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HIGHLIGHTS OF BIOCOP-2 WEDNESDAY, 8 NOVEMBER 1995

The Second Conference of Parties (COP-2) to the Convention on Biological Diversity (CBD) completed its preliminary discussions on biosafety and financial matters during the third day of the session. Delegates also opened debate on consideration of Articles 6 and 8 of the Convention and on preliminary consideration of components of biodiversity under threat. They agreed to establish a contact group to deal with the financial mechanism and associated matters.

COMMITTEE OF THE WHOLE

BIO SAFETY: The EDMUNDS INSTITUTE cited several inadequacies regarding UNEP guidelines and called for a moratorium on GMO releases while a biosafety protocol and guidelines for capacity-building are developed. GREENPEACE INTERNATIONAL supported PERU's call for a moratorium and a broad-based protocol with liability and socioeconomic measures. THIRD WORLD NETWORK called on COP-2 to set a time frame for the conclusion of a protocol. He said it is unacceptable to coerce developing countries to agree to a minimal protocol by threatening to withhold access to biotechnology. GREEN INDUSTRY BIOTECHNOLOGY PLATFORM supported an internationally-harmonized and science-based regulatory framework based on a step-by-step and cooperative approach.

MALAYSIA called for a "Jakarta Initiative" to establish an intergovernmental committee on a biosafety protocol. The US supported COP action on biosafety flexible enough to encompass the positive potential of biotechnology. BRAZIL, NEW ZEALAND and UGANDA called for a step-wise approach. HUNGARY called for a working group with terms of reference based on the Norway proposal.

MALAWI said UNEP guidelines should not replace Parties' efforts regarding a biosafety protocol. IRAN said a protocol working group should address socioeconomic issues, monitoring, environmental risk and IPR. MOROCCO said a protocol could assist the World Trade Organization's consideration of trade measures in environmental agreements.

The BIOTECHNOLOGY INDUSTRY ORGANIZATION, on behalf of several industry NGOs, said capacity building must precede a step-wise and science-based discussion of a framework that addresses national needs. The Chair said various calls for working groups would be reviewed in a Bureau meeting Thursday, and that he would circulate Chair's texts on the clearing-house mechanism (CHM) and technology transfer.

FINANCIAL MECHANISM AND RELATED

MATTERS: The Secretariat introduced the report of the GEF (UNEP/CBD/COP/2/8), noting the COP-1 decision to designate GEF as the interim financial mechanism. Delegates also discussed documents on the financial mechanism (UNEP/CBD/COP/2/9), additional financial resources (UNEP/CBD/COP/2/10) and the draft Memorandum of Understanding (MOU) between COP and GEF (UNEP/CBD/COP/2/11).

BANGLADESH said the selection process should become less dependent on committees and consultants. INDIA said additional information was necessary on rejected projects, consultation with the CBD Secretariat and the GEF operational strategy.

The EU, said the report shows the translation of COP-1 guidelines into the priorities of GEF. The GEF operational strategy sets objectives in line with those of CBD and COP. MALAYSIA said the report pays only lip service to COP-1 directions. There was no attempt to do a thorough report based on COP instructions.

AUSTRALIA said the report gives Parties enough information to evaluate GEF's performance and should be accepted. NIGERIA asked for assurance that GEF-funded projects will not be subject to conditionality, noting that a GEF grant to Nigeria had been withdrawn. BRAZIL said flexibility and more expeditious project evaluation procedures are necessary.

The SECRETARIAT noted that it has been invited to attend GEF operational meetings and has supplied advice on most projects. SWITZERLAND noted that GEF adopted its operational strategy 10 days ago and urged COP and CBD to follow future revisions. EQUATORIAL GUINEA suggested that the GEF report be submitted in time for examination prior to COP. KENYA and PERU expressed concern about the use of conditionalities.

MALAWI and IRAN expressed concern about the length of the project cycle. TUNISIA called for an effective link between GEF's Scientific and Technical Advisory Panel (STAP) and SBSTTA. INDONESIA suggested examining how to engage the skills of the private sector.

The EU suggested an *ad hoc* group to provide technical advice to COP-3 regarding revision of the mechanism. The PHILIPPINES expressed concern that GEF does not have sufficient resources to meet the needs of developing countries. A representative from GEF stated that GEF policy is not to use conditionality, but rather to seek project quality and sustainability. She noted that STAP is in contact with other groups.

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MALAYSIA, supported by COLOMBIA and INDIA, stated that the views of the G-77/China are not represented in the draft MOU.

COLOMBIA, supported by CUBA, requested the report of a meeting in Nairobi on enabling activities of GEF, stating that no such activities have been funded by GEF. JAPAN stated that it was premature to draft guidelines on the financial mechanism before its function was defined. The WORLD BANK stated that it had circulated to Parties a strategy for participating in CBD implementation.

SWITZERLAND has created a special fund for global environmental issues. BRAZIL, supported by INDIA and MALAYSIA, stated that private sector investments in conservation were not sufficient. AUSTRALIA advised Parties to seek resources in addition to official donor assistance.

GHANA highlighted biodiversity inventories for building human and institutional capacity. NIGERIA asked the Secretariat to study the predictability of funding sources. The US stated that its bilateral biodiversity programme supports national environmental funds and acknowledged GEF in developing these. He asked for clarification over paragraph 60 of the Secretariat document.

JAPAN, later supported by AUSTRIA, supported GEF as the permanent financial mechanism. The WORLD BANK highlighted its two-pronged biodiversity strategy: targeting financial support and mainstreaming biodiversity in bank projects. IUCN encouraged countries to develop strategic financial plans in conjunction with their national reports.

The G-77/CHINA supported GEF as the interim institutional structure, and proposed a contact group on this matter to be chaired by a Bureau member from the G-77/China. The EU noted that the designation of GEF as the permanent financial structure would be the logical conclusion to its successful restructuring. The Chair noted that views had been clearly expressed in previous deliberations on this matter. Delegates agreed to establish a contact group on matters related to the financial mechanism. MALAYSIA, later supported by SPAIN, supported this. KOREA questioned how the COP might guide the financial mechanism should its eligibility criteria for funding allocation differ from that of GEF. The EU, later supported by the US, supported the MOU. The G-77/CHINA agreed to discuss the MOU on the basis of GEF as the interim institutional structure. HUMANE SOCIETY INTERNATIONAL noted that GEF had yet to meet several transparency and democracy requirements.

CONSIDERATION OF ARTICLES 6 AND 8: The Secretariat introduced the document on conservation and sustainable use of biodiversity and on *in situ* conservation (UNEP/CBD/COP/2/12), noting that one purpose of the meeting is to share information and experiences in these areas.

The US said the ecosystem approach should be the ultimate framework of action and that biodiversity concerns should be integrated into sectoral policies, such as implementation of market incentives and removal of perverse incentives. MALAYSIA said capacity-building and infrastructure development need immediate attention under these articles. AUSTRALIA endorsed a WRI/UNEP/IUCN manual on guidelines for national strategies and called for COP 2 to prioritize indigenous peoples, protected areas, and biosafety under Article 8. JAPAN emphasized the early establishment of CHM and national reporting.

NIGERIA suggested conducting comparative analyses of major biodiversity indicators both regionally and globally. BANGLADESH welcomed the holistic approach that recognizes socioeconomic concerns and called for financial and technical resources for conservation. The REPUBLIC of KOREA noted the need for regional and international coordination, which are not reflected in the document.

MYANMAR discussed his country's reserve and protective forest systems. MALAWI and the MALDIVES stressed the necessity of capacity-building. PERU noted it is seeking to

involve the private sector in its national strategy. CANADA stated that the preparation of national strategies is in itself a significant capacity-building activity. FRANCE stressed *in situ* conservation. MADAGASCAR's ratification instrument might reach the Secretariat during COP-2. NEW ZEALAND noted national efforts to protect threatened species. The UK described its Darwin Initiative, which funds joint research projects between the UK and developing countries.

COMPONENTS OF BIOLOGICAL DIVERSITY UNDER THREAT: The Secretariat introduced Agenda Item 6.2 (Preliminary consideration of components of biological diversity particularly under threat and action which could be taken under the Convention). SBSTTA's recommendations included the suggestion that COP-2 consider the desirability of an input to the Intergovernmental Panel on Forests (IPF).

BRAZIL supported sending COP input to IPF. GERMANY agreed with recommendations I/3 (how COP could start considering components of biodiversity) and I/4 (how to facilitate technology access, transfer and development). AUSTRALIA called for strong relations between COP and IPF. TUNISIA expressed concern about marine areas. FRANCE proposed that IPF be taken on board by COP.

The EU stated that assessing biodiversity threats is a priority and suggested the greatest intervention for forest ecosystems. He recommended COP participation in IPF.

JAPAN supported SBSTTA recommendation I/3, as did the NETHERLANDS, URUGUAY and CHINA, and agreed with AUSTRALIA and URUGUAY on prioritizing SBSTTA's work. INDIA called for more specific recommendations from SBSTTA. The NETHERLANDS stated that the methodology for setting conservation priorities can be accessed through IUCN and other conservation treaties. He suggested an *ad hoc* panel to identify ecosystems of international significance. URUGUAY stressed the importance of social and economic factors in biodiversity loss.

CHINA, with 760 nature reserves comprising 6.8% of total land area, has prepared two lists of rare, endangered or endemic species, and has drafted a conservation action plan. RWANDA expressed its need for additional resources for reforestation and community development. NEW ZEALAND cautioned against duplicative work and supported focused research on ecosystem conservation and on indigenous and traditional knowledge of forest conservation.

The INDIAN INSTITUTE OF PUBLIC ADMINISTRATION urged attention to the underlying causes of biodiversity loss, such as property tenure systems, socioeconomic, political and gender inequities, and inappropriate development. He suggested placing international issues, including trade relations, destructive aid practices, and military aggression, on the agenda for COP-3, and cautioned that establishing protected areas may cause hardship for local communities.

IN THE CORRIDORS

As delegates raced through agenda items ahead of schedule, reactions were mixed on possible side effects of the increased negotiating speed. Some delegates expressed concern that time was unavailable to prepare or express national positions. Others felt an early move into informal negotiations would productively hasten COP-2 toward substantive results. Others still worry that a quick shift to contact groups could prematurely limit NGO input.

THINGS TO LOOK FOR TODAY

COMMITTEE OF THE WHOLE (COW): The COW is expected to meet during morning and afternoon sessions in the Plenary Hall. Discussion on Agenda Items 6.1 (Articles 6 and 8) and 6.2 (components of biodiversity under threat) is expected to continue. Agenda Items 7.1 (access to genetic resources) and 7.2 (IPR) may also be discussed. The Bureau is expected to present a proposal for the number of contact groups to be formed and the issue areas to be addressed.