordinating with other institutions undertaking similar activities in order to maximize the dollar invested.



UNDP Financing for Biodiversity (Continued)

As part of UNDP's work to capture 'good practices' and encourage expanded donor financial support for biodiversity conservation, sustainable use and benefit sharing related to poverty eradication, and in support of the Biodiversity Convention, a new program was launched on January 30, 2002 called, the "*Equator Initiative: The Innovative Partnership Awards for Sustainable Development in Tropical Ecosystems*." In partnership with BrasilConnects, the Government of Canada, IDRC, IUCN, the Television Trust for the Environment (TVE), the UN Foundation, as well as UNESCO and the other members of the Ecosystem Conservation Group (ECG), UNDP aims to identify and highlight community-based sustainable development and biodiversity success stories, involving civil society, the private sector and/or government, at a high-level awards ceremony to take place at WSSD in Johannesburg. The award component of the *Equator Initiative* is complemented by major capacity building and research, analysis and policy impact programmes. See www.EquatorInitiative.org for further information.

Environmental service payments: National initiatives and World Bank support

- **Costa Rica** has the most advanced system of payments for environmental services. Land users who protect natural forests or reforest their land receive payments of about US \$50/ha/year, financed from energy taxes, the sale of Carbon offsets, and international donations for biodiversity conservation. This program is now supported by the World Bank and the GEF through the **Ecomarkets** project.
- In **Ecuador**, the municipal water authorities in Quito and Cuenca are allocating part of their revenues to financing protection activities in the watersheds from which they receive the bulk of their water. The World Bank is assisting the Government in preparing a project on payments for environmental services from private lands.
- In **Colombia**, many water user groups pay for watershed service—sometimes by buying the entire upper watershed. Power companies must by law pay a percentage of their revenues from HEP to the regional corporations that are responsible for watershed management.
- In **El Salvador**, the World Bank is assisting the Government to develop the Natural Environment Management Project, which will use payment mechanisms to obtain environmental services – in this instance, watershed protection (primarily for flood control/disaster prevention) and the creation of biodiversity corridors to link the country's protected areas.

Work on payments for environmental services is undertaken by the World Bank Environment Department's **Policy, Economics, and Pollution** Team, in collaboration with LCR, RDV, DEC, and other Bank units. A website has been established to share information and best practices in this field: <http://www-esd.worldbank.org/eei>, under "Payments for Ecological Services". For more information, contact Stefano Pagiola (spagiola@worldbank.org) or Gunars Platais (gplatais@worldbank.org).





Calendar of events

May 2002

Date & Venue	Title of Meeting	Organizer	Contact Information
15 - 17 May 2002 Washington D.C., United States of America	GEF Council Meeting	GEF	Dr. Mohamed El-Ashry Secretariat of the Global Environmental Facility Tel: + 202 473 0508 Fax: + 202 522 3240/3245 E-mail: secretariatofgef@worldbank.org Web: http://gefweb.org

August 2002

26 August - 4 September 2002 Johannesburg, South Africa	The World Summit on Sustainable Development	UN	Johannesburg Summit Secretariat Division for Sustainable Development United Nations Department of Economic and Social Affairs Two United Nations Plaza, DC2-2220 New York, NY 10017 dsd@un.org
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October 2002

14 - 15 October 2002 Beijing, China	GEF Council Meeting	GEF	Dr. Mohamed El-Ashry Secretariat of the Global Environmental Facility Tel: + 202 473 0508 Fax: + 202 522 3240/3245 E-mail: secretariatofgef@worldbank.org Web: http://gefweb.org
16 - 18 October 2002 Beijing, China	GEF Assembly	GEF	Dr. Mohamed El-Ashry Secretariat of the Global Environmental Facility Tel: + 202 473 0508 Fax: + 202 522 3240/3245 E-mail: secretariatofgef@worldbank.org Web: http://gefweb.org





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