

## **BIODIVERSITY FOCAL AREA STRATEGY AND STRATEGIC PROGRAMMING FOR GEF-4**

### **I. INTRODUCTION**

1. This brochure presents the Biodiversity focal area strategy and strategic programming for GEF-4 (2007 – 2010), approved by the GEF Council in September 2007.
2. At the replenishment of the GEF Trust Fund in 2006, the GEF Council requested the GEF Secretariat to review and revise as necessary the strategies for the six focal areas of the GEF, taking into account issues such as sustainable forest management and sound chemicals management.<sup>1</sup>
3. In December 2006, the CEO presented to the Council a plan to increase the efficiency and impact of the GEF. A central element of this reform package is to move away from the previous single project interventions towards a more programmatic focus for the GEF. The purpose is two-fold: a) to focus the limited funding resources of GEF-4 on a set of priority issues of global environmental concern; and b) to link projects together to achieve stronger impacts.
4. The strategy for Biodiversity presented here is the result of a consultative process involving external advisory groups and contributions from the GEF Council Members, Convention secretariats, GEF agencies, the Scientific and Technical Advisory Panel (STAP) and other GEF partners<sup>2</sup>.
5. The strategy builds on previous GEF achievements and experiences within the biodiversity focal area. The long term objectives of this focal area are the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.
6. As a step towards a more programmatic approach, strategic programs have been developed in support of the long term objectives. These strategic programs define the GEF's focus during GEF-4. The strategic programs have been selected and defined in view of their importance, urgency and cost-effectiveness from a global environment perspective. Priorities identified by countries, as well as overall guidance from the multilateral environmental agreements and conventions have also been taken into consideration. The strategic programs provide an intermediate link between the project level and the long term objectives of the GEF within the focal areas.

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<sup>1</sup> GEF/R.4/32, Policy recommendations for the Fourth Replenishment of the GEF Trust Fund.

<sup>2</sup> Working documents and comments received from GEF partners are accessible at the GEF website [www.thegef.org](http://www.thegef.org) under GEF policies.

7. The long term objectives and strategic programs that are redefined for every replenishment period replace the previous structure of operational programs and strategic priorities. The new structure, summarized for the Biodiversity Focal Area in the table below, balances continuity and flexibility and supports the emphasis on results.

*Table 1: Long term objectives and strategic programs for Biodiversity in GEF-4*

Long-term Objectives	Strategic Programs for GEF-4
<b>1:</b> To catalyze sustainability of protected area (PA) systems	1. Sustainable financing of PA systems at the national level 2. Increasing representation of effectively managed marine PA areas in PA systems 3. Strengthening terrestrial PA networks
<b>2:</b> To mainstream biodiversity in production landscapes/seascapes and sectors	4. Strengthening the policy and regulatory framework for mainstreaming biodiversity 5. Fostering markets for biodiversity goods and services
<b>3:</b> To safeguard biodiversity	6. Building capacity for the implementation of the Cartagena Protocol on Biosafety 7. Prevention, control and management of invasive alien species
<b>4:</b> To build capacity on access and benefit sharing	8. Building capacity on access and benefit sharing

8. The focal area strategy is aligned with the Results Based Management (RBM) Framework for the GEF, in order to direct the strategies towards tangible global environmental benefits and to enable adequate reporting on the implementation of the strategies. Long-term expected *impacts* on the global environment are assigned to each of the objectives, and intermediate expected *outcomes* are assigned to each of the strategic programs. The projects are thus expected to support the achievement of the impacts and outcomes identified at the programmatic level.

9. Provisional indicators have been identified for each expected impact and for each expected outcome. These indicators will allow a systematic monitoring of the actual achievement of the expected impacts and outcomes. The indicators will be further developed in connection with the Results Based Management for the GEF.

10. The strategy for Biodiversity presented here seeks to guide project proponents in countries and in GEF agencies and other GEF partners in preparing and reviewing project proposals for GEF-4. The GEF Secretariat will initiate the development of long term objectives and strategic programs for GEF-5 in 2008 with a view to presenting proposed strategic programming for GEF-5 to the GEF Council at its first meeting in 2009.

## I. BACKGROUND

1. The Millennium Ecosystem Assessment identified the most important direct drivers of biodiversity loss and degradation of ecosystem goods and services as habitat change, climate change, invasive alien species, overexploitation, and pollution.<sup>3</sup> These drivers are influenced by a series of indirect drivers of change including demographics, global economic trends, governance, institutions and legal frameworks, science and technology, and cultural and religious values. The biodiversity strategy in GEF-4 addresses a subset of the direct and indirect drivers of biodiversity loss and focuses on the highest leverage opportunities for the GEF to contribute to sustainable biodiversity conservation.

2. The goal of GEF's biodiversity program is the conservation and sustainable use of biodiversity, the maintenance of the ecosystem goods and services that biodiversity provides to society, and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources. To achieve this goal, the strategy encompasses four complementary and mutually reinforcing objectives: a) improving the sustainability of protected area systems, the most predominant and dedicated land use globally for biodiversity conservation; b) mainstreaming biodiversity conservation and sustainable use into production sectors that impact biodiversity; c) safeguarding biodiversity through: i) building country capacity to implement the Cartagena Protocol on Biosafety (CPB), and ii) prevention, control, and management of invasive alien species; and d) capacity building to support the implementation of the Bonn Guidelines on Access to Genetic Resources and Benefit-sharing.<sup>4</sup> Underpinning these responses, GEF will support institutional capacity building and the development of the appropriate policy frameworks to ensure sustainable biodiversity conservation. As a whole, the strategy encompasses a range of interventions that respond to key drivers of biodiversity loss as presented in Table 1 below.

The strategy is consistent with the integrated approaches to biodiversity conservation and sustainable use promoted by the ecosystem approach, the primary framework for action under the Convention on Biological Diversity (CBD).<sup>5</sup> Together, these strategic objectives will make a substantial contribution to implementing most of the Millennium Development Goals, particularly environmental sustainability and poverty reduction, while meeting the priorities identified by the Conference of the Parties (COP) of the CBD. In addition, GEF support to policy framework development and strengthening institutions should result in favorable changes in country performance as measured by the Resource Allocation Framework (RAF).

3. The starting point for defining the biodiversity strategy for GEF-4 is the allocation of resources through the RAF based on global environmental priorities, country capacity, and policies and practices relevant to successful implementation of GEF programs and projects. The GEF strategy provides a variety of response options that are broad enough to allow each country to develop interventions that respond to the drivers of biodiversity loss – which vary in degree of importance and severity within each country – while responding to their priorities as identified in their National Biodiversity Strategies and Action Plans.

***Table 1. Responses to the Key Drivers of Biodiversity Loss***

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<sup>3</sup> Millennium Ecosystem Assessment 2005, *Ecosystems and Human Well-being: Synthesis*, Island Press, Washington DC.

<sup>4</sup> Decision CBD COP VII/20.

<sup>5</sup> Decision CBD COP V/6.

GEF Response Options: Strategic Objectives (Strategic Programs)	Drivers of Biodiversity Loss		
	Habitat Change	Over-exploitation	Invasive Alien Species
	Underlying Driver: Policy and legal framework, institutions and governance		
Sustainable protected area systems (sustainable financing, consolidating marine and terrestrial protected area networks)	✓	✓	
Mainstreaming biodiversity (strengthening the policy and regulatory framework, fostering markets for ecosystem goods and services)	✓	✓	
Safeguarding biodiversity (capacity building in biosafety: prevention, control, and management of invasive alien species)	✓		✓
Access and benefit sharing (capacity building on access and benefit sharing)		✓	

## II. STRATEGIC FOCUS IN GEF-4

4. Strategic Objective One, “To Catalyze Sustainability of Protected Area Systems,” focuses on improving the sustainability of the protected area system. Support in GEF-4 will be characterized by a sharper focus on improving financial sustainability and enhancing ecosystem representation of protected of area systems. Projects supporting individual protected areas will need to clearly demonstrate their contribution to the sustainability of the protected area system.

5. Strategic Objective Two, “To Mainstream Biodiversity Conservation in Production Landscapes/Seascapes and Sectors,” will support country efforts to integrate biodiversity considerations into those sectors that fall outside the environment sector. During GEF-4, a two-pronged approach will be implemented that focuses on strengthening the policy and regulatory framework necessary for mainstreaming to take place while fostering markets for biodiversity goods and services. Taken together, both activities will help create incentives to change production practices and increase biodiversity mainstreaming. GEF will not provide direct support to adapting production practices to better protect biodiversity to avoid subsidizing the operating costs of enterprises.

6. In the December 2006 version of the strategy submitted to Council, Strategic Objective Three was geared solely to developing country capacity to implement the CPB. A revision has been made to this strategic objective and it is now titled “To Safeguard Biodiversity”. Capacity building in biosafety to help countries meet their obligations under the CPB, as was agreed at the December, 2006 Council meeting, will be provided through one strategic program. In addition, a separate strategic program will support integrated approaches to prevent, control, and manage invasive alien species.

7. In the December 2006 version of the strategy submitted to Council, Strategic Objective Four was entitled “Generation, Dissemination, and Uptake of Good Practices for Addressing Current and Emerging Biodiversity Issues”. This objective has been reduced in scope and is now titled “To Build Capacity on Access and Benefit Sharing,” which will be supported through one strategic program. Stand-alone projects to synthesize “good practices” in biodiversity

conservation will no longer be funded, as these projects have not added measurable value to the overall biodiversity portfolio during GEF-3.

**A. Strategic Objective One: To Catalyze Sustainability of Protected Area Systems**

8. The GEF defines a sustainable protected area system as one that possesses the following characteristics: a) sufficient and predictable revenue, including external funding, available to support protected area management costs; b) includes coverage of ecologically viable representative samples of ecosystems; and c) has adequate individual, institutional, and systemic capacity in place to manage protected areas such that they achieve their management objectives. GEF will support comprehensive interventions that address these three aspects of protected area management in order to catalyze the long-term sustainability of the system.

9. The focus at the systems level will include integrating protected area management within the management of the broader landscape and seascape. This approach acknowledges the important contributions made to biodiversity conservation and sustainable use by biological corridors and enhanced connectivity between protected areas while addressing the need to manage external threats. In this way, protected areas can better fulfill their fundamental conservation objective while contributing to poverty alleviation in rural areas.

10. The strategy recognizes the general need for capacity building at the national and local levels to support effective management of protected area systems. The strategy specifically identifies capacity building opportunities to help design resilient protected area systems that can continue to achieve their conservation objectives in the face of anticipated climate change. This will provide a degree of insurance for GEF's investments and contribute to long-term protected area sustainability. However, although many protected area managers recognize the need to incorporate climate change scenarios within protected area system design, the scientific understanding and basis for doing so is largely undeveloped. The GEF will support adaptation components through the climate change focal area in all projects, when needed.

11. GEF-4 support to catalyzing sustainable protected area systems will be channeled through three strategic programs: a) sustainable financing of protected area systems at the national level; b) increasing representation of effectively managed national marine protected area networks in protected area systems; and c) strengthening terrestrial protected area networks.

## **Strategic Program 1: Sustainable Financing of Protected Area Systems at the National Level**

12. Restricted budgets and public sector reforms in many countries have resulted in the rapid decline of single-source income from national budgets to support protected area management. Thus, new financing strategies for protected area systems are more critical than ever. Furthermore, protected area agencies and administrations are often ill equipped to respond to the commercial opportunities that protected areas provide through consumptive and non-consumptive uses of biodiversity.

13. Financial sustainability is achieved when a protected area system is able to secure sufficient and predictable levels of resources over the long term to meet its total costs. Through this strategic program, GEF will support comprehensive, system-level financing solutions and help build the capacity required to achieve financial sustainability. This will require interventions that support the development of: a) appropriate policies and laws to allow protected areas to manage the entire revenue stream from generation of income to investment; b) business plans that include multiple funding sources and have a long-term perspective that matches expenditure to revenue; c) agencies responsible for managing protected areas with sufficient capacity to manage protected areas based on sound principles of business planning as well as conservation biology principles; and d) full recognition of the support to protected area conservation and management made by communities living in and near protected areas. The majority of protected area systems will not, however, be quickly transformed into financially self-sustaining entities. In some instances, funding from external sources will remain necessary to achieve conservation goals and must be considered part of any system-level financing solution.

14. GEF-supported interventions will use a variety of tools and revenue mechanisms that are responsive to the specific country situation (e.g., conservation trust funds, systems of payments for environmental services, easements, debt-for-nature swaps, and other mechanisms) and drawing on accepted good practices developed by GEF and others.<sup>6</sup> GEF will also support policy reform and/or incentives to catalyze engagement of the private sector and other stakeholders to attain improved financial sustainability of protected areas. Individual sites may be funded through this strategic program but only if they demonstrate replicable innovations in protected area management (e.g., revenue generation schemes, co-management, etc.) that will increase the efficiency of the protected area system to meet its management objectives, thereby contributing to financial sustainability.

## **Strategic Program 2: Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems**

15. Historically, the GEF has invested in the conservation of terrestrial ecosystems by a factor of 3:1 when compared with support provided to marine and freshwater ecosystem conservation. As a result of this investment, GEF has been recognized for its substantive

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<sup>6</sup> GEF Experience with Conservation Trust Funds (GEF Evaluation Report # 1-99). ([http://www.thegef.org/MonitoringandEvaluation/MEPublications/MEPArchive/Conservation\\_TF-Evak\\_\\_1-99.pdf](http://www.thegef.org/MonitoringandEvaluation/MEPublications/MEPArchive/Conservation_TF-Evak__1-99.pdf)).

contribution to the global achievement of the 10 percent target of the world's land area under protection.<sup>7</sup> During GEF-4, GEF will seek to play an equally catalytic role in increasing representation of marine ecosystems within national protected area systems.

16. The GEF will encourage country-level efforts to address the marine ecosystem coverage gap within national level systems. GEF will support the creation and management of national coastal and marine protected area networks (near shore), including no-take zones, to conserve marine biodiversity, enhance long-term fisheries management, contribute to local livelihoods, help hedge against natural disasters, and mitigate the effects of global climate change.

17. Through the international waters focal area, the GEF has helped establish management and policy frameworks in large marine ecosystems that provide the necessary foundation for marine protected areas to be successful. During GEF-4, the international waters focal area strategic program on "Restoring and Sustaining Coastal and Marine Fishstocks and Associated Biodiversity" will also complement the biodiversity investment in marine protected areas. When financially and operationally feasible, GEF will support investments in marine protected areas, particularly in those countries where national-level interventions in fisheries management have looked at financial incentives to influence fisheries management, such as changes in subsidies, and taxation of vessels. This will help ensure that marine biodiversity investments are taking place within the supportive regulatory framework required for marine protected areas to achieve their management objectives.

### **Strategic Program 3: Strengthening Terrestrial Protected Area Networks**

18. The objective of this strategic program is to ensure better terrestrial ecosystem representation in protected area systems through filling ecosystem coverage gaps including freshwater, wetlands, temperate and tropical grasslands, Mediterranean ecosystems, and lowland tropical forests. Also relevant are coverage gaps related to habitat for landraces, wild crop relatives of species of economic importance, and ecosystem services. Interventions that seek to address an ecosystem coverage gap will need to demonstrate that human and financial resources are reallocated to the additional protected area and that this reallocation results in a management effort that is consistent with the management levels found throughout the protected area system. This will help ensure the sustainability of the system from a management perspective.

19. GEF will also support targeted research to empirically estimate changes in land use or resource extraction patterns that result from establishing protective status on terrestrial ecosystems. The purpose of this research will be to improve understanding of the effectiveness of different forms of protected areas which will inform decisions within GEF projects on the siting, establishment, and design of terrestrial protected area networks. Through establishing the evidence base upon which these kinds of management decisions can be made, GEF will be better positioned to support protected area investments that will achieve their conservation objectives.

### **B. Strategic Objective Two: To Mainstream Biodiversity in Production Landscapes/Seascapes and Sectors**

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<sup>7</sup> OPS3: Progressing Toward Environmental Results, Third Overall Performance Study of the GEF.

20. Over the long term, the viable conservation and sustainable use of biodiversity will require the sustainable management of a landscape and seascape mosaic that includes protected areas and a variety of other land and resource uses, especially as human pressure on land continues to increase. Therefore, parallel to improving the sustainability of protected area systems, GEF will help integrate the sustainable use of biodiversity into the sectors of the economy that strongly impact biodiversity outside of protected areas – often referred to as “mainstreaming”.<sup>8</sup> As noted by the Millennium Ecosystem Assessment, the sustainable use of biodiversity will only be achieved once biodiversity is mainstreamed within production sectors. Through this strategic objective, substantive contributions to the goal of the land degradation focal area will be realized through the expansion of sustainably managed landscapes.

21. The GEF will support efforts to remove the barriers that prevent public and private sector actors from mainstreaming biodiversity through two strategic programs. The first strategic program, “Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity,” will support the development of the policy and regulatory frameworks that promote and reward mainstreaming and build the necessary institutional capacity. The second strategic program, “Fostering Markets for Biodiversity Goods and Services,” seeks to catalyze markets for biodiversity goods and services and promote voluntary environmental certification to generate biodiversity gains through market mechanisms.

#### **Strategic Program 4: Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity**

22. The incorporation of biodiversity conservation, sustainable use, and benefit-sharing into broader policy and regulatory frameworks is not taking place in many GEF-eligible countries due to a number of constraining factors, some common to the conservation and sustainable use of biodiversity generally (e.g., poor governance, weak capacity, lack of scientific knowledge) and others specific to the challenge of mainstreaming biodiversity into productive sectors (e.g., lack of incentives, inadequate valuation data on biodiversity, etc.).

23. When mainstreaming yields substantial social or private benefits and thus provides incentives for public and private actors to effect policy changes, these actors may be unaware that they have such incentives. In such circumstances, providing information on the value of biodiversity and its contribution to national development or to the ongoing operations of a business that is dependent on biodiversity is paramount. The Millennium Ecosystem Assessment provided such information at the global scale, but similar efforts to value the contribution of biodiversity are required at the national or local level where policy and production decisions are made. Finally, when public and private actors have incentives to effect policy change and are aware of these incentives, they may not have the capacity to respond adequately to these incentives. In such cases, capacity building is needed.

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<sup>8</sup> The strategy makes use of the results of the STAP Workshop held in Cape Town, South Africa in 2004 on the subject of mainstreaming, where the participants defined the objective of mainstreaming as “to integrate the goals of conservation and sustainable use of biological resources into those sectors, development models, policies, and programs, and therefore all human behavior”. Mainstreaming Biodiversity in Production Landscapes. Caroline Petersen, Brian Huntley, GEF Working Paper 20, November 2005.

24. Through this strategic program, GEF will support projects that remove critical knowledge barriers, develop institutional capacities, and establish the policies, legislative, and regulatory frameworks required to integrate biodiversity conservation and sustainable use objectives into the actions of the production sectors (e.g., agriculture, fisheries, forestry, extractive industries – oil and gas, mining, etc.).

### **Strategic Program 5: Fostering Markets for Biodiversity Goods and Services**

#### *Markets for Biodiversity Goods and Services*

25. GEF will support programs that demonstrate cost-effective, market-based instruments for conservation and sustainable use of biodiversity that complement policy and regulatory measures. The GEF will build on experience gained in GEF-3 and continue to support the design and implementation of Payment for Environmental Service (PES) schemes to compensate resource managers for off-site ecological benefits. This would include support to identify potential opportunities for PES schemes that include private sector actors on the demand side.

#### *Supply Chain Initiatives*

26. Voluntary certification systems provide market-based solutions to the undersupply of social and environmental goods and services by enabling consumers to pay producers to deliver them. Environmental certification utilizes the willingness of the market to either pay a premium for goods and services whose production, distribution and consumption meets some kind of minimum environmental standards, or to limit entry for goods and services that do not meet the standards. This creates market incentives for improved environmental and social practices. Products and services already being certified as environmentally friendly include organic agricultural products, timber, coffee, fish, and ecotourism, through a range of certification systems such as the International Federation of Organic Agriculture Movements (IFOAM), the Forest Stewardship Council, Rainforest Alliance, and the Marine Stewardship Council. It should be noted that certification systems such as “Fair Trade,” while generating socioeconomic benefits, do not necessarily generate environmental or biodiversity benefits.

27. GEF will build on project experience with the development of certification systems for biodiversity-friendly coffee and marine aquarium fish and support: a) improving forest certification standards to capture global biodiversity benefits (this could include targeted research to improve the indicators and criteria used in certification systems with regards to measuring the components of biodiversity in forests certified as being managed sustainably); b) increasing country capacity to scale up and increase the sustainability of certification systems; c) establishing sustainable training systems for farmers and certifiers; d) developing traceability systems and strengthening supply chain management linking end products and services to their source; e) strengthening market outreach to enhance private sector and consumer awareness of certified products, hence, increase demand for higher environmental and social standards; and f) facilitating access to financing for producers, cooperatives, and companies working either with or towards certified products and services. GEF will support interventions that remove the barriers to enhancing, scaling up, replicating, and extending the range and diversity of voluntary

environmental certification systems in order to reduce negative influences on biodiversity and the ecosystem services it provides, and provide socioeconomic benefits to local producers.

### **C. Strategic Objective Three: To Safeguard Biodiversity**

28. In order to safeguard biodiversity, countries require management systems and frameworks that have the capacity to detect, exclude, eradicate, control, and effectively manage introduced organisms that pose a risk to biodiversity. Through this strategic objective, GEF will help build country capacity to implement the CPB. In addition, GEF will support the implementation of cost-effective strategies to prevent, control, and manage invasive alien species in terrestrial, freshwater, and marine systems.

#### **Strategic Program 6: Building Capacity for the Implementation of the Cartagena Protocol on Biosafety<sup>9</sup>**

29. GEF's strategy to build capacity to implement the CPB takes into account the guidance from the CPB and lessons and experiences emerging from the GEF biosafety portfolio. Priority will be given to activities for the implementation of the CPB that are specified in the COP guidance to the GEF with respect to biosafety, in particular the key elements in the *Updated Action Plan for Building Capacities for the Effective Implementation of the CPB*, agreed to at the third COP serving as the Meeting of the Parties to the CPB (COP-MOP-3), and identified in a country's stock-taking analysis.

30. Providing support to eligible countries through regional or sub-regional projects will be pursued when there are opportunities for cost-effective sharing of limited resources and for coordination between biosafety frameworks. Regional and sub-regional approaches will be pursued where stock-taking assessments support the potential for: coordinating biosafety frameworks, interchange of regional expertise, and capacity building of common priority areas.

31. Single-country projects will be implemented when the characteristics of the eligible country, as assessed in the stock-taking analysis – and the design of existing or planned future regional or sub-regional efforts in the area – recommend a national approach for the implementation of the CPB in that country.

32. An issue-specific approach can be an effective way to support groups of countries lacking competences in particular fields and assist them to build their capacities in those fields. This multi-country approach will be pursued where stock-taking assessments support the needs of eligible countries, and on the basis that this approach would foster the pooling of resources, economies of scale and international coordination.

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<sup>9</sup> A *Strategy for Financing Biosafety* (Doc GEF/C.30/8/Rev.1) was approved by the GEF Council at its December 2006 meeting as an interim basis for the development of projects for implementation of the CPB until such time as the focal area strategies are approved by the Council. The full list of activities to be supported under this strategic objective can be found in the full strategy document at: [http://gefweb.org/Documents/Council\\_Documents/GEF\\_30/documents/C.30.8.Rev.1StrategyforFinancingBiosafety.pdf](http://gefweb.org/Documents/Council_Documents/GEF_30/documents/C.30.8.Rev.1StrategyforFinancingBiosafety.pdf).

33. In reviewing project proposals for biosafety projects, the Secretariat will work with the agencies to ensure that there is no duplication of financing for any country that may participate in more than one type of project (e.g., regional, sub-regional, national, or issue-specific). GEF will only support project proposals that demonstrate ways in which participating countries will promote the continuation of activities to implement the CPB after the end of the GEF support. In this regard, a set of sustainability indicators and conditions has been developed to reflect project sustainability.

#### **Strategic Program 7: Prevention, Control, and Management of Invasive Alien Species**

34. The Millennium Ecosystem Assessment identified the spread of invasive alien species as one of the five major direct drivers of change in biodiversity and ecosystems, particularly in island ecosystems. In addition, invasive alien species can markedly decrease outputs in productive systems (e.g., agriculture, forestry, fisheries) when alien species become invasive weeds, pests, and diseases. There have been few attempts to aggregate the economic costs of invasions globally and those that do exist vary widely (\$100 billion to \$200 billion per year) due in part to the difficulty in estimating the aggregate cost of invasions. Estimates often neglect the globally important loss of genetic information and the loss of ecosystem services caused by invasive alien species, such as disturbing the hydrological cycle including flood control and water supply, waste assimilation, recycling of nutrients, conservation and regeneration of soils, pollination of crops, and so forth. Failure of these productive ecosystems or reductions in their outputs can force resource-dependent people to fall back on native biodiversity, furthering its decline by overuse.

35. During GEF-4, support will be provided to: a) strengthening the enabling policy and institutional environment for cross-sectoral prevention and management of invasions; b) implementing communication and prevention strategies that emphasize a pathways and ecosystem approach to managing invasions; c) developing and implementing appropriate risk analysis procedures for non-native species importations; d) developing and implementing early detection and rapid response procedures for management of nascent infestations; and e) managing priority alien species invasions in pilot sites to ensure conservation and sustainable use of biodiversity. GEF will support efforts that demonstrate approaches to combat invasive species and their impacts, while providing other societal benefits, such as: increasing water yields from catchments; improving rangelands for livestock; increasing yields from forestry, fisheries, and agriculture; reducing fire hazards; improving local community economies; and restoring biodiversity and affected landscapes. Regional approaches will be promoted in island states where economies of scale can justify regional interventions.

#### **D. Strategic Objective Four: To Build Capacity on Access and Benefit Sharing**

##### **Strategic Program 8: Building Capacity on Access and Benefit Sharing (ABS)**

36. The complexities associated with the implementation of the third objective of the CBD and the lack of capacity of most key stakeholder groups to deal with these complexities, including lack of capacity in most countries to deal with legitimate, but often conflicting, interests of providers and users of genetic resources and the associated traditional knowledge of

indigenous and local communities. These complexities have all contributed to slow progress in the implementation of this objective.

37. In recognition of the incipient phase of ABS under the CBD, and before an international regime on ABS is adopted, GEF will support capacity building of governments for meeting their obligations under Article 15 of the CBD, as well as building capacity within key stakeholder groups, including indigenous and local communities, and the scientific community. This strategic program would support the establishment of measures that promote concrete access and benefit-sharing agreements that recognize the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits. Projects in this strategic program should be consistent with the Bonn Guidelines on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising out of their Utilization and the related action plan on capacity building for ABS adopted under the Convention.

### **III. GLOBAL AND REGIONAL FUNDS**

38. The resources that were earmarked for global and regional projects will be allocated in the following way. First, support will be provided to the two new strategic programs in the sustainable forest management framework strategy – “Management of LULUCF as a Means to Protect Carbon Stocks and Reduce GHG Emissions” and “Promoting Sustainable Energy Production from Biomass” – particularly for those aspects of these programs that have a high global demonstration value and replication potential. Support will also be provided for an assessment of the progress towards achieving the 2010 Biodiversity Target.

39. The remaining resources will be used to support two projects, each of which meet the following criteria: a) high degree of relevance to GEF’s biodiversity strategic objectives and strategic programs; b) level of priority given to the project theme by the COP of the CBD; c) high likelihood that the project will have a broad and positive impact in biodiversity with a high potential for replication; and d) high global demonstration value.

40. The first project, the *Global Island Partnership*, will assist with the implementation of two strategic programs that address high priority issues in island states: a) “Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems” and b) “Prevention, Control, and Management of Invasive Alien Species”. When possible, GEF resources will be used strategically to help leverage existing investments (e.g., the Micronesia Challenge) and to help catalyze similar challenge programs where they do not yet exist. These funds will complement national RAF allocations that are committed to these two programs when economies of scale can be achieved and where conservation problems are more effectively addressed through regional intervention approaches.

41. The second project, *Mainstreaming Biodiversity in Extractive Industries*, will complement both strategic programs funded under Strategic Objective Two: a) “Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity” and b) “Fostering Markets for Biodiversity Goods and Services.” National-level projects that are mainstreaming the conservation and sustainable use of biodiversity into extractive industries (e.g., oil and gas, mining, etc.) to achieve a net positive impact on biodiversity will benefit from a complementary

investment that supports the sharing of experiences and identification of best practices at the global level. Bringing together national and multinational private sector actors to codify operational practices across an industry that are beneficial to biodiversity will substantially increase the demonstration value and replication potential of national-level projects, thus leveraging greater global impact and commitment to mainstreaming.

#### **IV. BIODIVERSITY STRATEGIC OBJECTIVES AND STRATEGIC PROGRAMS: IMPACTS, OUTCOMES AND INDICATORS**

42. The long-term impact of the GEF biodiversity program will be measured by GEF's contribution to a significant reduction of the current rate of globally-significant biodiversity loss in GEF-supported countries as per country reporting to the CBD on the 2010 target. The biodiversity program's outcome and impact indicators are presented in the tables below and are mapped to the indicators of the 2010 target as shown in Attachment 1.

Table 2. Strategic Objectives of the GEF Biodiversity Program

Strategic Objective	Expected Long-Term Impacts	Indicators
SO-1: To catalyze sustainability of protected area systems	Biodiversity conserved and sustainably used in protected area systems	<ul style="list-style-type: none"> <li>• Extent of habitat cover (hectares) by biome type maintained as measured by cover and fragmentation in protected area systems</li> <li>• Extent and percentage increase of new habitat protected (hectares) by biome type in protected area systems that enhances ecosystem representation</li> <li>• Protected area management effectiveness as measured by protected area scorecards that assess site management, financial sustainability, and capacity<sup>10</sup></li> </ul>
SO-2: To mainstream biodiversity conservation in production landscapes/seascapes and sectors	Conservation and sustainable use of biodiversity incorporated in the productive landscape and seascape	<ul style="list-style-type: none"> <li>• Number of hectares in production landscapes/seascapes under sustainable management but not yet certified<sup>11</sup></li> <li>• Number of hectares/production systems under certified production practices that meet sustainability and biodiversity standards</li> <li>• Extent (coverage: hectares, payments generated) of payment for environmental service schemes</li> </ul>
SO-3: To safeguard biodiversity	<p>Potential risks posed to biodiversity from living modified organisms are avoided or mitigated</p> <p>Potential risks posed to biodiversity from invasive alien species are avoided or mitigated</p>	<p><u>Biosafety:</u></p> <ul style="list-style-type: none"> <li>• Each request for intentional transboundary movement or domestic use is processed through a regulatory and administrative framework aligned with the CPB</li> <li>• For each request for intentional transboundary movement or domestic use risk assessments carried out in accordance with the CPB</li> <li>• For each request for intentional transboundary movement or domestic use, measures and strategies to manage risks established</li> </ul> <p><u>Invasive Alien Species:</u></p> <ul style="list-style-type: none"> <li>• Number of point-of-entry detections</li> <li>• Number of early eradications</li> <li>• Number of successful prevention and control programs</li> </ul>
SO-4 To build capacity on access and benefit sharing	Improved social well-being and biodiversity sustainably used	<ul style="list-style-type: none"> <li>• Amount of monetary and non-monetary benefits generated through CBD-compliant ABS agreements, flowing to contracting parties that are countries of origin, or to parties that have acquired the genetic resources in accordance with the Convention</li> <li>• Conservation status of genetic resources being exchanged as part of CBD-compliant ABS agreements</li> </ul>

<sup>10</sup> The GEF uses a tracking tool to assess protected area management effectiveness at the site level that is based on the The World Conservation Union (IUCN) World Commission on Protected Areas framework for management effectiveness. In GEF-4, the GEF will pilot the application of tools to assess two other key aspects of protected area system effectiveness: financial sustainability and capacity. Since GEF-3, GEF tracking tools are submitted for all GEF biodiversity projects at project inclusion into the work program or by CEO endorsement, mid-term evaluation, and final evaluation at project closure. The tracking tools can be found at [http://gefweb.org/projects/Focal\\_Areas/bio/bio\\_tracking\\_tools.html](http://gefweb.org/projects/Focal_Areas/bio/bio_tracking_tools.html).

<sup>11</sup> This indicator will measure the coverage of management systems in production landscapes and seascapes that are in a transition process to certified production practices.

Table 3. Strategic Programs for GEF-4

<b>Strategic Programs for GEF-4 and Estimated Resources</b>	<b>Expected Outcomes</b>	<b>Indicators</b>
1. Sustainable financing of protected area (PA) systems at the national level	<ul style="list-style-type: none"> <li>• PA systems secure increased revenue and diversification of revenue streams to meet total expenditures required to meet management objectives</li> <li>• Reduction in financing gap to meet PA management objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Total revenue and diversification in revenue streams</li> </ul>
2. Increasing representation of effectively managed marine PA areas in PA systems	<ul style="list-style-type: none"> <li>• Increased coverage of marine ecosystems globally and in national PA systems</li> <li>• Improved management of marine PAs</li> </ul>	<ul style="list-style-type: none"> <li>• Number and extent (coverage) of national marine PAs compared to 2006 global baseline for GEF-eligible countries</li> <li>• PA management effectiveness as measured by individual PA scorecards</li> </ul>
3. Strengthening terrestrial PA networks	<ul style="list-style-type: none"> <li>• Improved ecosystem coverage of under-represented terrestrial ecosystems areas as part of national PA systems</li> <li>• Improved management of terrestrial PAs</li> </ul>	<ul style="list-style-type: none"> <li>• Terrestrial ecosystem coverage in national PA systems</li> <li>• PA management effectiveness as measured by individual PA scorecards</li> </ul>
4. Strengthening the policy and regulatory framework for mainstreaming biodiversity	<ul style="list-style-type: none"> <li>• Policy and regulatory frameworks governing sectors outside the environment sector incorporate measures to conserve and sustainably use biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• The degree to which policies and regulations governing sectoral activities include measures to conserve and sustainably use biodiversity as measured through the GEF tracking tool</li> </ul>
5. Fostering markets for biodiversity goods and services	<ul style="list-style-type: none"> <li>• Markets created for environmental services</li> <li>• Global certification systems for goods produced in agriculture, fisheries, forestry, and other sectors include technically rigorous biodiversity standards</li> </ul>	<ul style="list-style-type: none"> <li>• Number and extent (coverage: hectares, payments generated) of new payments for environmental service schemes created</li> <li>• Published certification systems that include technically rigorous biodiversity standards</li> </ul>

<b>Strategic Programs for GEF-4 and Estimated Resources</b>	<b>Expected Outcomes</b>	<b>Indicators</b>
6. Building capacity for the implementation of the Cartagena Protocol on Biosafety	<ul style="list-style-type: none"> <li>• Operational national biosafety decision-making systems that contribute to the safe use of biotechnology in conformity with the provisions and decisions of the CPB</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of participating countries with regulatory and policy framework in place</li> <li>• Percentage of participating countries that have established a National Coordination Mechanism</li> <li>• Percentage of participating countries with administrative frameworks in place</li> <li>• Percentage of participating countries with risk assessment and risk management strategies for the safe transfer, handling and use of living modified organisms (LMOs), specifically focused on transboundary movements</li> <li>• Percentage of participating countries that have carried out risk assessments</li> <li>• Percentage of participating countries that fully participate and share information on the Biosafety Clearing House (BCH)</li> </ul>
7. Prevention, control, and management of invasive alien species (IAS)	<ul style="list-style-type: none"> <li>• Operational IAS management frameworks that mitigate impact of IAS on biodiversity and ecosystem services</li> </ul>	<ul style="list-style-type: none"> <li>• National coordination mechanisms to assist with the design and implementation of national strategies for IAS</li> <li>• National strategies that inform policies, legislation, regulations, and management</li> <li>• Regulatory and policy frameworks for IAS in place</li> <li>• Point of detection mechanisms in place</li> <li>• Incorporation of environmental considerations with regards to IAS into existing risk assessment procedures</li> <li>• Identification and management of priority pathways for invasions</li> </ul>
8. Building capacity on access and benefit sharing	<ul style="list-style-type: none"> <li>• Access to genetic resources within supported projects is in line with the CBD and its relevant provisions</li> <li>• Benefits arising from the commercial and other utilization of genetic resources shared in a fair and equitable way with the countries providing such resources in line with the CBD and its relevant provisions</li> </ul>	<ul style="list-style-type: none"> <li>• Number of mutually agreed terms on ABS signed (e.g., biodiversity contracts, material transfer agreements, etc.)</li> <li>• Implementation of domestic systems governing access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation, consistent with the Bonn Guidelines</li> </ul>

*Annex 1 Attachment 1: Linkage of GEF Biodiversity Program Outcome Indicators to the CBD 2010 Targets*

<b>Goals and targets as per the framework for evaluation progress towards the 2010 target (decision VIII/15, annex II)</b>	<b>Link to GEF SO<sup>12</sup></b>	<b>Indicator being applied by GEF</b>
<b>Protect the components of biodiversity</b>		
<i>Goal 1. Promote the conservation of the biological diversity of ecosystems, habitats, and biomes</i>		
Target 1.1: At least 10% of each of the world's ecological regions effectively conserved	1	<ul style="list-style-type: none"> <li>• Coverage in hectares of PAs supported (e.g., terrestrial, marine, freshwater)</li> <li>• Management effectiveness of protected areas</li> </ul>
Target 1.2: Areas of particular importance to biodiversity protected	1	<ul style="list-style-type: none"> <li>• Coverage in hectares of PAs supported (e.g., terrestrial, marine, freshwater)</li> <li>• Management effectiveness of PAs</li> <li>• Coverage in hectares of ecosystems of global importance</li> </ul>
<i>Goal 2. Promote the conservation of species diversity</i>		
Target 2.1: Reduce the decline of, restore, or maintain populations of species of selected taxonomic groups	1	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> </ul>
Target 2.2: Status of threatened species improved	1	<ul style="list-style-type: none"> <li>• Number of endangered or critically endangered species brought under protection as part of a PA system and the management effectiveness of these areas</li> </ul>
<i>Goal 3. Promote the conservation of genetic diversity</i>		
Target 3.1: Genetic diversity of crops, livestock, and of harvested species of trees, fish and wildlife, and other valuable species conserved, and associated indigenous and local knowledge maintained	1, 2	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> <li>• Number of landraces and wild relatives of economically valuable species brought under protection as part of a PA and the management effectiveness of these areas</li> <li>• Improved production practices in agriculture, fisheries, and forestry and extent of production systems that are certified</li> </ul>

<sup>12</sup> Strategic Objective One: Catalyzing Sustainability of Protected Area Systems; Strategic Objective Two: Mainstreaming Biodiversity in Production Landscapes/Seascapes and Sectors; Strategic Objective Three: Safeguarding Biodiversity, Strategic Objective Four: Capacity Building on Access and Benefit Sharing

Goals and targets as per the framework for evaluation progress towards the 2010 target (decision VIII/15, annex II)	Link to GEF SO <sup>12</sup>	Indicator being applied by GEF
<b>Promote sustainable use</b>		
<i>Goal 4. Promote sustainable use and consumption</i>		
Target 4.1: Biodiversity-based products derived from sources that are sustainably managed, and production areas managed consistent with the conservation of biodiversity	2	<ul style="list-style-type: none"> <li>• Coverage in hectares of production systems that contribute to biodiversity conservation or the sustainable use of its components</li> <li>• Coverage in hectares of production systems under certification</li> <li>• Integration of biodiversity considerations into global agriculture and livestock production, fisheries, and forest certification systems</li> <li>• X (Y %) projects in each sector that have supported the incorporation of biodiversity aspects into sector policies, legislation, policies, and plans at national and sub-national levels</li> <li>• X (Y%) projects supported in each sector that have supported the development of regulations to enforce the legislation</li> <li>• X (Y%) projects supported in each sector that have supported the implementation of regulations</li> <li>• X (Y%) projects supported in each sector that have supported the enforcement of regulations</li> <li>• X (Y%) projects supported in each sector that have supported the monitoring of enforcement</li> </ul>
Target 4.2: Unsustainable consumption of biological resources, or that impacts upon biodiversity, reduced	-	<ul style="list-style-type: none"> <li>• Integration of technically rigorous biodiversity standards into global certification systems for goods produced in agriculture, fisheries, and forestry</li> </ul>
Target 4.3: No species of wild flora or fauna endangered by international trade	-	-
<b>Address threats to biodiversity</b>		
<i>Goal 5. Pressures from habitat loss, land use change and degradation, and unsustainable water use, reduced</i>		
Target 5.1: Rate of loss and degradation of natural habitats decreased	1, 2	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> <li>• Coverage in hectares of sustainable use and management of biodiversity including areas under certification</li> </ul>
<i>Goal 6. Control threats from invasive alien species</i>		
Target 6.1: Pathways for major potential IAS controlled	3	<ul style="list-style-type: none"> <li>• Project specific; cumulative contributions depending on project intervention</li> </ul>
Target 6.2: Management plans in place for major alien species that threaten ecosystems, habitats or species	1, 3	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> <li>• Operational frameworks to manage IAS</li> </ul>
<i>Goal 7. Address challenges to biodiversity from climate change, and pollution</i>		
Target 7.1: Maintain and enhance resilience of the components of biodiversity to adapt to climate change	1	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> </ul>
Target 7.2: Reduce pollution and its impacts on biodiversity	-	-
<b>Maintain goods and services from biodiversity to support human well-being</b>		

<b>Goals and targets as per the framework for evaluation progress towards the 2010 target (decision VIII/15, annex II)</b>	<b>Link to GEF SO<sup>12</sup></b>	<b>Indicator being applied by GEF</b>
<i>Goal 8. Maintain capacity of ecosystems to deliver goods and services and support livelihoods</i>		
Target 8.1: Capacity of ecosystems to deliver goods and services maintained	1, 2	<ul style="list-style-type: none"> <li>• Management effectiveness of PAs</li> <li>• Number of payments for environmental services schemes supported</li> <li>• Coverage in hectares of sustainable use and management of biodiversity, including areas under certification</li> </ul>
Target 8.2: Biological resources that support sustainable livelihoods, local food security and health care – especially of poor people – maintained	2	<ul style="list-style-type: none"> <li>• Improved livelihoods (increased incomes) as achieved through targeted project interventions</li> </ul>
<b>Protect traditional knowledge, innovations, and practices</b>		
<i>Goal 9. Maintain socio-cultural diversity of indigenous and local communities</i>		
Target 9.1: Protect traditional knowledge, innovations and practices	1, 2	<ul style="list-style-type: none"> <li>• Number of projects that contribute to protection of traditional knowledge, innovations, and practices</li> </ul>
Target 9.2: Protect the rights of indigenous and local communities over their traditional knowledge, innovations, and practices, including their rights to benefit sharing	1, 2	<ul style="list-style-type: none"> <li>• Number of projects that contribute to recognizing/protecting rights of indigenous and local communities over their traditional knowledge, innovations, and practices</li> </ul>
<b>Ensure the fair and equitable sharing of benefits arising out of the use of genetic resources</b>		
<i>Goal 10. Ensure the fair and equitable sharing of benefits arising out of the use of genetic resources</i>		
Target 10.1: All access to genetic resources is in line with the Convention on Biological Diversity and its relevant provisions	4	<ul style="list-style-type: none"> <li>• Number of mutually agreed terms on ABS undertaken</li> </ul>
Target 10.2: Benefits arising from the commercial and other utilization of genetic resources shared in a fair and equitable way with the countries providing such resources. in line with the Convention on Biological Diversity and its relevant provisions	4	<ul style="list-style-type: none"> <li>• Amount of monetary and non-monetary benefits effectively shared with countries providing genetic resources</li> </ul>
<b>Ensure provision of adequate resources</b>		
<i>Goal 11: Parties have improved financial, human, scientific, technical, and technological capacity to implement the Convention</i>		
Target 11.1: New and additional financial resources are transferred to developing country parties to allow for the effective implementation of their commitments under the Convention, in accordance with Article 20	1, 2, 3, 4	<ul style="list-style-type: none"> <li>• GEF grant funding plus co-financing and leveraged financing directly attributable to the GEF investment</li> </ul>
Target 11.2: Technology is transferred to developing country parties to allow for the effective implementation of their commitments under the Convention, in accordance with Article 20, paragraph 4	1, 2, 3, 4	<ul style="list-style-type: none"> <li>• GEF grant funding plus co-financing and leveraged financing directly attributable to the GEF investment utilized specifically for technology transfer</li> </ul>