

**Informal Ministerial meeting to prepare the 12<sup>th</sup> meeting  
of the Conference of Parties to the Convention on Biological Diversity (CBD COP 12)  
Brussels, 9 September 2014**

**BACKGROUND DOCUMENT**

*4 September 2014*

**Agenda item 2. Resource Mobilization** (10:30-13:30)

**Scene setter**

The 10th meeting of the Conference of Parties to the Convention on Biological Diversity (CBD COP 10) in Nagoya resulted in a historical agreement, which included an ambitious Strategic Plan for Biodiversity 2011-2020 and associated Aichi targets, the Nagoya Protocol on Access and Benefit Sharing, as well as a decision on resource mobilisation that anticipated the adoption of targets in COP 11 in 2012. The main focus of COP was indeed the resource mobilisation agenda. Following long and difficult negotiations, a set of preliminary targets was agreed. It was foreseen that final targets would be agreed at COP 12.

Given the stance taken by respective Parties at the 5<sup>th</sup> meeting of the Working Group on the Review of Implementation of the CBD (WGRI 5) last June in Montreal, in particular several G77 Parties, the discussions are again expected to be difficult. As the EU was instrumental in reaching the Nagoya and Hyderabad outcomes, and being the largest 'developed country' player in the CBD as well as the biggest biodiversity donor, we will again be in the limelight at COP 12. Our collective experience at CBD COP 10 and COP 11 has underscored the importance of the EU presenting a strong, united front and ensuring that it has the necessary flexibility in the last stages of the negotiations to secure a good outcome.

**Agenda item 2A. Adoption of final targets**

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*Background paper*

The Hyderabad package of preliminary targets includes a quantitative target on international biodiversity-related flows to developing countries, as well as more process-oriented targets related to the inclusion of biodiversity in national priorities and development plans, the reporting of domestic biodiversity expenditure, and the assessment/evaluation of the various values of biodiversity and its components.

One of the key issues at COP 12 will be whether a final target can be agreed on international financing flows. Many developed countries consider that the preliminary target agreed at COP 11 is already very ambitious, and would not be prepared to re-open what has already been agreed. This is also the EU position as set out in the Council Conclusions of 12 June 2014. On the other hand, countries such as Brazil already stated at WGRI 5 that they would not be prepared to consider final targets unless they were more ambitious.

Another key issue will be a possible target on domestic financing flows. This was originally considered in draft text for COP 11, but negotiations quickly focused on international financing flows only given the pressure from developing countries. This is considered by many to be the one item that is still missing to enable agreement on a balanced package of resource mobilisation targets at COP 12. The EU was vocal in Hyderabad on the importance of domestic commitments and enabling environments at national level. Yet, few CBD Parties would be prepared to accept a quantitative target on domestic flows. The challenge in Pyeongchang will be to agree on the definition of a qualitative target that can be accepted by all.

## **Agenda item 2B. Role of the private sector and innovative financial mechanisms**

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### *Background paper*

As in Hyderabad, it will be essential in Pyeongchang to approach resource mobilisation from a broad perspective, considering all sources of financing. Although the issue of innovative financing mechanisms was very contentious in Nagoya, in particular with ALBA countries<sup>1</sup> who had concerns about the 'commodification' of nature, the two policy dialogues on this issue in Quito were effective to provide a better understanding of the various points of views. ALBA countries have also been successful in putting the issue of collective action more firmly on the agenda to provide some balance. The need to factor in a broad range of financing mechanisms as a complement to traditional financing sources, both for national and international flows should therefore be less contentious at COP 12, although there may still some resistance from some Parties.

One of the drawbacks often brought forward on the issue of including private sector flows in baselines and targets is the difficulty to report on contributions from the private sector. The efforts done in several countries and in the EU to improve reporting from companies, and the potential offered by better integration with other environmental-accounting processes should nevertheless be recognised.

## **Agenda item 2C. Mainstreaming and link to SDGs**

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### *Background paper*

In addition to the Proposal of the Open Working Group (OWG) for Sustainable Development Goals, which includes a goal on the conservation and sustainable use of oceans, and another one on the protection, restoration and sustainable use of terrestrial ecosystems, CBD COP 12 delegates will also have for their consideration the final report of the UN Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF).

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<sup>1</sup> The 'Bolivarian Alliance' of Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, Saint Vincent and the Grenadines, Venezuela and Saint Lucia.

There are therefore two types of links with the CBD resource mobilisation process. The first is ensuring adequate integration of biodiversity in SDGs, both through the two biodiversity-related main goals on oceans and terrestrial ecosystems; and through mainstreaming in targets and indicators in other relevant goals such as food security and health. This would ensure adequate mainstreaming of biodiversity in the main development sectors and therefore reduce overall biodiversity finance needs. The second is ensuring adequate synergies with the Means of Implementation discussion, taking into account the conclusions of the ICESDF.

### **Agenda item 3. Selected other salient issues to be tackled at COP 12** (14:30-16:00)

#### **Agenda item 3A. Marine biodiversity - Ecologically or Biologically Significant marine Areas (EBSAs)**

*Background paper not needed (please see Annotated Agenda)*

#### **Agenda item 3B. Synthetic Biology**

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*Background paper*

Synthetic Biology (SynBio) has emerged as a **new research area** associated with an expansion of the scope and scale of genetic modification. The EU supports and has supported research on the scientific and societal implications of SynBio via its Framework Programmes for Research and Technological Development including the engagement of stakeholders and promotion of exchange of information and knowledge with and within the SynBio community. SynBio processes seem to offer **novel opportunities** for the creation of new industries with profound economic implications for the EU and other major economies. Moreover, SynBio promises **substantial benefits** for health, the environment, resource management and the economy. In addition to the potential benefits of SynBio, there are as well **scientific uncertainties** associated with the development of synthetic life, cells or genomes and their potential impact on the environment, the conservation and sustainable use of biological diversity and human health. A **precautionary approach** in accordance with domestic legislation and relevant international obligations is thus required to prevent the reduction or loss of biological diversity posed by organisms, components and products generated by SynBio.

Based on current knowledge about scientific, technical, and commercial developments, there is on-going work by scientific experts towards a **science-based, operational definition** of “Synthetic Biology”. This definition should comprise specific inclusion and exclusion criteria, with special attention given to quantifiable and currently measurable ones. Recently, the *Opinion on Synthetic Biology – I: Definition* by the Scientific Committee on Health and Environmental Risks (SCHER), the Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR) and the Scientific Committee on Consumer Safety (SCCS) carried out a survey on 35 published definitions. Existing definitions are focused on conceptual advances within the scientific community. However, these definitions are neither operational nor fundamental, because they are not based on quantifiable and currently measurable criteria. To address the deficiency in existing definitions and to enable practical work on risk assessment, **the Opinion suggests a science-based operational definition:**

**"SynBio is the application of science, technology and engineering to facilitate and accelerate the design, manufacture and/or modification of genetic materials in living organisms".**

This operational definition reflects the working understanding of present and foreseeable technological advances. This definition also has the advantage that it does not exclude the application to SynBio of the relevant and large body of Risk Assessment and safety regulations developed over the past 40 years of GM work.

If organisms resulting from SynBio techniques are considered as GMOs, the **safety and regulatory aspects** of the current EU GMO regulatory framework are applicable to current and near-term applications: the risk-based approach for regulating the deliberate release (Directive 2001/18/EC), food and feed safety (Regulation 1829/2003), contained use of microorganisms (Directive 2009/41/EC) and transboundary movement (Regulation 1946/2003) of genetically modified organisms. Such approach involves a **case-by-case risk assessment** and identification of the most appropriate measures for the protection of human and animal health and of the environment. However, there is currently **debate** on whether process-based analysis should be applied for the regulatory oversight of certain novel techniques for genetic modification. One of the reasons for the debate is that process-based triggers for regulatory oversight might rapidly outgrow new biotechnology-based tools and approaches. These considerations may also apply to the regulatory oversight of certain organisms generated by SynBio, as exemplified the debate on the new plant breeding techniques (NPBT). In some cases, they allow for site-specific and targeted changes in the genome based on genetic modification techniques or avoid the stable introduction of transgenes, making them also indistinguishable from plants obtained by conventional breeding. Plants developed by NPBT that do not contain recombinant DNA in their genome are challenging the current GMO legislation.

### **Agenda item 3C. Biodiversity safeguards for REDD+ activities**

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#### *Background paper*

REDD+<sup>2</sup> initiatives have the potential to provide for **net biodiversity benefits** as forest conversion and degradation in developing countries are the major causes of biodiversity loss and decline of ecosystem services.

The magnitude of these benefits will however depend on the implementation of biodiversity criteria<sup>3</sup> to ensure that efforts to combat climate change also meet biodiversity objectives and do not threaten these ecosystems and people that rely on forests.

The EU has repeatedly stressed the potential of REDD+ to promote the objectives of the UNCBD, without jeopardising the UNFCCC process.

Biodiversity benefits related to REDD+ activities will depend on the synergies that are established between the UNFCCC and the UNCBD processes, and on the way decisions from respective conventions are implemented.

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<sup>2</sup> REDD: Reducing Emissions from Deforestation and forest degradation in Developing countries.

<sup>3</sup> The expression 'biodiversity criteria' refers to criteria, safeguards, principles, standards and guidance implemented for helping climate change mitigation and adaptation policies, programmes and projects avoid or minimise risks to biodiversity and maximise potential benefits, whilst being mindful of any trade-offs with the ultimate mitigation or adaptation goal.



It is necessary to strengthen the proactive attitude of the CBD to support and complement the implementation of the REDD+ mechanism.

Concerted efforts are needed at international and national level; in addition, there is a need for close cooperation between the different national administrations, especially among the focal points UNFCCC and UNCBD, between public authorities and key stakeholders, including indigenous and local communities.

In 2010, Parties to the UNFCCC adopted a set of safeguards - that include a set of biodiversity criteria - designed to mitigate potential negative social and environmental impacts of REDD+, and requested developing countries to establish systems for monitoring how these safeguards are addressed and respected. Last year UNFCCC Parties adopted the Warsaw REDD+ Framework; although it is the last step that provides a methodological guidance on the implementation of REDD+ activities, an important issue left open to further discussion is the one of 'non-carbon benefits' (NCBs).

**At COP 11, Parties to the CBD adopted Decision XI/19 containing advice on the application of relevant safeguards for biodiversity with regard to REDD+ activities. It is essential that CBD COP 12 emphasises and further promotes the full implementation of CBD Decision XI/19.**

In addition, what has still to be developed with regard to implementing Decision XI/19 are possible indicators to assess the contribution of REDD+ activities to achieving the objectives of the CBD, and to assess potential mechanisms to monitor impacts on biodiversity from these and other ecosystem-based approaches to climate change; in time to allow the Executive Secretary to report to SBSTTA before COP 13.

Besides, all CBD Parties recognize the importance of incentivizing non-carbon benefits (NCBs) for the long-term sustainability of the implementation of the activities referred to as the 'Cancun safeguards', but there is significant disagreement about the need for any specific guidance for incentivizing such benefits. The EU is of the opinion that there is no need for dedicated payments or price premiums for NCBs under the UNFCCC, but **does however see merit in encouraging discussions on NCBs in fora with relevant mandates such as the CBD, the Green Climate Fund (GCF) and the Forest Carbon Partnership Facility (FCPF) and is interested to learn from pilot experiences how NCBs can be incentivized best. The EU also welcomes initiatives, frameworks and decisions which encourage NCBs such as Payment for Ecosystem Services schemes.**

Broader synergies between the UNCBD and the UNFCCC also relate to the design and implementation of ecosystem-based approaches for mitigation and adaptation to climate change as they relate to biodiversity, such as mainstreaming ecosystem-based approaches into climate change policies; and linking NBSAPs with nationally appropriate mitigation actions (NAMAs); and national adaptation programmes of action (NAPAs).

#### **Agenda item 4.: Entry into force of the Nagoya Protocol and MOP 1** (16:00-16:30)

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##### *Background paper*

##### Toward the adoption of the Nagoya Protocol

The initial framework for the implementation of the provisions on “Access to genetic resources and benefit-sharing” (ABS) of the **CBD** is provided in Article 1 of the Convention, which identifies as one of the three main objectives of the CBD “*the fair and equitable sharing of the benefits arising out of the utilization of genetic resources*”.

In 2010, with Decision X/1, the 10<sup>th</sup> Conference of the Parties to the CBD **adopted the Nagoya Protocol** “*on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity*”. Further, the COP **established an Intergovernmental Committee for the Nagoya Protocol** (ICNP) for the preparations necessary in view of the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol (COP/MOP 1), and endorsed an *ad hoc* work plan.

##### The path to the entry into force of the Protocol

The 10<sup>th</sup> Conference of the Parties also adopted, with Decision X/2, “*The Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets*” whose Strategic goal D (Enhance the benefits to all from biodiversity and ecosystem services) includes as target 16: “*By 2015, the Nagoya Protocol (...) is in force and operational, consistent with national legislation*”.

From 2011 to 2014, the **ICNP held three meetings to prepare draft decisions** on the main topics concerning the implementation of the Nagoya Protocol (ABS Clearing House, capacity building, compliance, monitoring and reporting, resource mobilization, financial guidance and so on) to be proposed **for adoption at the COP/MOP 1**.

By 14 July 2014, **fifty States parties to the CBD had deposited their instrument of ratification** to the Nagoya Protocol, thus reaching the required number of ratifications for its **entry into force on 12 October 2014** and **enabling the COP/MOP 1 to be held from 13 to 17 October 2014** in Pyeongchang, Republic of Korea, concurrently with the 12<sup>th</sup> Conference of the Parties of the CBD.

##### European Union decisions about the Nagoya Protocol

Adopted in 2011, **the “EU Biodiversity Strategy to 2020” included, in Action 20** (“*Regulate access to genetic resources and the fair and equitable sharing of benefits arising from their use*”), **the objective for the EU to “ratify the Protocol as soon as possible and by 2015 at the latest, as required by the global target”**.

Signed by the EU and the majority of the Member States in the same year, the Nagoya Protocol has until now been ratified only by a few Member States (Denmark, Hungary and Spain) which will be, therefore, State parties to the COP/MOP 1.

With the **adoption of the Council Decision 2014/283/EU** of 14 April 2014 “*on the conclusion, on behalf of the European Union, of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity*”, the **European Union became a Party to the Protocol** as “*regional economic integration organization*” and **will, therefore, be represented at COP/MOP 1**.



**The EU Council adopted conclusions on the preparation of COP/MOP 1 in the meeting held in Luxembourg, on 12 June 2014** (*“Chapter III, Nagoya Protocol on Access and Benefit Sharing”*), confirming that the EU and its Member States are strongly committed to actively participate in the COP/MOP 1 and to *“further contribute to the substantive international work that is essential for the implementation of the Nagoya Protocol”*.

Indeed, the EU and its Member States actively supported the process related to the implementation of the third objective of the CBD by financing *ad hoc* workshops and projects on some key aspects of the Protocol, in view of its entry in force and with the aim of ensuring a clear framework on its implementation. Further, the **European Union adopted Regulation (EU) N. 511/2014** of the European Parliament and of the Council of 16 April 2014 *“on compliance measures for users from the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization in the Union”*.

Regulations and decisions adopted do bear witness the responsibility and the support at global scale by the European Union and its Member States toward the Nagoya Protocol and its implementation.

