

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORASixteenth meeting of the Conference of the Parties
Bangkok (Thailand), 3-14 March 2013Administrative matters

ACCESS TO GLOBAL ENVIRONMENT FACILITY FUNDING

1. This document has been prepared by the Secretariat.

Background

2. Goal 2 of the *CITES Strategic Vision 2008-2013* contained in Resolution Conf. 14.2 aims at securing the necessary financial resources and means for the operation and implementation of the Convention. Within the framework provided by this Goal, the Strategic Vision identifies three objectives to be achieved:

Objective 2.1: *Financial resources are sufficient to ensure operation of the Convention.*

Objective 2.2: *Sufficient resources are secured at the national/international levels to ensure compliance with and implementation and enforcement of the Convention.*

Objective 2.3: *Sufficient resources are secured at the national/international levels to implement capacity-building programmes.*

3. In Decision 15.20 (*Funding for projects related to species conservation and management*) adopted at its 15th meeting (CoP15, Doha, 2010), the Conference of the Parties directs the Secretariat to:
 - a) *in cooperation with international financial institutions and potential donors, investigate possible ways to establish the means to secure funding to support the provision of technical assistance to CITES Parties in relation to regulating wildlife trade (including population studies as a basis for management programmes); and*
 - b) *report its findings and recommendations at the 16th meeting of the Conference of the Parties.*
4. It is important to recall that, while CITES has an operating Trust Fund, with an income and expenditure of about USD 5 million per year, there is no financial mechanism for assisting the Parties with the implementation of their CITES commitments, such as the *Multilateral Fund for the Implementation of the Montreal Protocol*. This Fund has allowed the Protocol to invest USD 2.6 billion in its implementation across 148 countries since 1991.
5. The Global Environment Facility (GEF) is the largest funder of global environmental projects today. It was established in 1991 as a pilot programme. After the adoption of *Agenda 21* and the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD) at the United Nation Conference on Environment and Development (the Rio Earth Summit) in 1992, negotiations were initiated to restructure the GEF and concluded in 1994 with the agreement of the Instrument for the Establishment of the Restructured Global Environment Facility¹.

¹ A brief explanation of how GEF works is provided in document SC61 Doc. 16 on Access to finance, including GEF funding, submitted by the Secretariat at the 61st meeting of the Standing Committee (SC61, Geneva, August 2011) (see <http://www.cites.org/eng/com/sc/61/E61-16.pdf>).

6. The GEF is today the financial mechanism (or operating entity of the financial mechanism) of four Conventions (see paragraph 24 below). They each have specified a financial mechanism in their text and they were all adopted at the Rio Earth Summit in 1992 or later. The GEF does not serve as a financial mechanism for CITES, which was opened for signature in 1973 and entered into force in 1975.
7. Since the GEF is not a financial mechanism for CITES, it is not required to take broad strategic guidance from the Conference of the Parties to CITES, nor to translate such guidance into operational criteria.²

GEF investments since 1991 and in the current GEF cycle

8. The GEF has allocated over USD 9.5 billion to eligible countries since 1991. In 2008, the Joint Inspection Unit of the United Nations found that "CITES has never benefited from the GEF, even indirectly through the CBD window".³
9. The fifth replenishment of the GEF (2010-2014) is USD 4.25 billion, USD 1.2 billion is allocated to biodiversity (a 28 % increase from the fourth replenishment) and includes the following:
 - a) USD 40 million for biosafety capacity building;
 - b) USD 40 million for Access and Benefit Sharing (ABS) capacity building; and
 - c) USD 15 million for building countries' capacity to implement obligations under the United Nations Convention to Combat Desertification (UNCCD).
10. In addition, there are enabling funds of USD 500,000 per country for revising National Biodiversity Strategies and Action Plans (NBSAPs), and USD 25,000 to 50,000 per country in direct access funding for national reporting under CBD.
11. The GEF finances the agreed incremental costs⁴ of country-driven projects and programmes that are aligned with decisions of the Conference of the Parties to the conventions for which the GEF serves as a financial mechanism.

Progress made in the implementation of Decision 15.20 regarding the GEF

12. Significant progress has been made since CoP15 in advancing the relationship between the GEF and CITES. This has included the first CITES-related project being approved by the GEF Council; the Secretary-General making a statement on CITES to the GEF Council; a decision by the GEF Council on a way of considering priorities of all biodiversity-related conventions in GEF programming; the provision of written guidance to CITES Parties on GEF and NBSAP processes; participation in several regional CBD workshops on the revision of NBSAPs, and many meetings between staff of the GEF and CITES.
13. Pursuant to Decision 15.20, the CITES Secretary-General met the GEF Chief Executive Officer (and Chair) (CEO) in Washington D.C., United States of America, on 24 September 2010. During the discussions, the GEF CEO expressed a wish to increase collaboration between the two organizations and confirmed that, if any projects concerning CITES-listed species were submitted to the GEF, she would forward them to the CITES Secretariat for comments.
14. On 24 February 2011, the Secretariat issued Notification to the Parties No. 2011/022 encouraging Parties to engage proactively with their GEF operational focal points during consultation of the setting of priority actions under the National Portfolio Formulation Exercises⁵. Parties' attention was also drawn to Objective Five of the Biodiversity Strategy for GEF-5, which has set aside funds to support the NBSAPs. The Notification was prepared by the CITES Secretariat in consultation with the GEF Secretariat.

² The GEF refers to "operational criteria for enabling activities" (see <http://www.thegef.org/gef/node/1231>).

³ See the JIU Report, "Management Review of Environmental Governance within the UN System", Inspector Inomata, page 24 paragraph 112 (JIU/REP/2008/3); and "Possibilities of enhancing co-operation and co-ordination among the MEAs in the biodiversity cluster" (2009), prepared for the Nordic Council of Ministers, page 41.

⁴ CITES has enjoyed a good measure of success as it is recognized by Global Biodiversity Outlook (GBO) 3. Developed and developing States have invested significant resources into its implementation, as have many partners. As a result, much of the essential infrastructure is already in place under CITES and the opportunity to leverage additional funding is considerable.

⁵ See <http://www.cites.org/eng/notif/2011/E022.pdf>.

15. Also in February 2011, the Secretariat hired a consultant, with external funds provided by the European Commission, to prepare a summary of existing mechanisms to finance the conservation of CITES-listed species. This report is available in the Annex to document SC61 Doc. 16.
16. With Notification to the Parties No. 2012/017 of 2 March 2012, the Secretariat published a questionnaire for the CITES Parties on *Access to finance, including GEF Funding*, the results of which are included in document CoP16 Doc. 8.4 on *Access to other sources of funding*.
17. Decisions taken at CBD CoP10, in Nagoya in October 2010, have raised potential opportunities for the further implementation of Goal 2 of the *CITES Strategic Vision 2008-2013*. The Parties to CBD are requested to update their NBSAPs by 2015 and, while doing so, to take into account synergies amongst the biodiversity-related Conventions.⁶
18. The CITES Secretariat has also prepared a complementary Guide with practical advice for Parties that wish to consider the inclusion of their CITES national and regional actions in the revised and updated NBSAPs. The draft guide is available on the CITES website as an Annex to Notification to the Parties No. 2011/026 of 4 May 2011.⁷
19. At the invitation of the GEF CEO, following consultations with the GEF Council, the Secretary-General of CITES made a statement at the 41st Council meeting of the GEF on 8 November 2011, a first for CITES.⁸ Following this statement, the GEF Council took the following decision on agenda item 5 on *Relations with the Conventions*:

The Council, having considered document GEF/C.41/03, Relations with the Conventions and Other International Institutions, welcomed the report as amended by the Council and requested the GEF network to continue working with recipient countries to reflect the guidance and national priorities in their respective GEF programming and activities.

The Council further requested the GEF Secretariat to organize a meeting of biodiversity-related conventions with the Secretariat of the Convention on Biological Diversity (CBD) to facilitate the coordination of their priorities for inclusion in the GEF 6th programming strategy.

20. The Secretary-General wrote to the (new) CEO of the GEF on 13 August 2012, drawing attention to the decisions taken by the CITES Standing Committee at its 62nd meeting (Geneva, July 2012) and seeking an update on progress made in implementing the GEF decision quoted above. At the time of writing (September 2012), no reply had been received.
21. The GEF Council has agreed to fund a project that will strengthen wildlife forensic capabilities in South Africa to combat wildlife crimes, which is a first for CITES. The USD 3 million project was initiated by the CITES Secretariat and developed in cooperation with the Department of Environmental Affairs (DEA) of South Africa and the United Nations Environment Programme (UNEP). The project aims to reduce poaching of rhinoceroses and the illegal international trade in their horns by strengthening enforcement capacity in South Africa through forensic-based technologies applied to rhinoceroses.⁹
22. The CITES Secretariat hired a consultant to work closely with the DEA of South Africa, as the executing agency, and UNEP, as the implementing agency, in the development of the project. This was made possible thanks to the generous financial contribution of the Government of Norway. The CITES Secretariat would like to thank the CEO of the GEF Secretariat and her staff for the strong support provided during the development and approval of the GEF-funded rhino project.

⁶ *Activities prioritized in the NBSAPs of developing countries and countries with economies in transition that are aligned with CoP decisions and the GEF biodiversity strategy will be better placed to attract financial resources from a range of sources, including from the GEF itself. It is important to note that the GEF provides financial resources to country-driven projects and eligible activities that are incremental to a broader action and not stand-alone. An activity that is not incremental would not fit in the GEF-5 strategy and consequently, would not be funded, even if it were included in the NBSAP.*

⁷ See <http://www.cites.org/eng/notif/2011/E021.pdf> and <http://www.cites.org/eng/notif/2011/E026A.pdf>.

⁸ The statement is available at: http://www.cites.org/eng/news/SG/2011/20111108_GEF.php.

⁹ *GEF funding will be used by the Government of South Africa to strengthen wildlife forensic capabilities in South Africa to combat wildlife crimes. Specifically, the Project will use wildlife forensics to track illegal trade in rhino horns with an aim to reduce poaching of rhinoceroses and the illegal international trade in their horns by strengthening enforcement capacity in southern Africa through forensic-based technologies. It will also enhance the existing coordination and information sharing among all actors involved in law enforcement and anti-poaching efforts in the country and the sub-region.*

23. The CITES Secretariat intends to provide an information document at the 43rd meeting of the GEF Council in November 2012, updating it on developments regarding GEF and CITES.

GEF and Multilateral Environmental Agreements

24. The GEF provides funding, *inter alia*, to assist developing countries in meeting the objectives of Multilateral Environmental Agreements. As mentioned in paragraph 6 above, the GEF currently serves as the financial mechanism (or operating entity of the financial mechanism) of four environmental conventions¹⁰:
- a) The CBD¹¹ (and its Protocols);
 - b) The United Nations Framework Convention on Climate Change (UNFCCC);
 - c) The United Nations Convention to Combat Desertification; and
 - d) The Stockholm Convention on Persistent Organic Pollutants (POPs).
25. The GEF did not initially serve as a financial mechanism for all of these conventions. The instrument was amended in 2002 to add land degradation and POPs as GEF focal areas. Consequently, GEF was designated as the financial mechanism for UNCCD (land degradation only) in 2005 and for POPs in 2010.
26. These conventions provide broad strategic guidance to the governing and advisory bodies of the GEF: the GEF Council, the Scientific and Technical Advisory Panel (STAP) and the GEF Assembly. The GEF Council converts this broad guidance into operational criteria (guidelines) for GEF projects.

Rio+20 outcomes

27. At the United Nations Conference on Sustainable Development held in June 2012 in Rio de Janeiro (also known as Rio+20), the countries present adopted an outcome document entitled *The Future We Want*. Paragraphs 203 and 265 of this document read as follows (emphasis added):

203. We recognize the important role of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora), an international agreement that stands at the intersection between trade, environment and development; promotes the conservation and sustainable use of biodiversity; should contribute to tangible benefits for local people; and ensures that no species entering into international trade is threatened with extinction. We recognize the economic, social and environmental impacts of illicit trafficking in wildlife where firm and strengthened action needs to be taken on both the supply and demand sides. In this regard, we emphasize the importance of effective international cooperation among relevant multilateral environmental agreements and international organizations. We further stress the importance of basing the listing of species on agreed criteria.

265. We recognize the important achievements of the GEF over the last twenty years in funding environmental projects and welcome important reform processes that the Global Environment Facility (GEF) has carried out during recent years and we call for its further improvement and encourage the GEF to take additional steps within its mandate to make resources more accessible to meet country needs for the national implementation of their international environmental commitments. We support further simplification of procedures and assistance to developing countries, in particular in assisting the least developed countries, Africa and SIDS in accessing resources from the GEF, and enhanced coordination with other instruments and programmes focusing on environmentally sustainable development.

28. CITES Parties take on significant international commitments in relation to, *inter alia*, national compliance, enforcement, legislation, management, science and reporting. CITES has the most sophisticated compliance measures of any of the biodiversity-related conventions. The important role of CITES has been clearly recognized at Rio+20 and additional resources are needed by CITES Parties to “meet country

¹⁰ The GEF, although not linked formally to the Montreal Protocol on Substances That Deplete the Ozone Layer (MP), supports implementation of the Protocol in countries with economies in transition (see: <http://www.thegef.org/gef/whatisgef>).

¹¹ CITES implementation is essential to achieve the CBD objectives, and the Strategic Plan for Biodiversity 2011-2020 and Aichi Biodiversity targets, such as Target 12.

needs for the national implementation of their international environmental commitments” under the Convention.

Enhancing cooperation between CITES and the GEF

29. Although there is no formal mechanism for funding activities for CITES implementation through the GEF, the Secretariat has identified four options that can provide support through the GEF. These options are not mutually exclusive, and could all be pursued at the same time:

- a) The revision of NBSAPs (see paragraphs 17-18 above);
- b) Developing project(s) with GEF agencies (see paragraph 21 above) .
- c) The GEF enhancing its biodiversity focal area in its 6th Programming Strategy¹² by including a specific species-based component and by taking advice from CITES on priorities (see paragraph 20 above).

If enhanced to include CITES-listed species, this focal area could directly address one of the most immediate threats to biodiversity loss posed by over-exploitation through illegal and unsustainable international trade, and complement the most comprehensive global efforts being made to ensure that use of wildlife is sustainable, legal and traceable; and

- d) Requesting the GEF to be designated as a financial mechanism for CITES.

CITES has a specific mandate and the technical and operational know-how to provide strategic guidance to the GEF on the issues falling within that mandate. Supporting the implementation of CITES has clear agreed global biodiversity benefits, and benefits for local communities, and it would enhance financial and programmatic coherence amongst the major environmental conventions.

The CITES Parties could decide at the present meeting to accept the GEF as a financial mechanism for the Convention, to request the GEF to become a financial mechanism for CITES and start to make arrangements with the GEF to establish a working relationship through a Memorandum of Understanding between GEF and CITES¹³.

30. The CITES Secretariat has moved ahead with options a) and b), and presented option c) to the GEF Council. Option c) can be further enhanced through a decision of the CITES Parties, whilst option d) requires a decision of the CITES Parties, followed by certain decisions under the GEF.

Sixty-second meeting of the Standing Committee

31. At its 62nd meeting, the Standing Committee took note:

- a) of the Secretariat's intention to propose at the present meeting to request the GEF to serve as a financial mechanism of the Convention;
- b) of the Secretariat's intention to propose at the present meeting to request the GEF to enhance the GEF biodiversity focal area by including a species-based component; and
- c) that the Secretariat would engage in an outreach process.

¹² GEF-6 starts in mid-2014.

¹³ So far, the GEF is the financial mechanism of conventions that have specified a financial mechanism in their text and are all post-Rio 1992. Since CITES does not mention a financial mechanism in its text, this may have to be further explored legally by the GEF Secretariat and GEF Council. However the Secretariat does not see this as presenting any legal impediment to proceeding with this recommendation.

Recommendations

32. The Secretariat recommends that the Conference of the Parties:

- a) accept the GEF as a financial mechanism for CITES, and that this be recorded in the resolution on *Financing and the costed programme of work for the Secretariat for the triennium 2014-2016* that will replace Resolution Conf. 15.1, as proposed in Annex 1 to the present document; and
- b) adopt the draft decisions contained in Annex 2.

Proposed text for the resolution on *Financing and the costed programme of work for the Secretariat for the triennium 2014-2016* to be adopted in replacement of Resolution Conf. 15.1¹⁴

...

NOTING the increase in the number of Parties as well as species listed in the Appendices to the Convention; the need for greater assistance to the Parties to achieve more effective implementation; the necessity to provide adequately for implementation of all Decisions and Resolutions of the Conference of the Parties as well as the *Strategic Vision: 2008-2013*, and the resulting increasing expenditure incurred by the Secretariat;

RECOGNIZING the need for a financial mechanism for CITES to assist Parties implementing their international environmental commitments at the national level;

THE CONFERENCE OF THE PARTIES TO THE CONVENTION

...

DECIDES that:

- a) the Secretary-General shall have the authority to make staffing decisions as necessary to implement the priorities of the Parties within the overall budget and in accordance with the UN rules; and
- b) any change in the costed programme of work of the Secretariat deriving from a new resolution or decision shall be made only if the source of the necessary additional funds has been decided or if that programme is reprioritized at the time such a resolution or decision is adopted by the Conference of the Parties; ~~and~~

ACCEPTS the Global Environment Facility (GEF) as a financial mechanism for CITES; and

REPEALS Resolution Conf. 14.5.1 (~~The Hague, 2007~~Doha, 2010) – *Financing and the costed programme of work for the Secretariat for the ~~triennium 2009-2014~~biennium 2012-2013*, which however remains on the record as an indication of the agreed levels of annual contributions for Parties that have not paid the amounts due.

¹⁴ NB: further amendments to Resolution Conf. 15.1 to produce a new resolution on financing at the present meeting are detailed in document CoP16 Doc. XXX.

Draft decisions of the Conference of the Parties

GEF as a financial mechanism for CITES

Directed to the Global Environment Facility (GEF)

16.XX The GEF is requested to serve as a financial mechanism for CITES.

Directed to the Secretariat

16.YY The Secretariat shall:

- a) convey Decision 16.XX to the Chief Executive Officer (and Chair) of the GEF; and
- b) if the request is accepted by the GEF, commence making arrangements to establish a working relationship with the GEF through a Memorandum of Understanding between CITES and the GEF.

GEF's focal area on biodiversity

Directed to the Global Environment Facility (GEF)

16.XX The GEF is requested to:

- a) enhance its biodiversity focal area in its 6th Programming Strategy by including a specific species-based component; and
- b) take into account CITES priorities in developing its biodiversity focal area in its 6th Programming Strategy.

Directed to the Secretariat

16.YY The Secretariat shall:

- a) convey Decision 16.XX to the Chief Executive Officer (and Chair) of the GEF;
- b) work with the GEF to enhance its biodiversity focal area in the GEF's 6th Programming Strategy by including a specific species-based component; and
- c) convey CITES priorities to the GEF for it to take into account when developing the biodiversity focal area in its 6th Programming Strategy.