



United Nations Development Programme  
Government of Mexico

**Project Title:** **Strengthening of National Capacities for the implementation 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.”**

**UNDAF and CPD Outcome(s):** UNDP Outcome 6: The three branches of Government, the private sector, academics and civil society will have enhanced their capacity to check environmental degradation and use natural resources sustainably and equitably by mainstreaming environmental sustainability, low-emission development and green economy into the legislative process, planning and decision making

**UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:** Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

**Executing Entity/Implementing Partner:** SEMARNAT

**Implementing Entity/Responsible Partners:** SEMARNAT

**Brief description:**

The Government of Mexico is requesting assistance from GEF and UNDP to remove barriers to securing the long-term conservation of the country’s biological diversity. The *project goal* is to safeguard globally significant biodiversity of Mexico through strengthening the legal and administrative framework on access to genetic resources and benefit sharing while building capacity of the relevant national institutions. The *project objective* is to enhance in Mexico, in a participatory manner, the capacities of national authorities (SRE, SEMARNAT, SAGARPA, CDI, SE), as well as the legal and administrative framework in relation to genetic resources, associated traditional knowledge and benefit-sharing, according to institutional conditions for the implementation 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*” (NP). The three main *outcomes* of the project are: 1. Adjusting the legal framework and establishing public policy measures that regulate the access utilization of GR and associated TK arising from the fair and equitable benefit-sharing; 2. Strengthening of national institutional capacities; 3. Protecting traditional knowledge and improving the capacities of indigenous and local communities and other stakeholders to generate social awareness on conservation and sustainable use of biodiversity, GR and associated TK, as well as benefit-sharing arising from their access and utilization.

Programme Period:	2014-2018
Atlas Award ID:	00091799
Project ID:	00096831
PIMS #	5375
Start date:	March 2016
End Date	March 2019
Management Arrangements	NIM
PAC Meeting Date	TBD

<b>Total resources required</b>	<b>11,221,684</b>
<i>Total allocated (CASH) resources: 9,938,847</i>	
• UNDP	230,000
• GEF	2,283,105
• GIZ-CONABIO Project	7,425,742
<i>In-kind contributions 1,282,837</i>	
• UNDP	20,000
• Government	
○ CONANP	45,000
○ DGSPNR	198,172
○ DGGFS	47,000
○ DGVS	116,738
○ PROFEPA	16,970
○ CONABIO	79,482
○ SFNA	110,688
○ UCPAST	91,615
○ UCAI	46,244
○ SNICS	171,545
○ IMPI	188,178
○ CDI	151,205

Agreed by: \_\_\_\_\_ Date: \_\_\_\_\_

Agreed by: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Representative

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<b>LIST OF ACRONYMS</b>
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<b>ABS</b>	Access & Benefit Sharing
<b>AWP</b>	Annual Work Plan
<b>BD</b>	Biodiversity
<b>CBD</b>	Convention of Biological Diversity
<b>CC</b>	Climate Change
<b>CITES</b>	Convention on International Trade in Endangered Species
<b>CONABIO</b>	National Commission for Knowledge and Use of Biodiversity
<b>CONAFOR</b>	National Forestry Commission
<b>CONANP</b>	National Commission for Natural Protected Areas
<b>GEF</b>	Global Environment Facility
<b>GIS</b>	Geographic Information System
<b>GR</b>	Genetic Resources
<b>GIZ</b>	German Cooperation Agency
<b>INIFAP</b>	Research Institute of Forestry, Agricultural and Livestock Research
<b>KfW</b>	Entwicklungsbank, German Development Bank
<b>M&amp;E</b>	Monitoring & Evaluation
<b>MTE</b>	Mid-term Evaluation
<b>NBSAP</b>	National Biodiversity Strategy Action Plan
<b>NDP</b>	National Development Plan
<b>NGO</b>	Non-government Organization
<b>NP</b>	Nagoya Protocol
<b>PA</b>	Protected Area
<b>PES</b>	Payment for Environmental Services
<b>PIRs</b>	Annual Project Implementation Reviews
<b>PPG</b>	Project Preparation Grant
<b>PROFEPA</b>	Federal Attorney of Environmental Protection
<b>RCU</b>	Regional Coordinating Unit
<b>SEMARNAT</b>	Ministry of the Environment and Natural Resources
<b>SAGARPA</b>	Ministry of Agriculture, Livestock, Rural development, Fishery and Food
<b>SCT</b>	Ministry of Communications and Transport
<b>SE</b>	Ministry of Economy
<b>SEDESOL</b>	Ministry of Social Development
<b>SEGOB</b>	Ministry of the Interior
<b>SENER</b>	Ministry of Energy
<b>SEDUE</b>	Ministry of Urban Development and Ecology
<b>SNICS</b>	National Seed Inspection and Certification Service
<b>SRE</b>	Ministry of Foreign Affairs
<b>SHCP</b>	Ministry of the Treasury and Public Credit
<b>UNCCD</b>	United Nations Convention to Combat Desertification
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>WB</b>	World Bank
<b>WWF</b>	World Wildlife Fund

## SECTION 1: ELABORATION OF THE NARRATIVE

### Part I.A. Context

#### 1.1. Context and global significance

1. Mexico is a ‘mega-diverse’ country, the fourth most biodiverse in the world, and is home to an estimated 12% of the world’s species. These include an estimated 544 species of terrestrial and marine mammals (second only to Indonesia and Brazil), 804 species of reptiles, between 300,000 and 425,000 estimated species of insects and 23,522 known species of plants. The country is the richest in the world in terms of reptile species, the second in terms of mammal species and the fourth in terms of amphibians and plants. An estimated 32% of the national vertebrate fauna is endemic to the country and 52% is endemic to Mesoamerica. The country also includes areas of 51 of the 191 terrestrial ecoregions recognized worldwide.

2. Mexico’s rich biological heritage has a vast potential to be explored for new wealth creation and to enhance the nation’s development in accordance with national policies on biological diversity. Mexico’s biodiversity is a strategic resource for the country because its genetic resources have a high potential for application in industries such as cosmetics, therapeutics, biomedicine, agroindustry, among others. At present, however, Mexico lacks a national regulatory framework on access and benefit-sharing (ABS). The growing interest in access to genetic resources for research and commercial uses increases the vulnerability of both the biodiversity and their associated ecosystems and communities. A national ABS regulatory framework would seek to achieve, *inter alia*, the following: (i) fulfil Mexico’s legal obligation to fully implement CBD; (ii) ensure that all bio-prospecting initiatives are legally carried out and the benefits fairly and equitably shared; (iii) encourage the establishment of systems for open exchange of information among key stakeholders; (iv) promote the recognition of TK associated with biological resources; (v) promote recognition of the value of biological resources and diversity and thus drive their conservation and sustainable use, and; (vi) enable custodians of these resources and associated TK to receive benefits and alternative livelihood opportunities.

3. The ***long-term solution*** towards which this project will therefore contribute is the establishment and operationalization of a robust legal and institutional framework for implementing a national ABS framework in Mexico, ensuring benefit sharing with regard to genetic resources, as well as equitable distribution of benefits to the holders of associated traditional knowledge, as prescribed in the Nagoya Protocol (NP). Such a framework would strengthen economic arguments and incentives for the conservation and sustainable use of the biological resources that contain the genetic material, while helping to prevent the loss of associated traditional knowledge.

#### *Genetic Resources: Target and Driver for Conservation*

4. Mexico is of high global biodiversity importance as the center of origin of many species and varieties with great use potential in agricultural, forestry and pharmaceutical sectors. As a major global center of domestication and diversification of cultivated species, species that are grown in Mexico have many wild relatives that may or already expand the high genetic diversity of many cultivated species consumed worldwide, and therefore they represent a resource of great importance in terms of global food security and interest for access and utilization. Biodiversity has been subject to human use since remote times, and continues to be of great importance in practical as well as cultural and religious terms for most of the country’s more than 60 recognized ethnic groups. Over 15% of plant species consumed worldwide as food originated in Mexico. Table 1 shows the details of the plants used for food and other functions that

originated or were domesticated in Mexico<sup>1</sup>. Notable examples include the agricultural crops maize (*Zea mays*), squash (*Cucurbita spp.*) and cotton (*Gossypium hirsutum*), and *Leucaena spp.*, a multi-purpose tree genus with huge potential in smallholder agroforestry systems. Section IV Part II provides more details regarding GR in Mexico.

**Table 1. Principal Uses of Genetic Resources (Plant Species) in Mexico**

Principal Use/Utilization	Mexican common name	Species	Origin
Natural fertilizer, genes, proteins, carbohydrates	Guaje	<i>Leucaena esculenta</i> , <i>L. leucocephala</i>	Mesoamerica
Food, Genes, Proteins, oils, gums, nutraceuticals, etc.	Aguacate Cacao Calabaza  Chicozapote Frijol silvestre Guayaba Jícama  Tomate  Maíz Tejocote  Tomatillo Tunas/Nopal	<i>Persea americana</i> <i>Theobroma cacao</i> <i>Cucurbita pepo</i> , <i>C. moschata</i>  <i>Manilkara zapota</i> <i>Phaseolus vulgaris</i> <i>Psidium guajava</i> <i>Pachyrrhizus erosus</i>  <i>Lycopersicon esculentum</i>  <i>Zea mays</i> <i>Crataegus mexicana</i> , <i>C. pubescens</i> <i>Physalis ixocarpa</i> <i>Opuntia albicarpa</i> , <i>O. ficus-indica</i> , <i>O. megacantha</i>	Mesoamerica Mesoamerica Mesoamerica, Tropical America, North America Mesoamerica Mesoamerica Mesoamerica, North and South America Mesoamerica Mesoamerica, North and South America Mesoamerica Mesoamerica Mesoamerica
Alcoholic drinks, Genes, Proteins, oils, gums, nutraceuticals, biofilms, alcohol, etc.	Magüey cenizo, magüey del cerro Magüey mezcalero, magüey espadín Magüey mezcalero, magüey tobalá Magüey pulquero, ixtle  Magüey tequilero, magüey azul, agave azul	<i>Agave asperrima</i>  <i>Agave angustifolia</i>  <i>Agave potatorum</i>  <i>Agave salmiana</i>  <i>Agave tequilana</i>	Mesoamerica  Mesoamerica, North of Mexico Mesoamerica  Mesoamerica, North of Mexico  Mesoamerica
Spices, Genes, Proteins, oils, gums, pigments, scents, nutraceuticals, etc.	Achiote Chiles Vainilla	<i>Bixa orellana</i> <i>Capsicum annum</i> <i>Vanilla planifolia</i>	Mesoamerica Mesoamerica Mesoamerica
Stimulant, Genes, Proteins, oils, gums, pigments, scents, nutraceuticals, etc.	Tabaco	<i>Nicotiana rustica</i>	Mesoamerica
Fiber, Genes, Proteins, oils, gums, nutraceuticals, biofilms	Algodón Henequén	<i>Gossypium hirsutum</i> <i>Agave fourcroydes</i>	Mesoamerica Mesoamerica
Gums, Genes, Proteins, oils, gums, nutraceuticals, biofilms	Chicle, chicozapote	<i>Manilkara zapota</i>	Mesoamerica

<sup>1</sup> Capital Natural de México: Sinópsis – Conocimiento actual, evaluación, y prospectos de sustentabilidad. CONABIO (p. 38)

Wax, Genes, Proteins, oils, gums, nutraceuticals, biofilms	Candelilla	<i>Euphorbia antisiphilitica</i>	North of Mexico, South USA
Ornamental, Genes, Proteins, oils, gums, pigments nutraceuticals	Cempasúchil,	<i>Tagetes erecta</i>	Mesoamerica, North and South America
	Nochebuena	<i>Euphorbia pulcherrima</i>	Mesoamerica
Dye, Genes, Proteins, oils, gums, pigments nutraceuticals	Índigo	<i>Indigofera suffruticosa</i>	Tropical America

5. This project will focus on developing the ABS legal framework and conditions related to bioprospecting potential of Mexico’s biodiversity and associated genetic resources. By supporting the development and implementation of a robust legal and institutional framework for ABS, the project would strengthen economic arguments and incentives for the conservation and sustainable use of the biological resources that contain the genetic material, while helping to prevent the loss of associated traditional knowledge. Fortunately, favorable conditions exist for this project both at planning and policy levels, as described in Part 1.4 on Policy Context.

## 1. 2. Socio-economic context

6. In addition to its natural wealth, Mexico is a multi-ethnic country with recognized cultural and archaeological wealth. Mexico is ethnically diverse, but dominated by mixed-race people (*mestizos*). Mexico’s population is still growing and in 2015 reached 121 million people<sup>2</sup>. Despite its relatively high total and per capita GDP and Human Development Index (HDI)<sup>3</sup>, the country’s high Gini coefficient (Table 2) is a measure of the large gap that exists between rich and poor. According to INEGI’s National Household Income and Expenditure Survey (ENIGH) and Socioeconomic Conditions Module (MCS) in 2014, 46.2% of the country’s population (or 55.3 million people) live in poverty and most of them (61.1%, corresponding to 17 million people) live in rural areas<sup>4</sup>. Although a large number of poor people live in urban areas, those in rural areas face extreme poverty, meaning they lack the means to satisfy basic nutrition needs.

**Table 2. Key socioeconomic data<sup>5</sup>**

Category	Result
Total population (2015 June)	120,846,274
Population density	61/km <sup>2</sup>
Total GDP (2015 June)	\$14,039,886 (mill. pesos) 15 <sup>th</sup> worldwide
Per capita GDP (2015 June)	\$116,179 (pesos) 59 <sup>th</sup> worldwide

<sup>2</sup> INEGI. 2015. México en cifras. National Institute of Statistics and Geography, Mexico. [www.inegi.org.mx](http://www.inegi.org.mx)

<sup>3</sup> The Human Development Index (HDI, based on life expectancy, schooling, and national income per capita) for 2013 placed Mexico in the group of High Development, ranking 61st out of 186 countries. PNUD. 2013. Informe sobre Desarrollo Humano 2013, "El ascenso del Sur: Progreso humano en un mundo diverso". Available at: <http://hdr.undp.org/es/estadisticas>.

<sup>4</sup> Medición de la Pobreza en México y en las Entidades Federativas 2014. CONEVAL, July 2015. Visit: [http://www.coneval.gob.mx/Medicion/Documents/Pobreza%202014\\_CONEVAL\\_web.pdf](http://www.coneval.gob.mx/Medicion/Documents/Pobreza%202014_CONEVAL_web.pdf)

<sup>5</sup> <http://www3.inegi.org.mx/sistemas/temas/default.aspx?s=est&c=23824>;

<http://www3.inegi.org.mx/sistemas/temas/default.aspx?s=est&c=17484>

<http://data.worldbank.org/indicator/SI.POV.GINI>

<http://data.worldbank.org/data-catalog/GDP-ranking-table>

<http://hdr.undp.org/en/content/human-development-index-hdi>

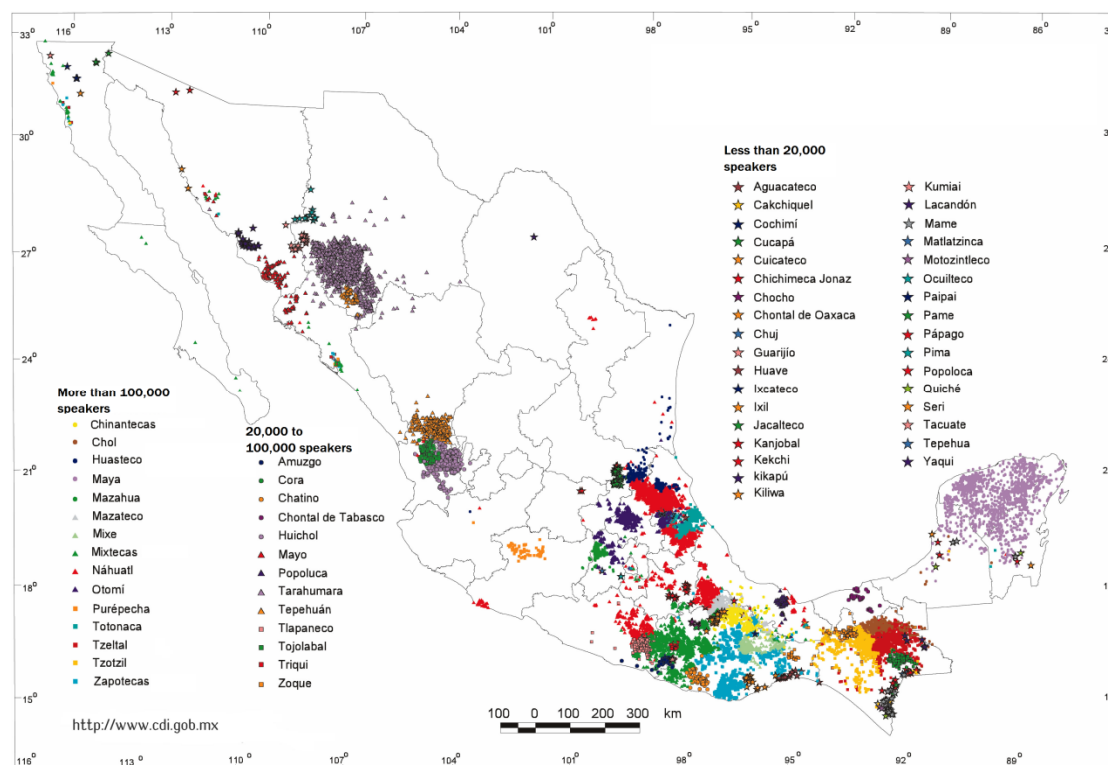
<http://hdr.undp.org/en/content/gender-inequality-index>

Total GDP (nominal-2015 February)	\$17,810,957 (mill. pesos) 15 <sup>th</sup> worldwide
Per capita GDP (nominal-2015 February)	\$147,385 (pesos) 59 <sup>th</sup> worldwide
GINI coefficient (2015)	43.8 (123 <sup>rd</sup> worldwide)
Human Development Index (2105)	0.756 (71 <sup>st</sup> worldwide)
Gender Inequality Index (2015)	0.376 (76 <sup>th</sup> worldwide)

### Indigenous groups

In Mexico, the total population of Indigenous Peoples is 12.7 million, distributed among 62 diverse ethnic groups with their corresponding languages and customs (see Map 1, below). Municipalities with a high proportion of indigenous population are also those that rank lowest in the HDI and have the highest poverty levels: 73.2% of indigenous people (8.7 million people) are in poverty, and 31.8% of the total lives in extreme poverty. Many of these communities coincide with habitats of known important GR, making them prime candidates for benefitting from an institutionalized ABS framework.

**Map 1. Distribution of languages and indigenous groups in Mexico<sup>6</sup>.**



7. A considerable portion of the best preserved forests and tropical forests and the high part of the water catchment basins of the country's main rivers are located in those same areas with high indigenous concentration. An estimated 19 million hectares of natural vegetation are located in areas with important populations of indigenous groups.<sup>7</sup> These areas include significant portions of ecosystems that support

<sup>6</sup>CDI. 2000. National map of indigenous languages. National Commission for the Development of Indigenous People. México. [http://www.cdi.gob.mx/identifica/mapa\\_nacional\\_lenguas\\_indigenas\\_cdi.jpg](http://www.cdi.gob.mx/identifica/mapa_nacional_lenguas_indigenas_cdi.jpg)

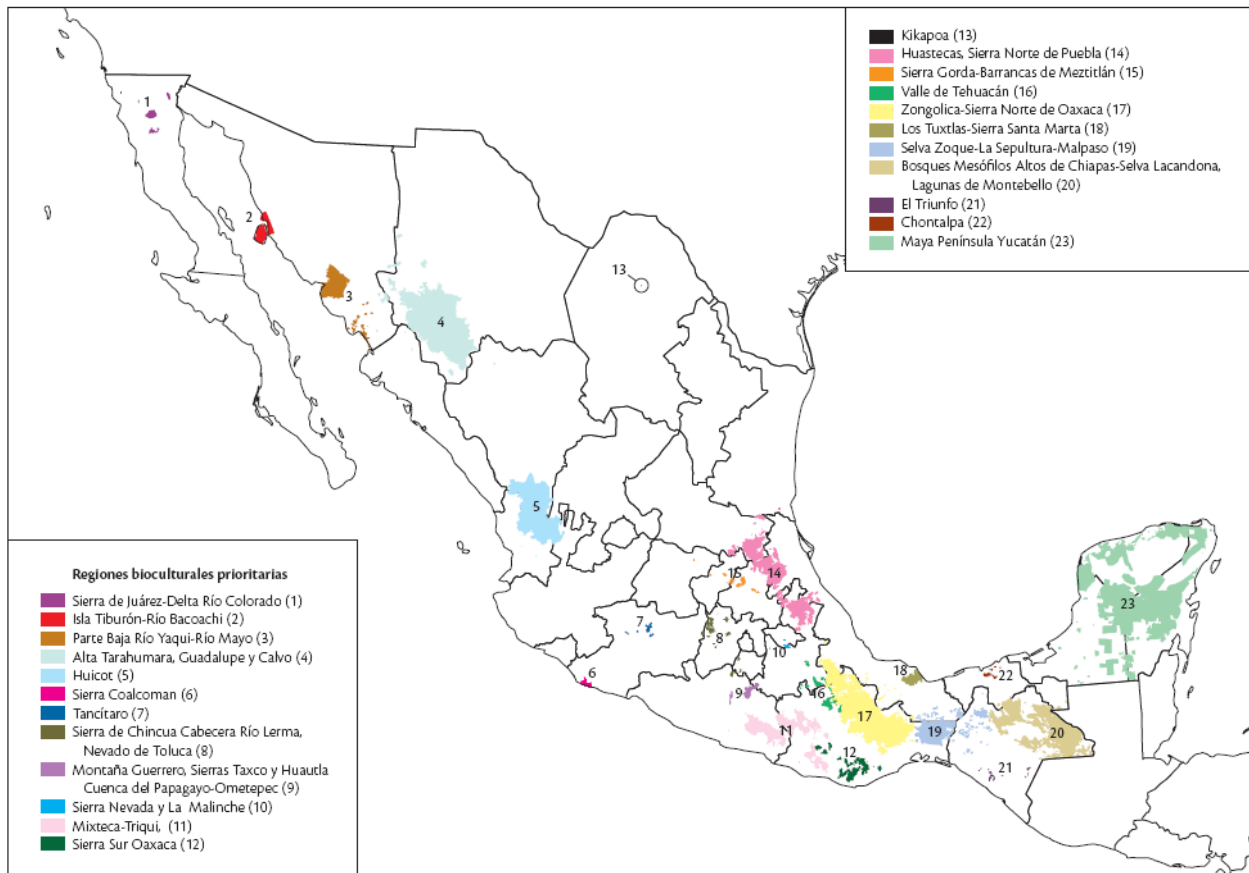
<sup>7</sup> Boege Schmidt E. 2008. La cobertura vegetal y el uso de suelo en los territorios de los pueblos indígenas. Pp. 99-135 in: El patrimonio biocultural de los pueblos indígenas de México. Hacia la conservación in situ de la biodiversidad y agrobiodiversidad en los territorios indígenas (E. Boege Schmidt, ed.). National Institute of Anthropology and History, and National Commission for the Development of Indigenous People. Mexico.



Mexico's unique biodiversity and provide crucial environmental services, including mesophile forests and humid rainforests, habitats important to the species selected for this project.

8. The following map illustrates indigenous peoples in relation to the prioritization of the biological regions within their territories. These regions present a potential opportunity for intervention with the aim to establish strong capacities to address legal ABS processes, including those related to associated Traditional Knowledge.

**Map 2: Priority Biocultural Regions in Mexico<sup>8</sup>**



### Gender

9. Despite its relatively high HDI, when measured with regards to gender, Mexico drops 5 positions because of high gender inequality (Table 1). In recent years, women have gained greater access to higher education: for 2010, 40% of women from 15 to 29 years old have acquired mid-level education, while 5.6% have incomplete basic education or no formal education at all. Education is still less accessible for women than for men, with fewer women studying high school and university levels. Moreover, 7.1% of women in Mexico are illiterate, while only 4.9% of men are unable to read or write.

10. The National Survey on Occupation and Employment<sup>9</sup> indicates that in 2010, women were the head of 25.5% of all Mexican homes and 11% of rural homes. These women have lower degrees of literacy

<sup>8</sup> Boege, E. 2009. El reto de la conservación de la biodiversidad en los territorios de los pueblos indígenas, en Capital natural de México, vol. II: Estado de conservación y tendencias de cambio. Conabio, México, pp. 603-649.

<sup>9</sup> INEGI. 2011. Encuesta Nacional de Ocupación y Empleo 2010. National Institute of Statistics and Geography. Mexico.

and lower salaries than men. Also, women perform on average 32.2 hours/week of unpaid work, while men perform 19.8 hours/week. The difference is bigger in rural areas. Furthermore, as mentioned below, while land tenure rights are fairly secure for men, territorial management is unequal, with only 23% of women involved in land-tenure, and women's terrains averaging 2.8 has, while men's lands are 5-10 has<sup>10</sup>.

11. With regards to genetic resources, women play a crucial role in their use and conservation due to their importance in culinary traditions as well as medicinal practices. As such, the issue of land-tenure is of concern as well as the education level to ensure that these key stakeholders are properly considered in Prior Informed Consent (PIC), associated TK, and access negotiations.

### Land Tenure

12. Land tenure rights are relatively secure in Mexico. Around 53% of national territory, corresponding to 70% of forests is officially assigned to *ejidos*<sup>11</sup> and communities, while about 2 million ha are disputed among communities or indigenous groups<sup>12</sup>. Mexican Law indicates that the communities and *ejidos* have complete control over their lands, and can manage them freely, use the natural resources produced in them and decide the land use according to their traditions<sup>13</sup>. However, with respect to gender, there is a loophole associated with the issue of land tenure rights, which centers around the lack of recognition of women's rights in the context of the Mexican Agrarian Law with regards to the definition of the rights of *ejidatarios* and *comunales*. Without specific legal recognition of the rights of women as lawful owners and users, there is little legal obligation or recourse to include them in discussions concerning ABS, ultimately increasing women's vulnerability in issues of Genetic Resources (GR) and Prior Informed Consent (PIC).

### Production matrix

13. Traditionally the environment sector and the economic/productive sectors work separately and often with opposite visions. Most notable are the extraction programs associated with Forestry and Mining, as well as Agriculture and Fisheries, which are oftentimes incompatible with the traditional "hands-off" conservation approach of Protected Areas and other Biodiversity conservation efforts. The vision developed by the government related to bioeconomy would be supported through the development of an appropriate ABS framework and a solid National Strategy and could serve to bridge the gap between sectors that have traditionally operated in a very polarized way. The development of the National Strategy and a regulatory framework consistent with the NP will complement the current actions of the Government to promote sustainable development based on the sustainable use of the country's natural capital as well as the transition to the development of bio-economic projects as prioritized by the current administration. This approach is new for Mexico and was recognized in the NDP 2013-2018<sup>14</sup> in the Objective 4.4.: "Promote and guide an inclusive green growth and facilitator to preserve our natural heritage while generating wealth, competitiveness and employment", and grounded in the Strategy 4.10.4 "Promote the sustainable use of the country's natural resources" and more precisely in the Strategic line:

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<sup>10</sup> SEMARNAT. 2007. Programa Hacia la Igualdad de Género y la Sustentabilidad Ambiental 2007-2012. Ministry of Environment and Natural Resources. Mexico.

<sup>11</sup> *Ejidos* are a communal form of land tenure established in the revolution of the 1920s to secure rural population access to agricultural lands. *Ejidos* are composed of two different kinds of property rights over land: private parcels and commons. Private land is mostly dedicated to agricultural activities. The commons are mainly dedicated to pasture and forest.

<sup>12</sup> SEMARNAT. 2010. Propuesta de preparación (R-PP) para el Fondo Cooperativo par el Carbono de los Bosques. Ministry of Environment and Natural Resources. Mexico

<sup>13</sup> Mexico Constitution of 1917, Article 27 was amended in 1992, ending land redistribution, permitting peasants to rent or sell ejido or communal land, and permitting both foreigners and corporations to buy land in Mexico.

<sup>14</sup> <http://pnd.gob.mx/>

“Establish instruments to rescue, preserve and enhance the genetic resources”. Furthermore, an adjustment in the production matrix would recognize more fully the contributions of genetic resources to the national economy. For example, agriculture associated with Mexican species of origin contributed approximately US\$12 million and 24% of the national agricultural production<sup>15</sup>. It is expected that other sectors could report similar contributions from GR once they are made aware and take them into account.

### 1. 3. Institutional context

14. In accordance with Article 32 *bis* of the Organic Law of the Federal Government (LOAPF, as abbreviated in Spanish), the Ministry of Environment and Natural Resources (SEMARNAT) is the government authority responsible for the protection, conservation, regulation and sustainable use of natural resources. The Ministry is a purely normative entity, as it focuses mostly on regulating access to, and use of, renewable natural resources. Furthermore, the LOAPF grants legal power to several Central Public Administration Agencies and state-owned public administration entities, such as the National Commission for the Knowledge and Use of Biodiversity (CONABIO), to carry out conservation activities. The mission of CONABIO is to carry out research on knowledge and use of biodiversity; advise governmental agencies and other sector; help comply with international conventions (particularly CBD), and disseminate knowledge on biological wealth. Table 3 describes the main functions carried out by different units and entities of the Federal Government’s environmental sector.

**Table 3: Mandates of Federal Government Environmental Entities<sup>16</sup>**

Area	Mandate
Secretariat of Environment and Natural Resources (SEMARNAT)	Protection, restoration, and conservation of eco-systems, natural resources, and environmental goods and services; the institution in charge of regulating access to Genetic Resources (GR)
Undersecretary of Planning and Environmental Policy of SEMARNAT	Environmental planning, definition of environmental policies, mainstreaming in other sectors of the federal government, compilation and analysis of environmental data.
Undersecretary of Environmental Regulations of SEMARNAT	Elaboration of technical norms (NOMs), bills and regulations.
Undersecretary of Environmental Management of SEMARNAT	Issuance of permits and licenses, including those related to wildlife, forests, EIA, wastes and air emissions.
Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA)	Grant certificates to obtain vegetable varieties
Mexican Institute of Industrial Property	Grant intellectual property rights, as in the case of patents, including those related to GR.
Federal Commission for Protection against Sanitary Risks (COFEPRIS)	Responsible for health notifications and grant authorizations.
National Commission for the Knowledge and Use of Biodiversity (CONABIO)	Carry out research on knowledge and use of biodiversity; advise governmental agencies and other sector; help comply with international conventions (particularly CBD), and disseminate knowledge on biological wealth.
National Water Commission (CONAGUA)	Manage and preserve national waters to achieve their sustainable use.
Federal Attorney General for Environmental Protection (PROFEPA)	Enforce legal dispositions governing environmental pollution, restoration of natural resources, preservation and protection of forest resources, wildlife, endangered species, coastal zones, natural protected areas, EIA,

<sup>15</sup> Acevedo Gasman, F., et al. 2009. La bioseguridad en México y los organismos genéticamente modificados: cómo enfrentar un nuevo desafío, en Capital natural de México, vol. II: Estado de conservación y tendencias de cambio. Conabio, México, pp. 319-353.

<sup>16</sup> USAID - Mexico. 2009. *Op cit.*

	and regional development plans.
National Forestry Commission (CONAFOR)	Support productive, conservation, and restoration activities in the forestry sector; participate in the development and implementation of policies and plans for sustainable forestry development.
National Commission of Natural Protected Areas (CONANP)	Manage natural protected areas and implement sustainable regional development programs in areas of high biodiversity.

#### 1. 4. Legal, Policy and Planning Context

15. Mexico has developed a comprehensive legal framework for environmental and natural resource management. The General Law of Environmental Equilibrium and Protection (LGEEPA) is the cornerstone of Mexico's environmental laws. Until 2000, few environmental laws existed and regulations complemented LGEEPA's general provisions. Since then, however, the number of environmental and other related legislation has increased notably. The proliferation of laws, regulations and official Mexican norms (currently numbering more than 100) partly reflects a growing sophistication in environmental management, but also represents challenges for environmental enforcement agencies to oversee their compliance. Table 4 summarizes Mexico's main environmental laws with their corresponding regulations.

**Table 4: Main environmental laws in Mexico**

Instrument/ Legal Hierarchy	Scope
Mexican Constitution (First tier law, 1917)	Defines environmental rights and ownership of renewable and non-renewable natural resources.
General Law of Environmental Equilibrium and Protection (Second tier law, 1988)	Framework law for environmental and natural resource management; defines the attributions of each level of government; defines environmental policy's principles and the instruments for environmental management.
<ul style="list-style-type: none"> <li>Regulations of the General Law of Environmental Equilibrium and Protection in the Area of Environmental Audits (Third tier law, 2010)</li> </ul>	Regulates environmental audits, which include a firm's equipment and processes, as well as the associated pollution and risks.
<ul style="list-style-type: none"> <li>Regulations of the General Law of Environmental Equilibrium and Protection in the Area of Environmental Impact Assessment (Third tier law, 2000)</li> </ul>	Regulates the Federal Government's use of Environmental Impact Assessment.
General Law of Sustainable Fisheries and Aquaculture (Second tier law)	Regulates the promotion and management of fisheries and aquaculture resources.
General Law of Wildlife (Second tier law)	Regulate the conservation and sustainable use of wildlife and its habitat (excluding the use of timber and non-timber goods, marine species, and endangered or at risk species).
<ul style="list-style-type: none"> <li>Regulations of the General Law of Wildlife (Third tier law)</li> </ul>	
General Law of Sustainable Forest Development (Second tier law)	Regulates the use and administration of forest resources; recognizes the environmental services provided by forests; aims to reduce poverty rates among forest dwellers'.
<ul style="list-style-type: none"> <li>Regulations of the General Law of Sustainable Forest Development (Third tier law)</li> </ul>	
Law of National Waters (Second tier law)	Regulates use and management of water; defines responsibilities of CNA and watershed organizations; mainstreams environment into water management.
<ul style="list-style-type: none"> <li>Regulations of the Law of National Waters (Third tier law)</li> </ul>	
Law of Biosafety of Genetically Modified Organisms (Second tier law)	Regulates use, trade, and experimentation with these organisms.
<ul style="list-style-type: none"> <li>Regulations of the Law of Biosafety of</li> </ul>	

Instrument/ Legal Hierarchy	Scope
Genetically Modified Organisms (Third tier law)	
Law of Organic Products (Second tier law)	Regulates the criteria and requirements for the elaboration, use, verification and certification of organic products.
Law of Sustainable Rural Development (Second tier law)	Aims to improve welfare of rural communities; creates a program that provides resources to protect rural environment, enhance sustainability of rural development, and valuation of environmental services.
General Law of Public Property (Second tier law)	Regulates the concessions of the Federal Maritime and Terrestrial Zone and Lands Reclaimed to the Sea.
Law of Planning (Second tier law)	Mandates the incorporation of environmental criteria in the programs and actions of the Federal Government's administrative sectors.

ABS Policy in Mexico: challenges for implementation

16. International treaties, in particular environmental treaties, require national application mechanisms to allow compliance with legal provisions to inure to the benefit of proper application of the treaty in harmony with national laws. In 1993, Mexico endorsed the Convention on Biological Diversity (CBD), whose three objectives include: conservation of biological diversity, its sustainable utilization and sharing of benefits arising from the utilization of genetic resources (GR). Article 15 of the CBD sets forth the Recognition of sovereign rights of States over their natural resources; the authority to determine access to GR rests with the national governments and is subject to national legislation. To that effect, and in order to regulate the contents of the said provision, and to reach the third objective of the CBD, the Contracting Parties decided to engage in negotiations to develop an international instrument capable of regulating its content, namely, the Nagoya Protocol (NP). The NP will allow the development of the provisions of Article 15 of the CBD and at the same time, to achieve the third objective of the CBD, fair and equitable sharing of benefits arising from the utilization of GR.

17. The NP sets forth that in the exercise of their sovereign rights, national governments are responsible for establishing legislative, administrative or political measures to make certain that prior informed consent is obtained to grant access to their GR and guarantee that the benefits arising from their utilization are shared in a fair and equitable way. There is a high degree of sensitivity regarding illegal appropriation of GR and associated traditional knowledge. In the political arena, such sensitivity has been the reason for which the debates in the last 10 years have not yet been able to generate consensus over wide and systematic legal measures, necessary to regulate access and fair and equitable sharing of benefits.

18. To date, Mexico's Forest Legislation amended in 2006, is the only national legislation to have included a procedure to obtain prior informed consent for cases in which the protection or utilization activities in a forest environment are tied to traditional knowledge. Insufficient implementation of access and fair and equitable sharing of benefits in the national context has limited the development of research on the use of GR and associated TK, as well as the involvement of the national and foreign private sector. One of the main problems is that the change in the intended use of collections for research purposes to commercial use is not regulated; in addition, research and development processes are oftentimes conducted in a jurisdiction other than those in which the access to resources was granted. Thus, information exchange between user countries and their suppliers to verify legal and legitimate use and access is essential.

19. The country has not been able to implement the objective with regards to fair and equitable sharing of benefits which is part of one of the CBD objectives and the foundation for the preparation of the NP. For this end, new agreements are required between suppliers of biological and genetic resources and research

institutes, private companies and social enterprises interested in their use. To date, there are few specific experiences of due processes in the world that define fair and equitable benefit-sharing; these scattered cases have been systematized recently for their analysis and dissemination. In particular, the new provisions in the NP require a structured experience exchange between GR and associated TK suppliers and users that generates inputs for new procedures at institutional, academic and social levels.

20. The ratification of the NP by Mexico, and the instrumentation of the NP will enable the protection, conservation and sustainable use of such resources, thus, an extended diagnosis of the national legal framework is necessary in order to determine the regulatory, normative and promotion needs on access to GR and fair and equitable sharing of benefits arising from their utilization. This will require the involvement of the Mexican society as a whole to sensitize them and make them aware of the joint responsibility on their capitalization and conservation.

21. The problem is that access to GR, their utilization and possible sharing of benefits arising from such utilization do not occur necessarily at the same time and in the same space, thus monitoring of such activities becomes complex and therefore fair and equitable benefit sharing is complex as well.

## **Part I.B. Baseline Course of Action**

### **1. 5. Threats to biodiversity**

22. Despite the fact that Mexico has a long history of negative impacts on its natural capital, favorable substantive changes and progress have been achieved in recent years for its protection. These changes have laid the foundations for conservation and sustainable management of such capital. Nevertheless, the transition to environmental sustainability has faced severe obstacles; the changes required to achieve it should be expanded and consolidated. It is necessary to establish specific goals on conservation, sustainable management and restoration and achieve through comprehensive, coordinated and cross actions of public policies, the appreciation of biodiversity and its environmental services.

23. Mexico's natural heritage displays symptoms of a deep anthropogenic impact that has generated an environmental crisis; therefore, changes in the economic growth and promotion of productive activities that have brought about the irrational use and overexploitation of biodiversity, and a severe deterioration of ecosystems and their environmental goods and services the country unequivocally depends on for its continuous development and wellbeing of the people, are imperative.<sup>17</sup>

24. Wildlife shows signs of a major problem such as climate change and anthropogenic activities, which are causing severe changes in the ecosystem functioning. Likewise, loss and deterioration of habitats, together with other direct factors such as the global climate change have increased the opportunities for the establishment of exotic invasive species and have also increased the risk for people to contract infectious diseases, causing severe damages to ecosystems and human health with high economic, environmental and social costs. In economic terms, it has been estimated that the monetary costs of environmental deterioration in Mexico (including natural disasters) are substantive, with an annual estimated cost for the period between 1996-2010, ranging from 7 to 10.6% of the GDP; this number could increase significantly if the loss or impairment of ecosystem services is considered in all its dimensions; however it has not been possible to estimate this.

25. In the context of access to GR, a coordinated effort between all three government levels and all the other sectors of society as well as increased capacity for inter-institutional and multidisciplinary work is required.

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<sup>17</sup> Sarukhán, J., *et al.* 2012. Capital natural de México: Acciones estratégicas para su valoración, preservación y recuperación. CONABIO, México. Pp.21

26. In the absence of a legal framework in total agreement with the principles and precepts of the NP, the authorities that should address the implementation of this international instrument lack the legal instruments, the organic structure and specific personnel to help manage GR. In addition to scarce dissemination and information related to GR, whether associated or not to TK, the society as a whole has not been empowered by the biodiversity richness of our country and has therefore not assumed joint responsibility in its use and conservation, and this is the reason this project is important.

27. Insufficient institutional capacities of national authorities (SEMARNAT, SAGARPA, CDI, SE, among others), in addition to the lack of a legal and administrative framework that is sufficient and adequate in terms of access to GR, associated TK and benefit-sharing threaten the effective implementation of the NP.

### ***1.6 Baseline Analysis***

28. The baseline investment for this project consists of approximately US\$12 Million, of which approximately \$8.4 Million will be redirected as co-financing. Currently the Environmental Sector has limited staff and facilities to address the issue of access to genetic resources, and there is currently no unit specifically dedicated to this issue on full time.

29. Although the GEF project will take advantage of existing Mexican resources and capacities spread across key institutions of the environmental sector, it is clear that the GEF project will strongly build upon and closely be coordinated with the Biodiversity Governance Project funded by the German Federal Ministry for Economic Development and Cooperation (BMZ) and implemented by the Deutsche Gesellschaft fuer internationale Zusammenarbeit (GIZ). This 5-year initiative, with a budget of 6 million Euros, began implementation in 2013 as a result of a joint collaboration between the Governments of Mexico and Germany. Through this project, CONABIO and GIZ seek to support Mexico's efforts in the field of fair and equitable sharing of benefits arising from the use and management of biological diversity. Through this technical cooperation project, GIZ will focus on building capacities among key stakeholders in the use and management of biological and genetic resources that constitute an important natural heritage for current and future generations of Mexicans. The funds will be directly implemented by GIZ.

30. A strong focus of this initiative will be given to the development of south-south exchanges of experiences, community to community visits as well as on the delivery of training courses on the ground, participatory community based workshops and targeted courses to field officers, local governments, state institutions and private companies operating in the field. This initiative is also expected to support the development of case studies and the systematization of field experiences. The three components of the GIZ initiative are: 1) Governance of ABS; 2) *In situ* conservation and promotion of fair and equitable sharing of benefits arising from the use and management of biological diversity; and 3) Incentives for sustainable use.

31. The GIZ project will provide a very solid base to work with the GEF project in a collaborative way towards further strengthening the national enabling environment. While the GIZ will use its resources to cover a large portion of the territory through on the ground activities, the GEF project will be able to address systemic capacity, policy and legal issues at the national level which wouldn't be addressed without the GEF investment otherwise. Through its first component, the GIZ project will fund the systematization of international experiences and look at different governance models applied in different regions of the world. In particular, the GIZ will support the development of comparative legal assessments based on global experiences which the GEF project will be able to use to develop the national legal framework and push through the system the declaration of new norms and regulations. Under the first component, the GIZ will also support the development of sectorial guidelines and will also put a strong emphasis on the promotion of community participatory workshops to systematize local norms of use of local biodiversity and established procedures guiding the local use of natural resources. The GIZ project

will also support workshops with the academic sector to establish codes of conduct on ABS in line with the disposition established by the Nagoya Protocol. Furthermore, under its component 2, the GIZ project will support the inclusion of ABS criteria in the management plans of selected protected areas and will conduct comparative analysis between different regions of the world on how ABS norms can contribute to the conservation in areas of high BD value.

32. Linked to the second component of the GEF project, which focuses on capacity building, the GIZ investment will develop training workshops at the community level to review rights and obligations related to ABS. The German investments will also support studies that will serve to feed the development of national monitoring and control systems for the use and access to GR and associated TK. Linked to the third component of the GEF project, the GIZ will support the testing and implementation of community protocols in different regions of the country. It will also support the awareness raising and the creation of capacity of local communities on value chains and provide technical advice to pilot communities. It will also support the capacities of local communities to organize themselves and promote the dialogue and alliances with private partners. Finally the GIZ project will also support the development of local development plans taking into account the use and access to GR and ABS norms.

**Table 5: Contributions of GIZ Project to GEF Project**

GEF component	Contributions of GIZ Project
Component 1	<p>Systematization of international experiences and identification of different governance models applied in different regions of the world</p> <p>Comparative legal assessments based on global experiences</p> <p>Sectorial guidelines</p> <p>Community participatory workshops to systematize local norms of use of biodiversity and establish procedures to guide the local use of natural resources</p> <p>Workshops with the academic sector to establish codes of conduct on ABS</p> <p>Development of ABS criteria for inclusion in protected area management plans</p> <p>Regional comparative analysis on the use of ABS norms for the conservation of high BD value areas</p>
Component 2	<p>Training workshops at community level to review rights and obligations related to ABS</p> <p>Development of national monitoring and control systems for the use and access to GR and associated TK</p>
Component 3	<p>Testing and implementation of community protocols in different regions of the country</p> <p>Awareness raising and technical guidance to pilot communities</p> <p>Capacity development for local communities on value chains</p> <p>Support to local communities to organize themselves and promote dialogue and alliances with private partners.</p> <p>Local development plans taking into account the use and access to GR and ABS norms</p>



33. Despite these important initiatives, priority actions and conservation measures remain insufficient and require the development of a long-term national-level institutional and policy framework that has the capacity to guide and support this baseline. The baseline scenario does not allow for the preparation of a comprehensive regulatory and institutional framework for ABS and TK, and does not seek to build specific awareness and capacity on ABS and TK-related matters across the wide range of interested stakeholders. In absence of such a framework, ABS-compliant agreements cannot be developed and implemented between government, private sector and local populations, including holders of TK. This impedes the creation of livelihood and wider economic and benefit-sharing opportunities through ABS agreements. Until a comprehensive regulatory and institutional framework is adopted, ABS will remain a missed opportunity for Mexico.

### **1.7. Long-term solution**

34. The long-term solution advanced by this project is to conserve biological and genetic resources of Mexico in compliance with the Nagoya Protocol (NP). In regards to the implementation of the NP, this Project will help to strengthen, on one hand, the capacities of civil servants to get to know the instrument and its implications, considering that national institutions will have to be strengthened with the increase in the number of civil servants, including the creation of areas focused permanently on the applying the Protocol; and on the other hand, it will help to the train indigenous peoples, people in communal lands, communities and other property owners and holders, as well as other stakeholders.

35. The project will strengthen the implementation of and compliance with the NP offering greater legal certainty and transparency for GR suppliers and users by providing elements for the creation of a national legal framework that promotes and fosters prior informed consent to access and use GR and associated traditional knowledge, while strengthening the opportunities for fair and equitable sharing of profits arising from their utilization, based on mutually agreed conditions. The above will favor developing incentives for conservation of biological diversity and sustainable use of its components; promoting sustainable development and will contribute with the efforts by the international community to stop the loss of biodiversity and avoid misappropriation of GR and associated TK.

36. The association of this Project with the Project funded by the German Technical Cooperation Agency (GIZ, as abbreviated in German) “*Governance on Biodiversity Fair and Equitable Benefit-Sharing Arising from the Use and Management of Biological Diversity*” will support the Executive Power to address those areas to create capacity which were established as priorities by the government<sup>18</sup> and this will provide the Project with the capacities necessary to effectively implement the NP.

37. The Project is intended to lay the foundations of the long term-public policy (after 2015, Aichi Target 16 scope<sup>19</sup>) by providing the tools necessary to avoid misappropriation of GR, as well as those necessary to make effective the fair and equitable sharing of benefits arising from their utilization. The National Strategy resulting from component 2, will set the Road Map so that the Executive Power, with a State Vision, may determine the National and Budgetary Program(s) required to achieve the planned and ordered implementation of the NP.

38. Additionally, regulatory and administrative measures arising from this Project, will establish a favorable regulatory environment so that projects on access to GR, whether associated to TK or not, may be able to set mutually agreed conditions to allow the fair and equitable sharing of benefits arising from their utilization. The administrative issue on regulatory management will be solved once the National

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<sup>18</sup> <http://www.cbd.int/abs/submissions/icnp-2/questionnaire-cb/mexico-es.pdf>

<sup>19</sup> **Target 16:** By 2015, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their utilization will be in effect and operation, according to the national legislation.

Strategy, adopted and implemented, establishes budgetary programs and job openings that empower regulating authorities to make decisions.

39. However, Mexico must overcome the following three specific barriers that currently prevent the fulfilment of the proposed solution:

- i. Scattered, insufficient and inadequate national regulatory framework;
- ii. Limited inter-institutional capacity to monitor the utilization of the GRs;
- iii. Scarce knowledge of relevant stakeholders on access and utilization of GR and Fair Benefit Sharing.

## **1.8. Barrier Analysis**

### **BARRIER 1 - Scattered, insufficient and inadequate national regulatory framework.**

40. The current legal framework was issued prior to the adoption and ratification of the Nagoya Protocol (NP) by Mexico and is limited and asymmetrical, with limited effectiveness that does not favor compliance with the NP. As mentioned above in Section 1 Part 1.4, the current legal framework consists of individual sector laws and regulations regarding the management and/or conservation of biodiversity, such as LGEEPA, LGVS, LGDFS, LGDRS, LFCS among others, but without any overarching national ABS-focused framework. The Nagoya Protocol supports the modification of existing relevant national laws, as well as the need to emit a specific ABS Law regarding access to genetic resources that includes at a minimum the legal provisions for the NP, which are currently absent in Mexico's national legal framework. Notable gaps include: access to genetic resources (GR) for scientific research and specifications for access and use of GR for commercial means, as well as aspects of PIC and TMA, the implementation of the NP, which involves changes in the abovementioned Laws in situations such as the change in the intended use of collections for research purposes to commercial use, and which is not regulated by any legal mechanism. Specific and proactive legal frameworks are needed to respond to the new challenges and threats facing biodiversity and their genetic resources, including emerging new policies promoting mining, oil/ natural gas extraction, and construction of large-scale infrastructure that will put still further risk of extinction on many endemic populations and species living outside of protected areas.

41. The absence of an all-encompassing ABS regulation fosters uncertainty and ungovernability. However, the development of a Law on Access to Genetic Resources to implement the Nagoya Protocol will not be sufficient on its own to solve the issues covered by the Protocol. Rather, the country needs coherence through a regulatory framework that comprises the Protocol, the treaties signed by Mexico and valid national legislation. The lack of a clear legal framework can result in illegal activities, while an overly strict one can be too restrictive for researchers to accomplish their goals and develop biosafety.<sup>20</sup> Additionally, there is no mechanism to reconcile the obligations of the Protocol with the current legal framework regarding intellectual property and patents.

42. While there are public policies relevant to ABS that comprise the National Development Plan (NDP), there is a need to develop differential studies on the extent and nature of the legislation to implement the NP. Federal agencies may or may not develop policies linked to the strategic lines of the NDP, SEMARNAT / DGSPNR; their mandate is insufficient to establish policies other than those established by the Ministry of Interior. There lacks a strong legal component that explicitly allows a federal agency to design new programs that are associated with responsibilities and obligations under law. In the case of genetic resources, the absence of a law and a complementary legal framework prevents the relevant

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<sup>20</sup> El costo de la inacción en la implementación del Protocolo de Nagoya en México, (<http://governanzabiodiversidad.mx/images/pdf/Sintesis%20Consultoria%20Costos%20de%20la%20Inaccion.pdf>)

institutions from adequately addressing the issues specified in the NP. The legislative process associated with modifying laws and the enactment of a specific law by the legislature is complex and recently experienced a change of legislators in one of its two houses (Chamber of Deputies in July 2015). Without an institutionalized training and awareness program on ABS for legislators, any modification or development of new legislation is further delayed.

43. Furthermore, the budget cuts to federal agencies affect substantive areas of work and result in the cancelation of projects such as the establishment of demonstration areas for sustainable land management in farming areas that buffer natural vegetation, particularly forested areas. The cancelation of such initiatives adds further risk to vulnerable ecosystems that need *in situ* conservation support to ensure sustainable use and continuation of the ecosystem services they provide, as well as the communities that act as custodians to the inherent genetic resources and their associate Traditional Knowledge (TK), and are potential beneficiaries of access and use of the GR they conserve.

44. From an environmental perspective, the lack of a comprehensive national ABS framework (legal, institutional and budgetary) is resulting in the continual loss of biodiversity, increasing environmental deterioration, the unrestrained extraction of genetic resources, and uncontrolled granting of research permits. Meanwhile, from an economic perspective, remuneration is lost from industries and corporations that use genetic resources; biopiracy continues, implying a loss of millions of dollars for the country, while communities lose the opportunity to improve their reality, i.e. eradicate poverty, with a more equitable distribution of benefits. Moreover, with regards to governance, the lack of an integral legal framework implies the continual violation of regulations, losing control over the processes of genetic resources use, generating social conflicts, maintaining the legal uncertainty facing corporations and / or developed countries. This has social implications as there is increased vulnerability of the social fabric and cultural exploitation, loss of traditional knowledge, social unrest, poverty, inequality for indigenous communities, food shortages, lack of resources, risks to human health, and land tenure disputes in indigenous communities.

## **BARRIER 2 - Limited inter-institutional capacity to monitor the utilization of the GRs.**

45. The application of the above legal framework is further hindered by inexistent collaboration mechanisms between SEMARNAT - the institution in charge of regulating access to Genetic Resources (GR) – and other relevant authorities in the utilization of resources (including those who grant intellectual property rights such as the Mexican Institute of Industrial Property, as in the case of patents, and SAGARPA, as in the case of certificates to obtain vegetable varieties); health notifications and authorizations granted by the Federal Commission for Protection against Sanitary Risks (COFEPRIS), among others. As such, there is limited capacity to guarantee that in the utilization of GR, prior informed consent exists and mutually agreed conditions defining the sharing of benefits arising from the utilization have been established.

46. Since ratification of the Nagoya Protocol by Mexico, there has been an increase in requests for access for scientific collection (wildlife and forest), with the intent to carry out the use of genetic resources as described and in compliance with the Nagoya Protocol on Access to Genetic Resources. However, the lack of a legal instrument prevents the establishment of adequate procedures to request, review and issue permits. Currently, collection permits are issued by statutory instrument Mexican Official Standard (NOM) 126 for scientific collection, but this only provides administrative regulations for activities related to scientific collection, research or teaching. Since NOM 126 was issued prior to the approval of the Nagoya Protocol, its contents do not include specific provisions for that Protocol.

47. Furthermore, the Mexican laws that regulate scientific collection activities do not provide legal cases that are associated with genetic resources; rather such activities are not covered by any legal scheme so they have been addressed in a casuistic manner without legal certainty for the regulators that are the

legally-bound authority. Currently, SAGARPA (the authority that oversees agriculture, livestock and fisheries, including the National Seed Inspection and Certification Service (SNICS)) has been the institution to deal with cases of access to GR. While SEMARNAT is the institution charged with GR, there is limited clarity and capacity regarding its role vis-à-vis other institutions such as SAGARPA in managing genetic resources found in the country, the role it has to play in the distribution of benefits and in negotiating mutually agreed terms, how to resolve the issue of benefit sharing from genetic resources that are widespread, and establishing public policies aimed at biodiversity conservation. It is necessary to discuss and define the role of the Mexican state and its institutions with regards to ABS.

48. This is particularly crucial as interest and associated requests to gain access to GR increase, and the accompanying need for expedited procedures and a specific GR Unit to attend to them. Without an established protocol, procedures and personnel to process these requests and monitor GR utilization, Mexico's GR heritage is at risk. Currently, there is no specific GR unit established within SEMARNAT to deal with ABS processes. There is a need for a multi-disciplinary team (including legal and scientific expertise) to be established with sufficient personnel and capacity to fulfill this mandate. Furthermore, institutions have weak and varying degrees of capacity in the management of fair and equitable sharing of benefits, granting access permits to GR, protecting associated traditional knowledge, technical evaluation of research, as well as establishing an ABS clearinghouse and information exchange. There is also limited capacity in legal and legislative issues as well as in monitoring the use of genetic resources.

49. A key element in the effectiveness of implementation is awareness of the increasing importance of genetic resources and associated traditional knowledge, as well as the circumstances associated with access and fair and equitable sharing of benefits derived from their use. Information-gaps and limited access to existing data hinder successful decision-making processes by national authorities with some key players still uninformed about GR and ABS. This is particularly relevant following recent congressional elections and the appointment of new officials in key positions. To date there have been few meetings with indigenous and local communities and stakeholders regarding access to genetic resources from different sectors interested in topics such as pharmaceuticals, cosmetics, patents, etc. A petition is under review to open space specifically regarding the Nagoya Protocol on SEMARNAT's webpage in which information will be available on the applicable law, on the National Focal Point and national competent authorities, and the links associated with their respective webpages.

50. While there have been recent efforts to raise awareness among government committees/officials and other institutions involved in ABS, as a preliminary step toward building inter-institutional capacity, they are insufficient to cover the magnitude and variety of requests and negotiations. Two sectoral working groups (composed of CONANP, PROFEPA, INECC, CONABIO DGVS, DGGFyS, DGSPRR) and intersectoral (SAGARPA / SNICS, INAPESCA, SEDESOL, CONACYT, COFEPRIS, SECONOMIA / IMPI, SRE) composed of middle management officials analyzed and discussed the main components of the Nagoya Protocol and how they could implement the Protocol in Mexico, including operational, structural and budgetary aspects. These discussions allowed participants to increase their own awareness of the purpose and scope of the NP, and provide an important starting point for building institutional capacity among the project partners and SEMARNAT.

51. Another area of concern is the fact that research and development processes are oftentimes conducted in a jurisdiction other than those in which the access to resources was granted, thus highlighting the importance of clear and consistent information exchange between user countries and their suppliers to verify legal and legitimate use and access. Unfortunately, this vital exchange of information is virtually nonexistent in Mexico, further limiting the capacity to monitor and follow-up. This can be exacerbated by the possibility of a genetic resource being found in multiple areas. The Nagoya Protocol recognizes scenarios in which a GR is distributed between two or more countries, all of which can be legitimate suppliers, with different legal systems. While this raises a difficulty at an international level in defining jurisdiction for the applicable rules as well as benefit sharing to effectively ensure a fair and equitable

distribution, these circumstances are also present at the national level, for which Mexico has little capacity to address adequately. In cases where the same genetic resource is widely distributed in two or more states and in which there will be a question of who should issue prior informed consent and how to determine equitable distribution of benefits, the Intersectoral Working Group raised the possibility of setting up a collective fund that focuses on the conservation of genetic resources and carries out the distribution of benefits among those with the RG. This remains a subject of discussion and institutional positioning which will require the development of a robust legal framework and related capacity building.

### **BARRIER 3 - Scarce knowledge of relevant stakeholders on access and utilization of GR and Fair Benefit Sharing.**

52. The lack of information regarding the legal framework in effect and the existence of the NP, in addition to historical and cultural inertia, as well as unfair practices of some stakeholders, lead to decreasing access and improper and undue utilization of GR and inequitable sharing of benefits. The Environmental Authorities (SEMARNAT) play an important role during the environmental impact assessments, licensing and monitoring process to ensure high standards and adequate resources and mechanisms for financing proactive and reactive strategies for biodiversity conservation by users (companies' exploration, exploitation, etc.). However, low awareness of potential losses and trade-offs, insufficient information on critical habitats, and only incipient research to back-up potential with clear Mexican data are missing, thereby hindering the optimal use of existing EIA regulations.

53. The lack of knowledge of the competent national authorities on international regulations, the absence of national legal provisions specifically applicable to genetic resources and their importance to the variability of species and their potential use, make it possible to carry out improper access and extraction that violate the rights of users to receive fair and equitable benefits arising from the conservation of those genetic resources. Hence, the importance of national authorities to sponsor a legal framework that provides legal certainty for authorities and those being regulated.

54. Currently, there is no awareness campaign in Mexico specific to Genetic Resources and ABS. The GIZ / CONABIO Project has undertaken preliminary actions at the local level, but there is a need to address this lack of attention at a larger scale by designing programs for various sectors of civil society regarding the importance and value of GR, as well as associated TK and the role of biodiversity conservation in ensuring the persistent availability of these resources.

55. The *Pozol* is a national landmark case<sup>21</sup> of how the lack of knowledge of the legal framework can lead to improper access and use of genetic resources. This is a refreshing fermented beverage of Mayan origin whose collective use is widely known throughout the Mayan region (Mayas, Chontales and Zoques), and therefore it is not possible to determine the original owners. In the 1960s, 70s and even 90s, a great diversity of microbial flora were collected. An academic institution gained access to these genetic resources, a graduate student transported this genetic material to the European Union, and a few years later a patent appeared for the *Pozol* bacteria.

56. Plant varieties, patents and trade secrets play a central role in the context of access to genetic resources. But in the context of the discussion of indigenous rights, the soft forms of intellectual property also generate problems in the misappropriation of collective wealth. An example is the registry of the brand "Mezcal Tobalá" by an individual in Oaxaca, when *Tobalá*, is a variety of agave that is widely distributed not only in Oaxaca but in other areas, and is a name of Zapotec origin.

57. This highlights the lack of protection for associated traditional knowledge in Mexico. In general, its value is cultural and is subject to the application of customary laws of each community; the communities

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<sup>21</sup> Memorias del Foro: Acceso a los recursos genéticos y derechos de los pueblos indígenas, Universidad Autónoma Metropolitana, Xochimilco, pp 115 (<http://www2.inecc.gob.mx/publicaciones/download/364.pdf>)

decide the mechanisms to be adopted by those who seek to access and use it when associated with genetic resources. If traditional knowledge is in the public domain, it is virtually defenseless due to the difficulty in determining whether an indigenous and/or local community participated in the process of linking it to genetic resources. The Mexican State must define its position against this backdrop and provide the necessary mechanisms to protect TK, especially since it shall be the legal standard to safeguard such rights on traditional knowledge.

58. The project will therefore adopt a multi-pronged, progressive approach consisting of three key components which will address the barriers set out above.

## 1.9. Stakeholder analysis

59. The following is a brief introduction of the main project stakeholders. Section IV Part IV provides more details, along with a description of their main roles both in PA management and in the proposed project. The success of the project is understood to depend mainly on the reduction and/or elimination of the three barriers identified as critical to the establishment of an integral national legal and institutional framework for genetic resources and ABS, in compliance with the Nagoya Protocol (Section 1.8). The project is intended to create and strengthen the capacities of federal officers in: SEMARNAT (UCPAST, DGVS, DGGFyS, UCAJ, UCAI and Delegations); SAGARPA (SNICS); PROFEPA and its delegations; CONANP and the PAs; SRE, CONABIO, CDI, IMPI and Civil Society. Key sectors are intended to be recipients of training.

60. Nevertheless, the reduction and/or elimination of those barriers will depend in turn on adequate communication among stakeholders and on the level of participation in the work to be shared by those involved in implementing the project. All sectors involved will be indirectly benefited with the regulatory work (building the Legal/Administrative Framework, adaptation of the implementing authority structure), as all federal agencies will have to train their officers, to build and strengthen their organic-administrative structure for the proper application of the Legal/Administrative Framework on access to GR, resulting in the benefit of the population as a whole by having the necessary elements to manage, exploit and use in a sustainable manner biological and genetic resources.

61. To address the **inadequate national regulatory framework** (*Barrier 1*), it is necessary to involve the following key stakeholders: (i) SEMARNAT; (ii) SAGARPA; (iii) SEGOB; (iv) CDI, SE, IMPI and key lawmakers on access to GR and benefit-sharing. The additional main actors involved in the consultancy of the future law include: (i) NGOs and other civil society organizations; (ii) Community organizations; and (iii) local/Indigenous communities and producers; (iv) Users of genetic resources and/or associated traditional knowledge (Academic researchers; pharmaceuticals, perfumes, pigments, oils, and other industries; R&D researchers).

62. To meet the challenges that could arise from **limited inter-institutional capacity to monitor the utilization of the GRs** (*Barrier 2*), the additional main actors involved include: (i) IMPI; (ii) CONACYT; (iii) COFEPRIS; (iv) SNICS; (v) compatible projects such as the Biodiversity Governance's Project; and the National Focal Point as well as the National Competent Authorities (DGVS, DGGFS and SAGARPA).

63. Additionally, to meet the challenges that could arise from **scarce knowledge of relevant stakeholders on access and utilization of GR and Fair Benefit Sharing** (*Barrier 3*), the additional main actors involved include: (i) NGOs and other civil society organizations; (ii) Community organizations; (iii) local communities and producers; (iv) Users of genetic resources and/or associated traditional knowledge (Academic researchers; pharmaceuticals, perfumes, pigments, oils, and other industries; R&D researchers) and (v) compatible projects like the Governance project developed by GIZ / CONABIO, which it is an important complementary counterpart.

**Table 6. Summary of Main Stakeholders**

<b>INSTITUTION / STAKEHOLDER</b>	<b>ROLE / TYPE OF COORDINATION</b>
Ministry of Environment (SEMARNAT)	Federal entity leading the environment sector, responsible for promoting the protection, restoration and conservation of ecosystems, natural resources and environmental goods and services in Mexico, in order to allow their sustainable use and development. Coordinator of conservation and natural resource management initiatives, at both intra- and inter-institutional levels. Implements all the responsibilities related to the Nagoya Protocol National Focal Point, as well as promoting GR agenda among different sectors; establishing regulatory measures on GR and ABS. Overall coordinator of the project.
National Commission for Knowledge and Use of Biodiversity (CONABIO)	Semi-autonomous dependency of SEMARNAT with responsibility for the management of biodiversity. Provides educational materials; GR data management; remote monitoring of GR; risk analysis. National Focal Point to the Intergovernmental Committee for the Nagoya Protocol on Access and Benefit Sharing and technical advisor on GR issues. Promotes local governance among specific indigenous and local communities where the GIZ has worked.
National Commission for Natural Protected Areas (CONANP)	Semi-autonomous dependency of SEMARNAT with responsibility to protect and administrate Mexico's Protected Natural Areas. CONANP will issue access permits in PAs. Co-responsibility in the design of the databases and pilot projects.
Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA)	Regulates plant genetic resources for food and agriculture; Co-responsibility in the design of the databases and pilot projects.
Ministry of the Interior (SEGOB)	Federal agency that has authority to coordinate the relationship between the executive and legislative branches at the Federal level, and could eventually issue a law implementing the NP-ABS.
Federal Environmental Protection Agency (PROFEPA)	Law enforcement to protect wildlife.
Mexican Institute of Industrial Property (IMPI)	Protect industrial property rights and promote and disseminate the benefits the IP system. Co-responsibility in the design of the GR monitoring system.
National Commission for the Development of Indigenous Peoples (CDI)	Guide, coordinate, promote, support, foster, monitor, and assess programs, projects, strategies, and public actions to attain integral and sustainable development and full enjoyment of the rights of indigenous peoples and communities
Ministry of Foreign Affairs	Responsible for the country's foreign policy. Its aim is to expand and deepen the political, economic, cultural and cooperation links with the world's various regions.
United Nations Development Programme (UNDP-Mexico)	UNDP-Mexico is the Project Implementing Agency that works to overcome poverty and promote sustainable development in Mexico. UNDP-Mexico offers guidance, technical support, management tools, and theoretical and practical knowledge to national- and regional-level institutions to aid in implementing public policies, initiatives, and projects intended to overcome poverty. UNDP will make its installed capacity available to the Project, guaranteeing the accountability of the project.
Local NGOs	Participants in identifying and conserving/managing GR as well as determining associated Traditional Knowledge, developing Community Protocols and TK Catalog
Private sector	Promotion and support of ABS mechanisms (checkpoints, protocols, catalog); Targeted private business committed to ABS compliance and seeking fair and equitable ABS contracts with local communities in the pilot projects.
Local and indigenous communities	Active participants in identifying GR and determining associated Traditional Knowledge, developing Community Protocols and TK Catalog, as well as the conservation of species of interest regarding GR and/or their habitats.

## **PART II: Strategy**

### **Design principals and strategic considerations**

#### **2.1. Project Rationale**

64. The GEF's incremental funding and co-funding resources will be used to overcome the above mentioned barriers. It will contribute to the long term solution through 3 interconnected strategies: (i) Reforming or adjusting the legal framework and establishing administrative or public policy measures that regulate access, utilization of GR and associated TK arising from the fair and equitable sharing of benefits; (ii) Strengthening national institutional capacities; and (iii) Protecting traditional knowledge and improving the capacities of indigenous and local communities and other stakeholders to generate social awareness on conservation and sustainable use of biodiversity, GR and associated TK, as well as benefit-sharing arising from their access and utilization. Collectively these will provide the integrated approach needed to conserve biodiversity of outstanding global significance and put in place a consolidated ABS framework that will, in the mid-term, provide an effective conservation mechanism for Mexico's highly significant natural heritage and for safeguarding sustainable development options for the future.

65. Given the complexity related to conservation and sustainable use of biological diversity, and considering that biological diversity is an important trigger for economic development of Mexico, it is not possible to deny that there are economic factors that jeopardize biological diversity within the national territory, where economic agents maximize the use and exploitation of such richness, putting the environment and biological diversity at risk, including GR and associated TK.

66. To that effect, having ratified the NP, it is imperative that Mexico has the legal and administrative amendments in place to make conservation and sustainable use of biological diversity possible as well as to strengthen national and international capacities on access and utilization of GR.

#### **2.2. Project Objective, Outcomes and Outputs/activities**

67. The *project goal* is to safeguard globally significant biodiversity of Mexico through strengthening the legal and administrative framework on access to genetic resources and benefit sharing while building capacity of the relevant national institutions. The *project objective* is to enhance in Mexico, in a participatory manner, the capacities of national authorities (SRE, SEMARNAT, SAGARPA, CDI, SE), as well as the legal and administrative framework in relation to genetic resources, associated traditional knowledge and benefit-sharing, according to institutional conditions for the implementation 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* " (NP). The Project will promote the implementation of institutional coordination mechanisms that will help to organize access and utilization of GR and associated TK plans, regulating the sharing of benefits arising from their utilization. The project's interventions will activate the potential that Mexico's GR and associated TK represent for generating economic benefits to the nation and key stakeholders, including local populations where appropriate, in the form of business, employment, technology transfer and capacity development. The project's outcomes and outputs are described below.

**OUTCOME 1: Reforming or adjusting the legal framework and establishing administrative or public policy measures that regulate access, utilization of GR and associated TK arising from the fair and equitable sharing of benefits** (Total cost: US\$902,215; GEF \$488,886; Co-financing: \$413,329)

68. Mexico needs to have the proper national legislation on access to GR and sharing of benefits arising from their utilization to comply with the NP, not only to fulfill its objectives, but to avoid undue utilization and misappropriation of GR in the country. The project will support an extensive analysis and diagnosis of the current legal framework, the results of which will guide the development of elements to



fill legal gaps and inconsistencies between the national legal system and the NP. These elements will guide the Legislative Branch and/or suggest adaptations to the national legislation to address obstacles that reduce the effectiveness and compliance with the Protocol in Mexico.

69. The outcome will be delivered through the following outputs:

*Output 1.1 Analysis and Diagnosis of National Legal Framework pertaining to ABS*

70. Mexico has performed a preliminary diagnosis to determine whether the national legislation in effect is adequate and sufficient to comply with the legal provisions of the NP. Nevertheless, considering the complexities of the instrument within the country, new stakeholders and regulatory standards have been identified with regards to its application. Thus, it is necessary to conduct a more extensive analysis and diagnosis of the national legal system to identify gaps and inconsistencies that may reduce effectiveness of and compliance with the Protocol as well as new institutional challenges for its implementation.

71. The project will support an analysis and diagnosis of the conceptual, technical and operative aspects of a national legal framework for ABS to determine the scope and interpretation of the standards in effect, determine gaps and inconsistencies, identify areas of interest of Federal Agencies as well as their regulatory needs and objectives to be attained regarding GR.

72. Some of the conceptual aspects that may be examined in depth include:

- a) Analysis to identify how to align the NP objective with the national legal system
- b) Analyze and diagnose Mexico's role as part of the NP and its relationship with international treaties and instruments as a state party to such treaties.
- c) Analyze the scope of "Special Considerations" referred to in Article 8 of the NP in terms of the national legislation in effect.
- d) Analyze and diagnose Mexico's role in the Access and Benefit-sharing Clearing-House, and information sharing.
- e) Analyze Mexico's role in technology transfer, international collaboration and cooperation plans.
- f) Diagnose present legal and regulatory conditions, that is to say, identify gaps and inconsistencies in general laws, Mexican standards, Mexican Official Standards, institutional collaboration agreements, inter-institutional agreements, guidelines, certification bodies, verification units, among others, for the effective application of the NP.
- g) Diagnose institutional needs for the proper implementation of the NP, including human, material, technological and financial resources necessary to this effect, taking into account what is set forth in the National Development Plan 2013-2018, which considers Strategy 4.10.4 *Promoting Sustainable Exploitation of natural resources in the Country*; to guarantee the implementation of the NP in coordination with other international treaties signed by Mexico.

73. It is envisioned that this analysis and diagnosis will be achieved through 2 consultancies that will present conclusions and determine the recommended course of action to define and strengthen the National Legal Framework for ABS. The results of the GIZ project will serve as a point of reference for the analysis and development of the Mexican ABS legal and institutional framework. These include the systematization of international experiences and identification of different governance models applied in different regions of the world; Comparative legal assessments based on global experiences; Regional

comparative analysis on the use of ABS norms for the conservation of high BD value areas; Sectorial guidelines; and Codes of conduct on ABS developed with academia. The result of the extensive analysis and diagnosis conducted through this Output could be the development of elements to fill possible legal gaps and inconsistencies between the national legal system and the NP. These elements could guide the Legislative Branch and/or suggest adaptations to the national legislation to address obstacles that reduce the effectiveness and compliance with the Protocol in Mexico.

Output 1.2 Bill proposal amends the national ABS legal framework

74. The project will support the development of a Bill proposal that aligns the national ABS framework with the Nagoya Protocol. There is a legislative project in the form of a regulation that is under review and expected to be published in the Gazette by the end of 2015 so as to be applicable in the first trimester of 2016. Once the regulation enters into force, the project can begin work on a Bill to be presented before the Senate. Some of the main components considered necessary to be included in and/or to amend the national legal system to be able to apply the NP are the following:

- a) Mechanisms and/or plans to guarantee fair and equitable sharing of benefits arising from their and utilization of GR and associated traditional knowledge;
- b) Mechanisms and/or plans on access to GR;
- c) Mechanisms and/or plans on access to traditional knowledge associated to GR;
- d) Mechanisms and/or plans to participate in cross border cooperation;
- e) Mutually agreed terms and their compliance mechanisms;
- f) Prior informed consent;
- g) Consideration for communal protocols and customary laws, etc.;
- h) Legal determination of national competent authorities and national focal points;
- i) Monitoring mechanisms for the utilization of GR;

75. The Project will support the development of the major components of a legal text which contains the necessary elements to ensure access to genetic resources is carried out in due form, i.e. according to the legal provisions that the legislature determines and aligned with the Nagoya Protocol. In particular, this will include what Mexico considers appropriate for the application of Article 8 in harmony with other provisions that complement national implementation regarding three main issues: i) Research and simplified measures on access for non-commercial research purpose, ii) the need of expeditious access to genetic resources and fair and equitable sharing of benefits arising out of the use of such resources (those related to present or imminent emergencies that threaten or damage human, animal or plant health), iii) consideration of important genetic resources for food and agriculture and their special role for food security. This Bill will ensure safeguards to prevent exploitation of vulnerable populations and ensure equitable distribution of benefits to the communities that host the GR and associated TK; it will pursue language and guidelines that are sensitive to vulnerable populations including indigenous and women.

76. The project will work closely with targeted Legislators of Congress (Deputies and Senators) to develop a strong initiative that can be reviewed and discussed in the Committees of both Houses of Congress, thereby ensuring a strong legal instrument is built. Ultimately, the project aims for the Bill to be elaborated before mid-term in order to present it to Congress and lobby for its adoption by Project end.

Output 1.3 Awareness and training of at least 60 key lawmakers on access to GR and benefit-sharing.

77. By strengthening the legal framework and establishing administrative or public policy measures, the access to GR and sharing of benefits arising from their utilization will be possible, in conditions of legal certainty, for those regulated and for national authorities, limiting the discretion of official government acts that may violate the rights of stakeholders in the management of GR and associated TK. Hence, the analysis and diagnosis of the national legal framework in conceptual and technical and operative aspects to determine the scope and interpretation of the standards in effect, determine gaps and inconsistencies of

such framework, addressing regulatory needs and objectives to fulfill in conservation and sustainable use of GR, through the preparation of a proposal to amend the national legal system that addresses directly or indirectly access to GR and sharing of benefits. The need to formulate and promote a bill to modify the national legal framework for access to and sharing of benefits in effect has been anticipated for that end, so that it is consistent with the NP. Therefore it is necessary to make legislators aware and train them on access to GR and sharing of benefits.

78. In particular, an adequate level of awareness is crucial among Commission members from the national legislative bodies since it is envisaged that they will play an active role in the elaboration and lobbying of the Bill proposal from Output 1.2. The following commissions will have a direct impact on ABS and GR in Mexico and are therefore targeted for this Output: Commission of Agriculture; Commission of the Environment and Natural Resources; Commission of Foreign Affairs, attention to International Agencies and Fisheries; Commission of Gender equity; Commission of Indigenous Affairs; Commission of Science & Technology; among others. As such, a training program will be developed to raise awareness and understanding among Commission members regarding ABS and GR in Mexico. The Project will support the institutionalization of this training to ensure that the skills and capacities developed through these efforts may continue rather than risk being lost with the change of administrations. As such, while this training is focused on the directive level, it will be designed to consider the upcoming change in government in 2018 as well as any other possible changes in strategic actors. Calculations made during the PPG suggest that at least 5 lawmakers per Commission/committee in both Houses will be engaged in the awareness and training activities.

*Output 1.4. National Strategy for conservation and sustainable use of GR, including associated TK.*

79. It is necessary to design a National Strategy for conservation and sustainable use of GR, including associated TK, which will be the reference framework that should encompass the actions of the Mexican State in the medium and long term. The project will support the elaboration of a proposal of a Post 2015 National Strategy for conservation and sustainable use of GR, and support its promotion and acceptance by key stakeholders.

80. Mexico is the fourth country with the greatest biodiversity on the planet and should, as a country, benefit from its biological and cultural wealth. The challenge is to build a legal framework that enables the equitable distribution of these benefits. As a signatory party of the Convention on Biological Diversity Mexico is committed to its objectives of protection (conservation), sustainable use of biodiversity and the equitable sharing of benefits arising from access to genetic resources. The development of the National Strategy and a regulatory framework consistent with the NP will complement the current actions of the Government to promote sustainable development based on the sustainable use of the country's natural capital as well as the transition to the development of bio-economic projects as prioritized by the current administration.

81. This approach is new for Mexico. Traditionally the environment sector and the economic/productive sectors work separately and often with opposite visions. Most notable are the extraction programs associated with Forestry and Mining, as well as Agriculture and Fisheries, which are oftentimes incompatible with the traditional "hands-off" conservation approach of Protected Areas and other Biodiversity conservation efforts. The vision developed by the government related to bioeconomy would be supported through the development of an appropriate ABS framework and a solid National Strategy that could serve to bridge the gap between sectors that have traditionally operated in a very polarized way.

82. Furthermore, the interpretation and implementation of Article 8 (Special considerations) is country specific. During implementation of Outcome 1, UNDP will provide guidance on pros and cons of the modalities for implementing this article addressing three main issues: i) Research and simplified measures on access for non-commercial research purpose, ii) the need of expeditious access to genetic resources

and fair and equitable sharing of benefits arising out of the use of such resources (those related to present or imminent emergencies that threaten or damage human, animal or plant health), iii) consideration of important genetic resources for food and agriculture and their special role for food security.

83. Currently, there are lines of action in various sectoral plans that are indirectly related to ABS and GR, but the only direct and clear lines are in the agriculture sector, specifically regarding phylogenetic resources per the agreement with FAO. The development of a National Strategy will help determine clear lines of action, interventions and interactions with other sectors. In particular, the project will support the application of this through the design and implementation of a national ABS Financial Mechanism as well as Incentive Programs for user participation in ABS in collaboration with at least 3 major commercial sectors (e.g. agriculture, forest, marine, pharmaceutical, etc.).

84. A Federal ABS Financial Mechanism will accompany the legal instrument and ensure its implementation. The project will conduct a feasibility analysis during its first year to determine the effectiveness and appropriateness of each type of funding mechanism to pursue for ABS. The possibilities include, among others:

1) Specific budget resources assigned to support the institutional arrangements for implementing the Nagoya Protocol. In particular, the designated areas/units within SEMARNAT and SAGARPA would be bolstered to ensure proper implementation support.

2) A Trust Fund (to be created by the Regulation / Law) that would receive benefits derived from access/use of GR and associated TK that are widely distributed or whose supplier is not possible to determine. The Fund would be distributed equitably, according to the rules of operation defined, for the purpose of conservation of genetic resources and associated TK, and support to communities for social purposes as well as their search for and negotiations with users. Eventually, the Fund could also channel resources to the operation of relevant ABS Units.

85. To complement this funding mechanism, the Project will strengthen the national legal and institutional ABS framework to include economic incentives for conservation and sustainable use of the biological resources that contain the genetic material, while helping to prevent the loss of genetic resources and associated traditional knowledge. It will conduct an analysis of various options to identify the different factors that motivate each sector, and define a portfolio of several sector-specific incentives. Recognizing that there is a need to mobilize resources for the definition of an incentive programme, the project would request guidance from BIOFIN Mexico per the methodology of its "Workbook" regarding ABS. Once the amount required for full funding is determined, the development of an incentive programme would be explored, including the following options: reimbursement of license fees, lists of "compliant users", possible certification schemes such as "Committed User", etc.

86. This Output, combined with the strengthening of legislators' awareness and capacity regarding GR and ABS through Output 1.3, will contribute to the eventual passage of a strong national legal instrument to implement the Nagoya Protocol. It is expected that the National ABS Law and the National ABS Strategy developed by the project will provide the necessary elements for the adoption of a National ABS Policy by project end.

**OUTCOME 2: Strengthening national institutional capacities.** (Total cost: US\$1,587,262: GEF \$939,155; Co-financing: \$648,107)

87. To complement the legal and regulatory framework developed in Outcome 1, this Outcome 2 will determine the specific mechanisms and generate the necessary capacity to provide access to genetic resources in Mexico. For the effective implementation of the NP, it is necessary to train the national focal point and officers from the national authorities in the proper application of legal/administrative instruments pertaining to GR and ABS. The project will complement this through the elaboration of national good practices manuals on the conservation and sustainable use of GR, including simple

guidelines regarding applicable procedures, to facilitate the implementation of the NP among users and suppliers. By project end, officials should be able to apply the national Good Practices Manuals produced by the project in an effective manner. Likewise, the project will support the development of capacities and mechanisms to monitor the utilization of genetic resources at the different stages of research, development, innovation, pre-commercialization or commercialization. [These mechanisms include the procedures and minimal regulatory basis to obtain the PIC, negotiate the MAT and establish the basis for determining the distribution of benefits. These three components are the key support to the contractual basis of the NP.](#)

88. The project will also support the development of inter-institutional mechanisms, via the Inter-institutional Genetic Resources Information Exchange Center (GRIEC), to facilitate monitoring of access to GR, sharing of benefits and compliance with the NP. These mechanisms will include:

- a) A database with information on access permits issued to follow up access applications, fed by each agency. Such database should be related to the GR and associated TK Monitoring and Supervision System.
- b) Assessment and selection of ABS checkpoints to define what will be the best monitoring plan.
- c) The creation of the National Access and Benefit-sharing Clearing-House in order to comply with Article 14 of the NP.

89. The outcome will be delivered through the following outputs:

*Output 2.1 The national Focal Point and National Authorities have been identified, trained and possess the capacity to execute the NP.*

90. The project will support the strengthening of capacities of the national focal point and national authorities on ABS as reflected by an improvement of at least 30% as measured by the ABS Capacity Development Scorecard (see Section IV Part VII for detailed Scorecard results). At least 100 Officers of the national focal point, national authorities on ABS, and officials from the following areas in the environmental sector should be trained: SEMARNAT, PROFEPA, CONANP, SAGARPA, SE/IMPI, SRE, CDI, CONABIO. Capacity exercises will focus on the measures and existing actions in the national framework in effect to comply with protocol provisions, with special consideration given to:

- a) Legal Instruments (measures and actions) existing in the national framework in effect to comply with NP provisions: The capacities referred to in this section will focus on skills acquired through specific knowledge of the existing legal framework to effectively implement the Nagoya Protocol. This training will be for officials who are part of the structure of the National Focal Point and national authorities who form part of the Intersectoral Working Group (SEMARNAT, SAGARPA, SNICS, SECONOMIA, IMPI, CDI) responsible for implementing the NP. The Project will support capacity building of officials that currently have authority in scientific collection and strengthen the institutional structures related to genetic resources, including (i) background evaluators of IMPI to better evaluate applications for Intellectual Property (IT); and (ii) management staff of SEMARNAT / PROFEPA / CONANP/ SAGARPA / SNICS/ CDI so as to better understand the basic issues related to intellectual property.

Federal officials will receive technical training on basic legal aspects of access to genetic resources so as to ensure they have the proper skills to negotiate a legal instrument to implement the Nagoya Protocol. Furthermore, it is crucial that the project promote basic awareness on associated traditional knowledge, negotiations on mutually agreed terms, background elements of prior informed consent, mechanisms and procedures (if applicable) on monitoring and utilization of genetic resources, key elements of Access contracts and model contractual clauses, codes of

conduct, guidelines and best practices and / or standards, among others. Where possible, the project will consider exchanges of lessons learned from other countries to enrich the capacities of Mexico's officials. The project will support the institutionalization of this training so as to ensure the continuous strengthening of capacities beyond the project's lifetime. Proper integration of feedback and input from participants will be crucial to the effective institutionalization of an ABS Capacity-Building Programme.

b) Application of Good Practices Manuals on the sustainable use and management of genetic resources (GR) to facilitate the implementation of the NP among users and suppliers: The project will support the elaboration of National Good Practices Manuals on the conservation and sustainable use of GR, including simple guidelines regarding applicable procedures, to facilitate the implementation of the NP among users and suppliers. Partnerships must be created to document experiences with different target sectors (suppliers and users), indigenous and local communities, researchers, productive sectors (cosmetic, pharmaceutical, industrial) and civil society, in general, to ensure the Manuals address a wide range of plausible scenarios. Project funds will be allocated to training for the application of these Good National Practices Manuals. By project end, officials should be able to apply the national good practices manuals produced by the project in an effective manner.

c) Monitoring the utilization of GR, including different research, development, innovation, pre-commercialization or commercialization stages: The project will facilitate monitoring of the utilization of GR at different research, development, innovation, pre-commercialization or commercialization stages, through the design and execution of inter-institutional mechanisms to facilitate monitoring and access to GR, benefit sharing through databases with information on access permits, diagnosis on the information available to different check points. The project will coordinate with GIZ regarding the development of these national monitoring and control systems for the use and access to GR and associated TK.

Output 2.2 Inter-institutional mechanisms to facilitate monitoring of access to GR, benefit sharing and compliance with the NP.

91. The lack of a legal instrument prevents the establishment of adequate procedures to request, review and issue permits. Currently, collection permits are issued by statutory instrument Mexican Official Standard (NOM) 126 for scientific collection, but this only provides administrative regulations for activities related to scientific collection, research or teaching. Since NOM 126 was issued prior to the approval of the Nagoya Protocol, its contents do not include provisions for that Protocol. However, this Mexican Official Standard (NOM) is subject to revision every five years, so its viability is based on the content of the legal instrument to implement the Nagoya Protocol.

92. The Federal Public Administration (APF), due to its range of responsibilities, may fulfill the regulatory authority envisaged in the Nagoya Protocol. In this regard, SEMARNAT, SAGARPA / INAPESCA / SNICS, SECONOMIA / IMPI, SEP / CONACyT, and SSA / COFEPRIS have discussed the relevance of establishing a single window to initiate the administrative proceedings that each competent authority must carry out. Another topic of discussion is the role of the national focal point to coordinate the response to the relevant institutions should requests for access be approved. The project will support the definition of these and other important aspects of managing the practical points of implementing the NP.

93. To facilitate the practicalities of implementing the NP in Mexico, the project will support the establishment of an Inter-institutional Genetic Resources Information Exchange Center (GRIEC), which will include:

- a) A database with information on access permits established via web-based platform. This will take into account the national regulation to comply with the NP, allow efficient follow-up on access requests, and shall be fed by each agency. This database will be related to GR Monitoring and Supervision System and associated Traditional Knowledge (TK).
- b) Assessment and selection of ABS checkpoints in accordance with Article 17 of the NP. Checkpoints may be administrative areas whose functions may make them aware of an individual that intends to use genetic resources, and as such contribute to the effective implementation of national legal provisions to implement the NP. The intersectoral working group that was formed to discuss the technical and legal content of the instrument to implement the NP concluded that there are areas of the APF that may have Checkpoint functions, among which is the Mexican Institute of Industrial Property (IMPI). While reviewing patent applications, IMPI can identify when an individual wishes to make use of genetic resources, and in such a case will inform the competent authority so as to check if the particular intended use of GR complies with the administrative/ legal requirements. The monitoring points identified to date include federal authorities of IMPI/ COFEPRIS in the case of pharmaceuticals, cosmetics, and food, among others, and CONACyT in the case of research related to genetic resources. The project will support the definitive assignment of the relevant agencies to act as checkpoints and monitoring units.
- c) Creation of the National Access and Benefit-Sharing Clearing-House in compliance with Article 14 of the NP. This will include the identification, classification and characterization of genetic resources in Mexico. It will also involve the systematization and dissemination of scientific knowledge generated about GR.

94. Ultimately, through Outcome 2, the project will support the establishment and implementation of simplified and expedited procedures to implement the legal and institutional framework devised in Outcome 1 to enable access for research as stipulated in Article 8 of the Nagoya Protocol.

**OUTCOME 3: Protecting traditional knowledge and improving the capacities of indigenous and local communities and other stakeholders to generate social awareness on conservation and sustainable use of biodiversity, GR and associated TK, as well as benefit-sharing arising from their access and utilization.** (Total cost: US\$8,128,866; GEF \$626,345; Co-financing: \$7,502,521)

95. In order to strengthen and empower indigenous and local communities, it is necessary to establish and disseminate guidelines to protect traditional knowledge associated with GR, based on the findings of the “*Consultation on mechanisms to protect traditional knowledge, cultural expressions, natural, biological and genetic resources of indigenous peoples*”<sup>22</sup>. Civil society is aware of and sensitive to the importance of conservation and sustainable use of GR and associated traditional knowledge, and is involved in an effective way so that it promotes their conservation and sustainable use, taking into account access to and sharing of traditional benefits. The project will achieve this through the design and instrumentation of TK protection mechanisms, community/biocultural protocols and awareness programs. These will include training and dissemination material on the importance of conservation and sustainable use of GR and associated traditional knowledge vis-à-vis the objectives of the NP. As such, the project will support the following actions:

- a) Diagnosis to identify in the 68 indigenous and local communities those who want to participate in the development of cultural community protocols to facilitate ABS.

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<sup>22</sup> [http://www.cdi.gob.mx/index.php?option=com\\_docman&task=cat\\_view&gid=85&Itemid=200019](http://www.cdi.gob.mx/index.php?option=com_docman&task=cat_view&gid=85&Itemid=200019)

- b) Knowledge, attitudes and practices (KAP) assessment surveys targeting indigenous and local communities assess their awareness on ABS issues, including the project’s proposal to protect traditional knowledge.
- c) Generate Information Exchange mechanisms that guarantee the right to Consultation and Prior Informed Consent of indigenous and local peoples.
- d) Develop cultural community protocols for the protection of traditional knowledge associated with GR.
- e) Dissemination and adoption of Guidelines for the protection of traditional knowledge associated with GR taking into consideration the findings of the “*Consultation on mechanisms to protect traditional knowledge, cultural expressions, natural, biological and genetic resources of indigenous peoples* <sup>23</sup>”, among others by government agencies and indigenous and local communities.
- f) Study to determine the biodiversity status in indigenous and local communities
- g) Design differentiated sensitization and awareness programs according to the biodiversity status in their territories, with cultural and linguistic relevance.
- h) Implement sensitization and awareness programs on the importance of conservation and sustainable use of GR and associated traditional knowledge.
- i) Study to identify indigenous and local communities that have GR and associated traditional knowledge subject to protection by the NP.
- j) Sensitization and awareness program including training and dissemination material (brochures, trifold leaflets, manuals, posters, etc.) on the importance of conservation and sustainable use of biodiversity and associated traditional knowledge.
- k) Design communal protection rights.
- l) Implement sensitization and awareness programs based on NP objectives and scope.

96. It is important to note that Traditional Knowledge (TK) may or may not be associated with genetic resources. For the purposes of this project, associated traditional knowledge refers to when the uses of plant and animal genetic resources are known to come from the knowledge originated in the cultures of indigenous peoples and local communities. Examples of genetic resources not associated with TK include many marine organisms in Protected Areas, as well as many soil microorganisms and derivatives. If users wish to access genetic resources associated with traditional knowledge, they will do so in accordance with the relevant provisions of the national ABS framework developed under Outcome 1 of this project. Through this Outcome 3, the project will strengthen the ABS framework developed in Outcome 1 to comply with Articles 7 and 12 of the NP (TK associated with GR), through the inclusion of: i) the development of community protocol in relation to access to associated TK; ii) minimum requirements for mutually agreed terms to secure the fair and equitable sharing of benefits; and iii) model contractual clauses for benefit sharing arising from the utilization of TK associated with GR.

97. The outcome will be delivered through the following outputs:

*Output 3.1. Guidelines for the protection of traditional knowledge associated with GR*

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<sup>23</sup> [http://www.cdi.gob.mx/index.php?option=com\\_docman&task=cat\\_view&gid=85&Itemid=200019](http://www.cdi.gob.mx/index.php?option=com_docman&task=cat_view&gid=85&Itemid=200019)



98. The project will support the elaboration of Guidelines for the protection of traditional knowledge associated with GR taking into consideration the findings of the “Consultation on mechanisms to protect traditional knowledge, cultural expressions, natural, biological and genetic resources of indigenous peoples”, among others.

*Output 3.2 Knowledge, attitudes and practices (KAP) assessment surveys*

99. The Project will perform KAP assessment surveys targeting indigenous and local communities in order to assess their awareness on ABS issues, including the project’s proposal to protect traditional knowledge. These surveys will be conducted at project start and end to determine the impact of the outreach and training activities supported by the project in Output 3.5.

*Output 3.3 Community protocols to facilitate ABS*

100. There is currently a Guide/Model for the development of community protocols to incorporate elements of ABS available from GIZ. The project will use this Model as a base from which to draft Community/Biocultural protocols in a participatory manner with indigenous and local communities in at least 12 Biocultural Regions<sup>24</sup> and support the adoption of these protocols by project end.

*Output 3.4 Traditional knowledge catalog*

101. A proposal for a Traditional Knowledge Catalog will be drafted in a participatory manner with indigenous and local communities. Currently, partial information and records exist for 35 indigenous groups in an academic database<sup>25</sup>, but there is no official government one to date. The project will support the systematization of these records and collaborate with interested indigenous communities to support the establishment of this TK Catalog through the documentation of 68<sup>26</sup> TK records. The project will also support the institutionalization of the systems necessary to store and update information on GR and TK. This mechanism will be put in practice via 7 pilots<sup>27</sup> and will consider the recommendations and experiences generated by the GIZ project with regards to respect of the use of TK. Once TK is registered in the Catalog it will be subjected to the ABS legal and institutional framework established in Outcome 1, thereby ensuring its protection from indiscriminate exploitation. The project promotes the idea that if TK is registered, it can be protected; in other words, if there is no registry, there is no legal recourse.

*Output 3.5 Systematization of communication strategy and awareness program*

102. The project will support the systematization of the communication strategy and awareness program regarding the TK Catalog and Community Protocols. This will include training and dissemination material (brochures, trifold leaflets, manuals, posters, etc.) on the importance of conservation and sustainable use of biodiversity and associated traditional knowledge, exchange of experiences among communities (in collaboration with the GIZ project).

103. Guidelines for the protection of traditional knowledge associated with GR taking into consideration the findings of the “Consultation on mechanisms to protect traditional knowledge, cultural expressions, natural, biological and genetic resources of indigenous peoples”, among others.

104. The project will support a sensitization and awareness program including training and dissemination material (brochures, trifold leaflets, manuals, posters, etc.) on the importance of conservation and sustainable use of biodiversity and associated traditional knowledge. Strengthening the

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<sup>24</sup> There are 23 recognized biocultural regions in Mexico integrated by indigenous and local communities according to: Boege, E. 2009. El reto de la conservación de la biodiversidad en los territorios de los pueblos indígenas, en Capital natural de México, vol. II: Estado de conservación y tendencias de cambio. Conabio, México, pp. 603-649.

<sup>25</sup> UNAM developed an index of TK: Medicinal Indigenous Flora of Mexico: <http://www.medicinatradicionalmexicana.unam.mx/flora/index.php> This database forms part of the Digital Library of Mexican Traditional Medicine <http://www.medicinatradicionalmexicana.unam.mx/index.php>

<sup>26</sup> One record per Indigenous Peoples according to Boege E. 2009 OP. Cit. To finalize the catalog of 68 indigenous peoples in Mexico.

<sup>27</sup> Number of municipalities developing community protocols with support from CDI/CONANP

capacities of indigenous and local communities, and sensitizing the civil society, will help to create social consciousness in conservation of biodiversity, the GR and associated TK, as well as access to benefit-sharing arising from their utilization, taking into account the double role that can be performed by GR suppliers and users. Therefore, the project will support the development and dissemination of guidelines to protect traditional knowledge associated to GR based on the outcomes of the National Indigenous Consultation conducted by the CDI.

### **2.3. Project Indicators, Risks and Assumptions**

105. The project indicators, risks and assumptions are detailed in the Strategic Results Framework (Section III).

#### Risks

106. The risks confronting the project have been carefully evaluated during project preparation, and risk mitigation measures have been internalized into the design of the project. A careful analysis of barriers has been conducted and measures have been designed to lower or overcome these barriers. The main risks have been identified and are summarized below. Other assumptions behind project design are elaborated in the Logical Framework.

107. Awareness and joint responsibility of Mexican society supported by this Project may foster conservation of ecosystems, promoting at the same time, sharing of benefits arising from the access to GR. This, in turn, will generate further benefits to Society, since it is well known that preserved natural systems act as biotic barriers against extreme natural events such as hurricanes, floods, droughts and other weather events.

108. Likewise, promoting *in situ* preservation of GR offers many advantages, promotes genetic variability of natural populations, guarantees their long-term persistence, and in some cases, helps them adapt to other environmental changes produced by events such as Climate Change and desertification. Furthermore, a preserved system will promote Food Security for Mexicans.

109. Ultimately, in order to ensure adequate mitigation of the risks below, the project must support the development and implementation of sensitization measures in civil society and policymakers and to create awareness of the Nagoya Protocol's contents and intentions.

**Table 7. Risks**

<b>Risk</b>	<b>Level</b>	<b>Mitigation Measures</b>
Govt. agencies unwilling to share information and data.	M	At project start and through Outcome 2, formal collaboration agreements and procedures will be outlined based on specific targeted needs for information exchanges (such as inter-ministerial agreements, MoUs, etc. between SEMARNAT and IMPI, SEMARNAT and CDI or IMPI, CDI and SEMARNAT)
Conflicts of interest and different priorities of stakeholders constrain implementation of activities	M	A participatory national needs assessment will be conducted to identify the needs and priorities of all relevant stakeholders. This exercise will involve dialogue and joint planning exercises and will help to detect and mitigate any risks of conflicts early on in the process. Close coordination and information exchange will be ensure with the GIZ project who will among other support the development of sectorial assessments and guidelines
Stakeholders identified not participating in Project implementation.	M	Activities under Outcomes 1 and 3 are intended to raise the awareness of the different stakeholders and increase the participation and commitment with the Project's overall objectives. In selected cases, specific and targeted awareness raising and outreach activities will be implemented in collaboration with the GIZ project. Also the project will ensure direct and regular communication mechanisms with the key stakeholders.
Coordination mechanisms for the Project operation among relevant stakeholders are not generated.	M	The project will promote periodic high-level inter –agency meetings involved in ABS to share information, provide with update on project progress and identify the necessary commitment mechanisms and procedures to secure full ownership of the personnel in charge of operationalizing different subcomponents of the project. The project will also seek to establish an inter-ministerial commission led by the Ministry of Foreign Affairs.
Insufficient funding to continue necessary access to GR regulation after the project ends	H	<p>Although the Federal Government truly believes in the importance of implementing this project, and legislators know and are convinced of the importance of the proper implementation of the NP, the present global economic environment may affect the availability of financial resources that Mexico has intended to allocate to this Project.</p> <p>Through Outcome 1, the project will promote the inclusion of budget lines and necessary policy provisions in the key institutions to support funding and facilitate GR regulations after the project ends.</p>

Risk Rating: L - Low; M – Medium; H - High

#### **2. 4. Incremental Reasoning and Expected Global, National and Local Benefits**

110. The GEF Project will aim to overcome the obstacles for efficient management of access to GR and associated TK to promote conservation of biodiversity in Mexico and will substitute the country's fragmented regulatory framework. The support requested from the GEF represents a cost-effective approach to generate global environmental benefits due to the extensive genetic diversity of wild and domestic species present in Mexico (that have been accessed from time immemorial) and limited resources available. The Federal Government is determined to develop GR and associated TK management strategies that are expedite and profitable for all the stakeholders of the regulatory chain. Priority will be awarded to the creation of capacities of all stakeholders to provide them with solid elements for decision making and to negotiate prior informed consent and mutually-agreed terms to empower indigenous and local communities while promoting a regulatory climate that fosters the development of productive projects with national and international environmental benefits.

111. The project's objective is to consolidate actions to conserve and sustainably use genetic resources and related traditional knowledge in Mexico through the development and implementation of a national

policy and legal and institutional framework on ABS in line with the CBD and the Nagoya Protocol. Outcome 1 involves developing a national policy, legal and institutional framework to enable the implementation of the Nagoya Protocol. The incremental activities under this component involve supporting the regulatory process to ensure the adoption of an instrument that is efficient and effective in promoting access and benefit-sharing and protects associated traditional knowledge; ensuring that an institutional framework is in place for ABS, including formal coordination mechanisms between institutions; and the creation of a financial mechanism for the collection and redistribution of funds towards conservation and sustainable use goals.

112. The incremental activities under Outcome 2 of the project focus on capacity building, notably: increasing the capacity of new and existing national agencies with ABS competencies by at least 30%, based on information gathered through knowledge, attitudes and practices (KAP) surveys; ensuring that 80% of national stakeholders are informed about the regulatory and institutional framework for ABS by carrying out targeted training for at least 100 representatives from national authorities and agencies. Furthermore, this Outcome will support the establishment of the GRIEC, compiling a database on GR including *ex-situ* collections of genetic resources of Mexican origin, as well as existing and emerging ABS projects, users and providers of genetic resources, and the establishment of the ABS-CHM.

113. The incremental activities under Outcome 3 include development of communication, education and public awareness materials (e.g. posters, brochures, manuals, training modules) to educate stakeholders, namely indigenous and local communities, public and private sector users, pharmaceutical labs, cosmetics labs, agro-food enterprises, distillers, herbalists, suppliers, local populations and the media; establishing a national communication and public awareness campaign strategy to familiarize stakeholders with ABS, bioprospecting and value chains; developing a model ABS agreement(s) to provide a basis for negotiating fair and equitable benefit-sharing; and a catalog of Traditional Knowledge associated with GR. The Project also seeks to create national capacities that will empower GR Suppliers to be users as well of such resources and the TK to obtain benefits that are shared within their own communities. The activities related to the GIZ-CONABIO Project are complementary to the eligible actions for the support by the GEF, so that they will work in coordination and will provide each other with constant feedback.

114. **Global benefits:** Mexico is one of 12 mega-diverse countries in the world, with high percentages of endemic species, ecosystem diversity, and genetic variability in many taxonomic groups. The proportion of species endemic to Mexico is outstandingly high: 57% of flora, 11% of birds, 30% of mammals, 48% of amphibians and 45% of reptiles. With over 11,000 km of coastline and territorial waters of 231,813 km<sup>2</sup>, Mexico boasts high marine biodiversity and productivity; there are 1,616 coastal marine fish species, and levels of endemism are estimated at 20% for the Gulf of California and 15% for the Caribbean, Gulf of Tehuantepec and the north of the Gulf of Mexico.

115. This project will contribute significantly to the conservation and sustainable management of this biodiversity. The actions set out by the project to improve the legal framework in Mexico on ABS, to establish proper coordination and control mechanisms and to bring up the capacities of all relevant stakeholders in the country will have incremental benefits in terms of improved conservation of globally important biodiversity in this megadiverse country. By collaborating with the GIZ which will promote set-asides and improved management in key habitat of critically engendered species, this initiative will also contribute to conserving forest ecosystems and other key hotspot of biodiversity in the country thus contributing to reduce rates of carbon emissions resulting from the loss and degradation of terrestrial and coastal carbon sinks. The cumulative effect of these actions will enable Mexico to protect important biological and genetic resources which have enormous potential for application in a variety of sectors and disciplines, and from which the impact could be global.

116. Over the long-term further global environmental benefits will be incurred through the establishment of a robust legal framework, along with the needed technological and operational efficiencies. This project aims at building capacity to implement the provisions of the Nagoya Protocol. This protocol is the main vehicle to deliver one of the three objectives of the Convention on Biological Diversity: "...the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies, taking into account all rights over those resources and to technologies..." The nexus to the global environment benefits is in the implementation of Article 9 of the NP "...direct benefits arising from the utilization of genetic resources toward the conservation of biological diversity and sustainable use of its components".

117. **National benefits:** Nationally, the Project will promote the implementation of institutional coordination mechanisms that will help to organize access and utilization of GR and associated TK plans, regulating the sharing of benefits arising from their utilization. The project's interventions will activate the potential that Mexico's GR and associated TK represent for generating economic benefits to the nation and key stakeholders, including local populations where appropriate, in the form of business, employment, technology transfer and capacity development. These new opportunities are expected to strengthen the economic case and political motivation as well as the financing required for the conservation of biodiversity and the sustainable use of its components containing genetic resources. Where genetic resources are accessed from protected areas, benefits can be directed to funding the Mexican protected area system and protecting endangered species. Special emphasis will be given to reinforcing the capacities of civil society and local populations, as well as the empowerment of women.

118. **Local benefits:** By putting in place a national strategy for ABS, indigenous and local communities will ultimately benefit from increased awareness and understanding of their role in the conservation of GR and their rights regarding PIC and ABS. Furthermore, the development of Community/Biocultural Protocols will ensure the proper engagement of key stakeholders at the local level. Finally, the establishment of a TK Catalog will provide legal recognition and recourse for the holders of this knowledge. For more information, please see *SECTION IV Part IV: Stakeholder Participation Plan*.

## **2.5. Policy Conformity and Country Ownership: Eligibility and Country Drivenness**

119. **Strategic Objective and Programme Conformity:** This project is framed within the BD focal area. This project will strengthen the current national ABS framework ultimately creating conditions that facilitate turning bio-prospection into a driver for conservation of critically endangered species of global value and for advancing new development models in the country that optimize the fair and equitable sharing of benefits derived from its comparative advantage as a biodiverse rich country. In doing so it is aligned directly with the Objective 4 of the GEF5 Strategy - Build capacity on Access to genetic resources and Benefit Sharing (ABS).

120. **CBD Conformity:** The Project is compatible with international instruments and will allow Mexico to address in a proper manner the implementation of the NP, encouraging the use and conservation of biological diversity, GR and associated TK, generating joint responsibility plans in the community as a whole, with the institutional and legal structure for the attainment of the aforementioned objectives. It is therefore aligned with the CBD. In 2009, the Fourth National Report to the Convention on Biological Diversity, Mexico<sup>28</sup> reported:

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<sup>28</sup> Cuarto Informe Nacional de México al Convenio sobre Diversidad Biológica (CDB) <http://www.cbd.int/doc/world/mx/mx-nr-04-es.pdf>. Pp. 119.

*" .. The Legal Status of obtaining biological materials in Mexico is still incipient, with large gaps and uncertainties that raise debate on issues where there is regulation, institutional fragmentation leads to overlapping, not always consistent between the legislation.*

*Regulating access to genetic resources is hardly mentioned in environmental legislation, constituting a legal missing has nearly paralyzed bioprospecting biodiversity. Although some prospecting activities based on traditional knowledge continues, the complexity of implementing the CBD this is reflected in the absence of requests to the federal government and even in the absence of prior informed consent by those who have taken that knowledge and those samples have rights under the legal framework in the country ... "*

*" ... in Mexico important efforts were made , manifested in numerous initiatives , projects and programs from the Environmental Sector and from multiple areas of the Federal Government to protect the components of biological diversity , promoting sustainable utilization ; respond threats facing ; maintain the goods and services it provides; protect traditional knowledge, innovations and practices , to promote just and equitable sharing of benefits arising from the utilization of genetic resources , and ensure the availability of adequate resources ... "*

121. However, while the legal gaps remain unaddressed at national level, the situation has changed in the international context with the adoption of the NP in 2010 and its ratification by Mexico. The project aims to effectively strengthen national institutional capacities so as to implement the NP, having a direct effect on preservation and sustainable use of national biodiversity, including GR, and associated TK. This new capacity will be enhanced by the creation of the National Access and Benefit-Sharing Clearing-House to comply with Article 14 of the NP.

122. Furthermore, with regards to Article 8, the interpretation and implementation of Article 8 (Special considerations) is country specific. During implementation of Outcome 1 of this project, UNDP will provide guidance on pros and cons of the modalities for implementing this article addressing three main issues: i) Research and simplified measures on access for non-commercial research purpose, ii) the need of expeditious access to genetic resources and fair and equitable sharing of benefits arising out of the use of such resources (those related to present or imminent emergencies that threaten or damage human, animal or plant health), iii) consideration of important genetic resources for food and agriculture and their special role for food security.

123. *Aichi Targets:* The project is consistent with the Aichi Biodiversity Targets, and will significantly contribute to Target 16: By 2015 the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is in force and operational, consistent with national legislation.

#### Country Eligibility

124. Mexico ratified the Convention on Biological Diversity (CBD) on 3 November 1993. Mexico has also effectively fulfilled various assessment and reporting requirements under the Convention, and is eligible for UNDP assistance. The long-term commitment of the GoM to biodiversity conservation is further demonstrated by its ratification of other major multilateral environmental conventions and agreements. The principal ones are summarized below:

**Table 8. Main Multi-lateral Environmental Conventions to which Mexico is a party**

Convention/Agreement	Signed	Ratified
CITES	1991	1991
CBD	1992	1993
Nagoya Protocol	2011	2012

Cartagena Protocol on Biosafety	2000	2002
Kuala Lumpur Protocol	2012	2012
The RAMSAR Convention	1986	
The United Nations Convention to Combat Desertification (UNCCD)	1994	1995
The United Nations Framework Convention on Climate Change (UNFCCC)	1992	1993

Link to National Strategies

125. The project was identified during the process of the National Portfolio Formulation Exercise as one of the initiatives to help meet Mexico's commitments in the national implementation of the CBD work programs, as well as to generate strategies to face the principle threats to biodiversity identified in Mexico's 4th Report to the CBD. As an integral part of the National Portfolio, the project has natural links with the other initiatives in the Biodiversity focal area, with direct institutional and thematic links with the initiatives on Strengthening Management of the PA System to Better Conserve Endangered Species and their Habitats and Enhancing National Capacities to Manage Invasive Alien Species (IAS) by Implementing the National Strategy on IAS. Both of these initiatives are complementary and should provide opportunities for synergy in the biodiversity portfolio. Finally, the project's design builds on the experience of other capacity development projects such as the Capacity Building for the Implementation of the Cartagena Protocol on Biosafety and the National Capacity Self-Assessment project.

126. Notwithstanding the above, it was determined that the coordination mechanisms between the stakeholders participating in the execution of the Project should be generated jointly, taking into account the conditions, interests and needs of such stakeholders.

127. The project submitted for consideration is compatible with the provisions of the National Development Plan 2013-2018 (PND)<sup>29</sup>, in several strategies contained therein; however in Strategy 4.4.4 regarding "*Protecting the natural heritage*, all courses of action are aimed at preservation and sustainable use of natural resources in general; Strategy 4.10.4. *Promoting sustainable exploitation of natural resources in the country*, sets forth the course of action: *Establish the instruments to rescue, preserve and potentiate GR,*" is more specific to the protection of GR; and finally Strategy 2.2.3 *Foster wellbeing of indigenous peoples and communities by strengthening social and economic development respecting the expressions of their culture and exercise of their rights*, includes the course of action: *Promote policies for sustainable exploitation of natural resources occurring in indigenous regions for the preservation of the environment and biodiversity, building upon their traditional knowledge.* On the other hand, Goal 5 of the PND sets forth: "*Mexico with Global responsibility shall be a positive and proactive force in the world, a nation serving the best causes of humanity. Our global performance should incorporate the national reality and internal priorities, framed in the other four National Goals, so that these can be a distinctive agent of foreign policy. We hope our nation strengthens its voice and presence in the international community, and recovers the leadership for the benefit of the great global causes. We reassert our commitment with free trade, moment of capital, productive integration, safe movement of people and attracting talent and investment to the country. We have to draw a course of action consistent with the new global realities, to overcome the challenges we face.*" Thus, the project is framed in the national priorities. The Environment and Natural Resources Sectorial Program (PROMARNAT 2013 - 2018), officially published on December 12, 2013<sup>30</sup> includes two action lines directly related to the issue:

128. "*4.3.7 To promote the sustainable use of biological resources and associated traditional knowledge, and the fair and equitable sharing of benefits*" and "*4.6.1 Promote the development of the*

<sup>29</sup> Plan Nacional de Desarrollo: [http://dof.gob.mx/nota\\_detalle.php?codigo=5299465&fecha=20/05/2013](http://dof.gob.mx/nota_detalle.php?codigo=5299465&fecha=20/05/2013)

<sup>30</sup> Programa Sectorial de Medio Ambiente y Recursos Naturales 2013-2018, [http://dof.gob.mx/nota\\_detalle.php?codigo=5326214&fecha=12/12/2013](http://dof.gob.mx/nota_detalle.php?codigo=5326214&fecha=12/12/2013)

*regulatory framework to implement new protocols to the CBD."* With the sectorial commitment formalized in PROMARNAT, the implementation of the PN is planned to be completed during this sexenium.

#### Linkages with UNDP Programme

129. UNDP Country Programme: This project complements the existing portfolio and has direct bearings on the 2010-2014 UNDAF objective for environmental sustainability and risk management [Outcome 5/Strategic component 3, Environmental sustainability and risk management:- Institutions and local stakeholders promote a safe and healthy environment and environmental sustainability, that considers biodiversity conservation, natural resources and environmental management]. The UNDP Ecuador office is organized in two main clusters, each of which has a Cluster Manager and a Program Associate and combines on-the-ground experience of executing projects in protected areas working with communities; technical expertise in ecosystems; and experience in GEF project design and implementation. In addition, the project will count with specialized support from the assigned regional Technical Advisor in the UNDP Regional Service Centre for LAC and from the Senior Technical Adviser (STA) for ABS who holds a PhD on a related topic with direct experience in ABS projects and manages a growing ABS projects globally.

130. UNDP Comparative Advantage: UNDP has worked extensively with the Mexican Government on biodiversity policy issues and environmental management, including mainstreaming of environmental policy across different sectors. UNDP has served as implementing agency for a number of capacity development initiatives that were successfully designed and carried out in the environment sector. In particular, this project will benefit from UNDP's experience in-country with inter-sectorial coordination efforts and the development of policy frameworks for biosafety and certified markets. As implementing agency for the SGP in Mexico, UNDP also has a long history of working with indigenous and local communities on biodiversity conservation and sustainable use.

131. Further advantages in the context of this project are extensive experience in comprehensive development policies, human resource development, institutional strengthening and non-governmental and community involvement; the provision of technical support in a flexible, efficient and timely manner focused on strengthening institutional capacities at both national and local levels; a well-established ability to mobilize resources for development at national and local level in Mexico; access to global networks of information, experience and knowledge that can be used to strengthen project implementation; neutrality, credibility and social trustworthiness aiming to facilitate agreements as well as prevention and mediation of social conflicts. Furthermore, UNDP is working on other projects dealing with ABS that could offer a network of lessons learned, as mentioned below.

#### Linkages with other projects, including UNDP GEF Portfolio

132. The project will work closely with a number of related initiatives including several funded through the GEF. Amongst others these include at the national level, the following GEF-UNDP projects:

- a) *Strengthening Management Effectiveness and Resilience of Protected Areas to Safeguard Biodiversity Threatened by Climate Change.*
- b) *Enhancing National Capacities to Manage Invasive Alien Species (IAS) by Implementing the National Strategy on IAS.*
- c) *Strengthening Management of the PA System to Better Conserve Endangered Species and their Habitats.*
- d) *Transforming Management of Biodiversity-Rich Community Production Forests through Building National Capacities for Market-Based Instruments.*



133. The abovementioned projects all have important interventions at the local level in communities (including indigenous) which will provide lessons learned for Outcome 3 of this Project, specifically the development of Community Protocols and the establishment of an Traditional Knowledge Catalog. The Project will coordinate with these projects as necessary based on the identification of target Biocultural Regions.

134. Furthermore, initial assessments made for CONABIO's IAS project (*b*, above) coincide in IAS being a major threat for species that are important as genetic resources. For example, in northern Mexico, exotic grasses introduced for use as livestock fodder, such as Buffelgrass (*Pennisetum ciliare*), have dispersed rapidly across native ecosystems (including many Protected Areas), and have substantially replaced native vegetation cover (genetic resources *per se*) and modified natural fire regimes. Introductions of exotic species for reforestation, soil conservation and windbreaks, such as Giant Cane (*Arundo donax*), Casuarina (*Casuarina equisetifolia*), and Salt Cedar Pine (*Tamarix sp*), have impoverished the diversity of native habitats and reduced the availability of water resources throughout Mexico. Mexico also faces the continuing threat of new introductions, such as the Cactus Mealy Bug (*Hypogeococcus festerianus*), which poses a major threat to several cactus and epiphyte species (important genetic resources in Mexico, many of which with associated TK). Certain productive sectors have been identified as critical pathways for the introduction of IAS into Mexico. For example, aquaculture has grown rapidly throughout the country and now exceeds the production capacity of both agriculture and livestock; the aquarium trade has expanded since 1993 into an industry with 250 farms in 20 states. In the wildlife sector, the importing of exotic invasive species as pets frequently results in releases of these animals into natural ecosystems, where they compete with and prey on native species, alter food chains and change habitats. In the forestry sector, accidental imports of IAS in forestry products threaten native species and result in damage to forest ecosystems. Through both intentional introductions and accidental escapes, these sectors are responsible for the widespread transmission of parasites and diseases; hybridization; predation; competition for food and ecological niches; and habitat alteration in aquatic ecosystems, resulting in the localized extirpation of native species (native genetic resources) at over 100 sites in Mexico. The goals of the IAS Project are related to the goals of the ABS project, as far as maintaining the native species and the genetic resources that could be accessed and conserved through proper ABS mechanisms.

135. The Endangered Species project (*c*, above) will improve the management effectiveness of existing PAs for the conservation of priority endangered species, through the development of adaptive management frameworks, operational capacities and mechanisms for the participation of local communities, increase their coverage through the incorporation of new PAs and biological corridors, and increase their financial sustainability through the establishment of an Endowment Fund. The experiences gained from working with local communities and the creation of a Fund, could contribute in a positive manner to the ABS Project by providing a firm base to support ABS activities.

136. At the global level, the GEF-UNDP project *ABS Global Capacity Program Nagoya Protocol - Strengthening human resources, legal frameworks and institutional capacities to implement the Nagoya Protocol* is of great relevance and will be carefully taken into account in the further development of this project and in the delivery of national capacities actions such as training, development of case studies, exchange of information and experiences, and assistance for the establishment and implementation of regulatory frameworks. Coordination mechanisms will include yearly programming and lesson exchanges events and establishing joint advisory committees.

137. Also at the regional level, the GEF-UNEP project *Strengthening the Implementation of Access to Genetic Resources and Benefit Sharing Schemes in LAC* concluded during the PPG, however, valuable lessons were learnt in each of the participant countries (Colombia, Costa Rica, Cuba, Ecuador, Guyana, Panama, Peru and Dominican Republic) which could contribute to strengthening the national capacities for the development of regulatory frameworks as tools for Prior Informed Consent and the fair and

equitable sharing of benefits. In particular, the different model contracts are available through the GEF regional project on ABS Capacity Building, and serve as examples for the completion of the Mexican model.

138. Finally, UNDP will coordinate with INIFAP to ensure a fluid exchange of information and lessons learned with Japan's Project, *Diversity Assessment and Development of Sustainable Use of Mexican Genetic Resources*. The third component of Japan's Project is particularly relevant to the development of a case of ABS. As such, it could be considered among the options for the pilots of Outcome 3.

## **2. 6. Sustainability**

139. Environmental Sustainability: The project will support long-term viability of globally significant biodiversity in Mexico by ensuring a national legal and institutional framework for GR and ABS. The development of the National Strategy and a regulatory framework consistent with the NP will complement the current actions of the Government to promote sustainable development based on the sustainable use of the country's natural capital as well as the transition to the development of bio-economic projects as prioritized by the current administration. This approach is new for Mexico. Traditionally the environment sector and the economic/productive sectors work separately and often with opposite visions. The vision developed by the government related to bioeconomy would be supported through the development of an appropriate ABS framework and a solid National Strategy and could serve to bridge the gap between sectors that have traditionally operated in a very polarized way.

140. Institutional sustainability: The Project will address the need to improve the enabling environment for effective implementation of the NP and ABS framework. Through Outcomes 1 and 2, the Project will support capacity building activities and other initiatives aimed at creating the appropriate institutional environment and human capacities for effectively implementing the NP. Proper integration of feedback and input from participants will be crucial to the effective institutionalization of an ABS Capacity-Building Programme. In addition, the Federal Government (FG) will have access through the partnership between the GEF project and the GIZ initiative to solid elements and tools to justify the development of adequate institutional mechanisms to address, follow up and properly implement the NP, as well as the necessary regulations developed based on the products resulting from this project.

141. Financial Sustainability: The project will achieve long-term financial sustainability through the design and implementation of legal and policy changes so that institutions with ABS-related responsibilities (SEMARNAT and SAGARPA, among others) are better able to generate, manage, and allocate financial resources. Through this initiative, the project will promote an alternative taxation mechanism for the new permits for the access to GR and identify the necessary mechanisms so that the resources generated will be redirected to the competent national and federal authorities. The project, in close coordination with GIZ will also take advantage of the work involved with the development of a national legal framework to look at ways to support the creation of a national Genetic Resources/ABS fund, or similar mechanism, especially to support cases where the identification of beneficiaries is difficult. The resources coming from this fund could be used to support the conservation of high diversity federal areas (not protected areas) or to promote capacity building among diverse communities.

142. The project will promote the inclusion of budget lines and necessary policy provisions in the key institutions to support funding and facilitate GR regulations after the project ends. This will build upon awareness-raising including a detailed national cost benefit analysis on the contributions to the Mexican economy generated by the improvement of the national capacities to implement the NP and to regulate access to GR and its use. This will also build upon and complement the mechanisms for financial sustainability both developed through previous GEF-funded projects in Mexico implemented by the World Bank as well as by current UNDP implemented projects (on protected area resilience, IAS and endangered species).

143. Social sustainability: Efforts to ensure sustainable support from diverse stakeholders are a key component of the Project. It was developed in a highly participatory fashion, including staff from key public institutions, the private sector, NGOs and other stakeholders from the civil society. Participation and social acceptance would be enhanced through the execution of a comprehensive Stakeholder Involvement Plan (Section IV, Part IV), which identifies stakeholder interests and possible conflicts and responsive mitigation measures to assure strong and effective stakeholder participation. Other elements of project design to address social sustainability include awareness-raising to increase societal appreciation of the benefits of Biodiversity and the value it provides not only as Genetic Resources but also in terms of ecosystem services.

144. The project will also ensure to include specific attention to gender related issues. In particular, the project will make sure that negotiation between different stakeholders, capacity building programs and the design of community tools and outreach program will include analysis of gender dimensions in order to maximize the potential positive impacts of this project on the economic and social status of women and youth.

145. Community/Biocultural protocols for the implementation of the NP in indigenous communities constitute a unique tool for innovation that favors community involvement in decision making and promotes legal access and fair and equitable sharing of benefits. For a multicultural country like Mexico (69 different indigenous cultures) it is a big challenge to develop protocols which consider all the different cosmovisions and community practices related to GR and TK. Once these protocols are ready they could be shared by Mexico with other megadiverse and multicultural countries, mainly through south-south cooperation mechanisms in order to preserve the GR and TK globally.

## **2.7. Innovation and Replicability**

146. The project is innovative in its support to establish a first-ever comprehensive legal and institutional framework for ABS in Mexico. Through Outcome 1, the project will recommend a course of action to define and strengthen the National Legal Framework for ABS, including a Bill that aligns the national ABS framework with the Nagoya Protocol. This will be complemented by the design and implementation of a National Strategy for conservation and sustainable use of GR, including associated TK, which will be the reference framework that should encompass the actions of the Mexican State in the medium and long term.

147. The project will support the development of an innovative National Strategy that will complement the current actions of the Government to promote sustainable development based on the sustainable use of the country's natural capital as well as the transition to the development of bio-economic projects as prioritized by the current administration. This approach is new for Mexico. Traditionally the environment sector and the economic/productive sectors work separately and often with opposite visions. Most notable are the extraction programs associated with Forestry and Mining, as well as Agriculture and Fisheries, which are oftentimes incompatible with the traditional "hands-off" conservation approach of Protected Areas and other Biodiversity conservation efforts. The development of a new and innovative vision by the government related to bioeconomy would be supported through the development of an appropriate ABS framework and a solid National Strategy that could serve to bridge the gap between sectors that have traditionally operated in a very polarized way.

148. To facilitate the practicalities of implementing the NP in Mexico, the project will support the establishment of an Inter-institutional Genetic Resources Information Exchange Center (GRIEC). Furthermore, the project will involve civil society in an effective way to promote the conservation and sustainable use of GR biodiversity, taking into account access to and sharing of traditional benefits. The project will achieve this through the design and instrumentation of innovative TK protection mechanisms, community/biocultural protocols and awareness programs. These will include training and dissemination

material on the importance of conservation and sustainable use of GR and associated traditional knowledge vis-à-vis the objectives of the NP.

149. Many of the project outputs, such as regulations including NP compliant PIC and community protocols, model contracts, codes of conduct, and certificates of compliance/origin on ABS developed with stakeholder participation in compliance with the Nagoya Protocol, will provide tools for replication activities. The project will develop a replication plan to incorporate concrete mechanisms for replication. The plan will include a clear strategy, methodology, and target for replication. The project will systematically document experiences from different components and codify lessons to disseminate widely. The project is sustainable as it focuses on establishing the systemic and institutional capacity of the government, which also makes the successful replication highly likely. In addition to the legal framework, the government's institutional arrangements and the necessary components of financial (benefit-distribution) mechanisms for ABS will be examined in the project to create a firm foundation for sustaining the capacity built by the project.

150. The ABS legal mechanisms developed through Outcome 1 will provide replicable models for other levels of government within Mexico as well as serve as examples for other countries in the LAC region and the rest of the world.

151. The Project will support the institutionalization of capacity programs and tools (best-practices manuals) from Outcome 2 so as to facilitate replication. This will include the development of a course for SEMARNAT officials as well as those from other agencies and other levels of government.

152. Finally, the development of community protocols in Outcome 3 will generate lessons learned that facilitate replication in other Biocultural Regions throughout the country.

## **2. 8. Financial Modality and Cost-Effectiveness**

153. In line with the GEF Council's guidance on assessing cost-effectiveness of projects (Cost Effectiveness Analysis in GEF Projects, GEF/C.25/11, April 29, 2005), the project development team has taken a qualitative approach to identifying the alternative of best value and feasibility for achieving the project objective.

154. The development of a National Strategy (Outcome 1) and the accompanying capacity-building interventions (Outcome 2) are cost-effective measures to ensure an integral ABS framework is in place rather than working on a number of individual local or state-level policies. Given the complexity of ABS, it is more cost-effective for the federal government to determine overarching public policy and its accompanying capacity development; this ensures that the efforts of implementing NP are not lost in determining jurisdiction and innumerable local regulations that would only be applicable at a smaller legal scale. The project (Outcome 3) will also pursue pilot opportunities in targeted Biocultural Regions through collaboration with the GIZ project so as to develop Community Protocols in a cost-effective manner – small-scale initiatives offer large-scale returns and lessons for replication at national scale. The investment of the GIZ project ensures extensive on-the-ground interventions that will provide important lessons to guide these Community Protocols, as well as balance this project's establishment of a functional legal and institutional framework at the national level. Furthermore, by generating social awareness in indigenous/local communities and other stakeholders on the conservation and sustainable use of biodiversity, genetic resources and traditional knowledge associated with these, this component would help reduce the asymmetry between provider and user (social conditions) in the negotiation of mutually-agreed terms for the sharing of benefits derived from access and use of traditional knowledge associated with GR.

155. Cost effectiveness will be monitored as an integral part of the monitoring and evaluation process. The project budget provides for independent financial auditing on a yearly basis.

156. Finally, cost effectiveness is ensured through a prescribed project management process that will seek the best-value-for-money. UNDP rules as well as SEMARNAT rules employ a transparent process of bidding for goods and for services based on open and fair competition and selection of best value and best price alternatives. Procurement will be managed by UNDP in coordination with SEMARNAT to ensure the application of all effective regulations. An independent committee is utilized for all procurement of personnel and selection of contractors.

### **PART III: Management Arrangements**

157. The project will be executed under National Implementation Modality (NIM), with Execution by the Ministry of Environment and Natural Resources (SEMARNAT) following the standards and regulations of the United Nations Development Programme (UNDP), per its role as Implementing Agency.

158. The Implementing Partner is the entity responsible for the project outcomes, and who is accountable for its management, including monitoring and evaluation activities, the achievement of outputs and effective use of resources. A single Implementing Partner is designated to lead each project. This Partner may establish agreements with other organizations or entities in order to support the achievement of the outputs envisaged in the project, this/these other/s instance/s is/are called: Responsible Party(ies). The Responsible Party is designated by the Implementing Partner to support the implementation, planning and / or monitoring of certain activities / components within the project's framework, using their technical skills and management services to support the achievement of project objectives. Project partners will assume responsibility for the different outcomes and outputs expected from the project, carrying out activities related to their actual capabilities in the field, ensuring effectiveness and efficiency of GEF funding. An Implementation Agreement will be signed between the Implementing Partner and the Responsible Party during the project inception phase.

159. The *Ministry of Environment and Natural Resources (SEMARNAT)* is the Executing Agency (Implementing Partner), responsible for the fulfillment of the project's results. Its main responsibilities related to the project are to:

1. Lead the project implementation with the support of the Project Coordination Unit (PCU);
2. Participate together with UNDP, in selecting the Project Coordinator;
3. Designate a representative to act as a permanent liaison between UNDP, the Ministry of Foreign Affairs and the Project Coordinator, and to participate in the Project Steering Committee meetings, and others as required, to ensure that the necessary inputs are available to execute the project;
4. Monitor the project's work plan and progress;
5. Coordinating the activities of all other project partners, and providing overall technical oversight of programs and outputs of project contractors and short-term consultants (with the support of the PCU).
6. Approve ToR for technical personnel and consultancies for project implementation;
7. Provide the name and describe the functions of the person or persons authorized to deal with UNDP concerning the project's matters;
8. Participate in the selection process of the consultants and approve all hiring and payment request;
9. Prove the technical capacity to develop the project;

10. Provide the name and describe the functions of the person or persons authorized to sign the project's budget and/or substantive revisions of the project.

160. The *United Nations Development Programme (UNDP)* is the world development network established by the United Nations with a mandate to promote development in countries and to connect them to the knowledge, experience and resources needed to help people achieve a better life. Its main responsibilities related to the project, in its role as *Implementing Agency*, are to:

1. Designate a programme officer responsible for providing substantive and operational advice and to follow up and support the project's development activities;
2. Advise the project on management decision making, as well as to guarantee quality assurance;
3. Be part of the project's Steering Committee and other Committees or Groups considered part of the project structure;
4. Administer the financial resources agreed in the budget / workplan and approved by the project's Steering Committee; monitor financial expenditures against project budgets / workplans; and oversee the provision of financial audits of the project;
5. Oversee the recruitment and hiring of project staff, the selection and hiring of project contractors and consultants; and the appointment of independent financial auditors and evaluators;
6. Co-organize and participate in the events carried out in the framework of the Project;
7. Use national and international contact networks to assist the project's activities and establish synergies between projects in common areas and/or in other areas that would be of assistance when discussing and analyzing the project;
8. Provide Support in the development and instrumentation of the project's gender strategy.
9. Ensure that all project activities, including procurement and financial services, are carried out in strict compliance with the procedures of the UNDP / GEF.

161. The *Ministry of Foreign Affairs (SRE)*. The Government of the United Mexican States has designated the Technical and Scientific Cooperation Directorate of the SRE as the official counterpart of UNDP in Mexico. Its main responsibilities related to the project are:

1. As the entity responsible for technical cooperation in Mexico, to act as the Mexican government's official counterpart to UNDP; specifically, and in accordance with the National Development Plan, to formalize approval of the project cooperation documents presented to UNDP by federal, state and private entities;
2. If necessary, to make a written request to UNDP for reports on the project;
3. To approve the annual audit plan for the project and, in accordance with UNDP standards and procedures, to convene an information and consultation meeting prior to the audit;
4. If considered necessary, to attend at least one meeting a year of the project's Project Steering Committee;
5. As required, to participate in tripartite meeting or in any follow-up or reorientation sessions.

162. Project implementation will be carried out under the general guidance of a *Project Steering Committee (PSC)*, which will be responsible for making management decisions for the project by consensus, especially the operational plans, annual reports and budgets of the project. The PSC will be co-chaired by SEMARNAT and UNDP and will meet at least three times per year to review project

progress and approve upcoming work plans and corresponding budgets. Other members of the PSC will include representatives of other stakeholders as deemed appropriate and necessary (the membership of the PSC will be reviewed and recommended for approval at the project Inception Workshop). The GEF Project coordinators from other GEF-funded partner projects will be invited to participate in sessions to ensure proper project coordination and cross-fertilization if necessary.

163. The PSC will be in charge of the overall supervision of the project, providing strategic guidance for its implementation, ensuring that this proceeds in accordance with a coordinated framework of government policies and programs, and in accordance with the agreed strategies and targets laid out in this Project Document. The PSC will also approve and supervise the hiring and work of staff under the Project Coordination Unit, detailed below. In order to ensure UNDP's ultimate accountability, the PSC decisions should be made in accordance with standards that ensure development results, cost-effectiveness, fairness, integrity, and transparency.

164. The responsibilities of the PSC shall include, but not be limited to:

1. Review, approve and amend this project document, including the Monitoring and Evaluation (M&E) framework, the budget, and the implementation plan;
2. Monitor compliance with the Project's objectives;
3. Discuss progress and identify solutions to problems facing any of the project's partners;
4. Review and approve the AWP and the consolidated financial and progress reports;
5. During the life of the project, review proposals for major budget re-allocation such as major savings or cost increases, or for use of funds for significantly different activities;
6. Review evaluation findings related to impact, effectiveness and the sustainability of the project;
7. Monitor both the budget and the prompt delivery of financial, human and technical inputs to comply with the work plan;
8. Ensure the participation and ownership of stakeholders in achieving the objectives of the project;
9. Ensure communication of the project and its objectives to stakeholders and the public;
10. Approve the project communication strategy and public information plans prepared by the PSC;
11. Facilitate linkages with high-level decision making;
12. Convene ordinary meetings to consider the Technical Committee's proposals and recommendations, as well as the progress made by the project; and
13. Convene, if necessary, extraordinary meetings.

165. The *National Project Director* (NPD), a senior staff member of SEMARNAT, will be responsible for oversight of the Project and carries overall responsibility and accountability. The NPD will keep the PSC updated on project advances and challenges as needed, and will report to the PSC on progress made and issues to be resolved. The NPD will establish and provide overall guidance to the PCU, and is responsible for overseeing the work undertaken by the PCU team. The NPD will submit relevant documentation to the PSC for endorsement.

166. Day-to-day management and coordination of the project will be under the supervision of the *Project Coordination Unit* (PCU), located in the facilities of the SEMARNAT. The PCU will be responsible for the general management actions of the project, such as the preparation of consolidated annual work plans and technical and financial reports to be presented to the PSC, with the aim of ensuring

that advances in relation to the goals and key milestones of the project are achieved as planned. The PCU will report to the NPD (Project Director). The PCU of this project will be comprised of a Project Coordinator, and a Monitoring and Evaluation Specialist.

167. The *Project Coordinator* will be contracted through UNDP and will be responsible, under the supervision of the NPD, for the overall integration and follow-up of studies, research and project technical activities. He/she will assist in the supervision of project implementation, liaising directly with the NPD, and will undertake quarterly operational planning and provide guidance on day-to-day implementation. The PCU will ensure institutional coordination among the many project partner institutions and organizations.

168. Administrative and professional personnel collaborating as advisors will interact on an ongoing basis with the NPC and the PCU technical and professional teams, according to needs arising during project implementation. An important and common part of the staff ToRs will be to identify measures on how to sustain the capacity development activities and results beyond the Project duration. The initial part of these measures will be integrated into the project work plans. Notably, the intent is that the planned Specialist positions will become fixed Government-funded positions after the end of project.

169. A 3-month *Inception Phase* will be used to carefully plan the whole project implementation process, culminating in the Inception Workshop. In addition, the necessary communication structures will be established between the main project components and partners to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards the outcomes to be achieved.

#### *Financial and other procedures*

170. The financial arrangements and procedures for the project are governed by the UNDP rules and regulations for National Implementation (NIM). Financial transactions will be based on direct requests to UNDP from the Executing Agency (SEMARNAT) for specific activities (included in work plans and financial reports). All procurement and financial transactions will be governed by national rules and regulations, and must be compatible with the UNDP rules and regulations.

171. Dollarization clause: “The value of any contribution received by the United Nations Development Programme as part of this Agreement, and which is made in a currency other than the U.S. Dollar, is determined by applying the operational rate of the United Nations prevailing on the date that such payment is made effective. If there is a change in the operational rate of the United Nations before UNDP uses the entire amount paid, the balance will be adjusted according to the value of the currency at that date.”

172. If a loss is registered in the value of the fund balance, UNDP shall inform the Donor with a view to determining whether the donor has to provide more funding. Without having any such additional funding, UNDP may reduce, suspend or terminate assistance to the program / project. In the case where there is an increase in the value of this balance, this increase will go to the project to implement its activities, in agreement with the donor.

173. All accounts and all financial statements are expressed in U.S. dollars. The exchange rate used in each case shall be the monthly exchange rate set by the UN in Mexico. Notwithstanding the foregoing, payments to suppliers are made in local currency. In cases where the total contributions exceed the total reference amount, a budgetary review of the project will be carried out as per UNDP requirements.

#### *Direct Project Services*

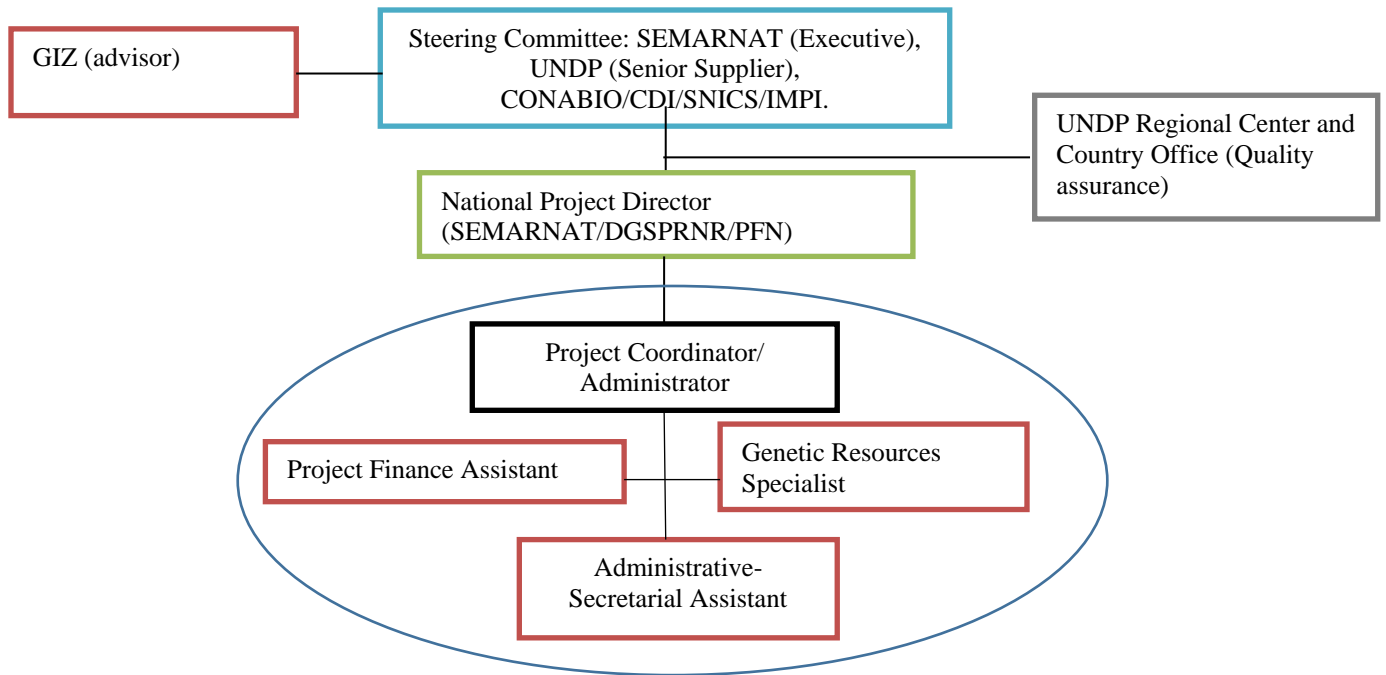
174. In its role as GEF Implementing Agency (IA) for this project, UNDP shall provide project cycle management services as defined by the GEF Council (described in Section IV Part VIII). The Government of Mexico shall request UNDP to provide direct project services specific to project inputs according to its policies and convenience. These services –and the costs of such services - are specified in



the Letter of Agreement in Section IV Part VIII. In accordance with GEF Council requirements, the costs of these services will be part of the executing entity’s Project Management Cost allocation identified in the project budget. UNDP and the Government of Mexico acknowledge and agree that these services are not mandatory and will only be provided in full accordance with UNDP policies on recovery of direct costs.

175. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

**Organizational Structure of the Project**



## **PART IV: Monitoring and Evaluation Plan and Budget**

176. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF Regional Coordination Unit in Panama. The Strategic Results Framework Matrix (in Section II) provides impact and outcome indicators for project implementation along with their corresponding means of verification. The ABS Capacity Development Scorecard is going to be used as one of the main instruments to monitor progress. The M&E plan includes: inception report, project implementation reviews, quarterly operational reports, a mid-term and final evaluation, etc. The following sections outline the principal components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities (Table 9 below). The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Meeting following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

### Project Inception Phase

177. A ***Project Inception Workshop*** will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed in order to clarify for all, each party's responsibilities during the project's implementation phase.

### Monitoring responsibilities and events

178. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Steering Committee Meetings, or other relevant advisory and/or coordination mechanisms and (ii) project related Monitoring and Evaluation activities.

179. ***Day to day monitoring*** of implementation progress will be the responsibility of the Project Coordinator based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or

corrective measures can be adopted in a timely and remedial fashion. The Project Coordinator will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

180. **Periodic monitoring** of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project local implementation group, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report/Annual Work Plan to assess first hand project progress. Any other member of the Steering Committee can also accompany, as decided by the PSC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF.

181. **Annual Monitoring** will be ensured by means of the project Steering Committee (PSC) meetings being the highest policy-level meeting of the parties directly involved in the implementation of a project. PSC meetings will be held at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project implementation team will prepare a harmonized Annual Project Report and Project Implementation Review (APR/PIR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the PSC for review and comments. The APR/PIR will be used as one of the basic documents for discussions in the PSC meeting. The project proponent will present the APR to the SC, highlighting policy issues and recommendations for the decision of the PSC members. The project proponent also informs the participants of any agreement reached by stakeholders during the APR/PIR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

#### Project Monitoring Reporting

182. The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process.

183. A **Project Inception Report** will be prepared immediately following the Inception Workshop. It will include a detailed First Year Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months' time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with

comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

184. **The APR/PIR** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for Project Coordinators and offers the main vehicle for extracting lessons from ongoing projects. It also forms a part of UNDP's Country Office central oversight, monitoring and project management, as well as represents a key issue for the discussion at the Steering Committee meetings. Once the project has been under implementation for a year, the CO must complete an APR/PIR together with the project implementation team. The APR/PIR can be prepared any time during the year (July-June) and ideally prior to the SCM. The APR/PIR should then be discussed at the SCM so that the result would be an APR/PIR that has been agreed upon by the project, the executing agency, UNDP CO and the key stakeholders. The individual APR/PIRs are collected, reviewed and analysed by the RTAs prior to sending them to the focal area clusters at the UNDP/GEF headquarters.

185. **Quarterly Progress reports:** Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team. See format attached.

186. **UNDP ATLAS Monitoring Reports:** A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. The Project Coordinator should send it to the Project Board for review and the Implementing Partner should certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the Project Coordinator to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the Project Coordinator to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on good and bad experiences and behaviors. It is the responsibility of the Project Coordinator to maintain and update the Lessons Learned Log.

187. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare **Specific Thematic Reports**, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

188. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

189. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These

publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

190. During the last three months of the project the project team will prepare the ***Project Terminal Report***. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

### Independent Evaluation

191. The project will be subjected to at least two independent external evaluations as follows: An independent ***Mid-Term Evaluation*** will be undertaken at the mid of the third year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

192. An independent ***Final Evaluation*** will take place three months prior to the terminal Steering Committee meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

### Learning and Knowledge Sharing

193. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP-GEF sponsored networks, organized for senior project personnel working on projects that share common characteristics. The project will identify and participate as appropriate, in scientific, policy-based networks that may benefit from the project's lessons learned and/or be of benefit to the project.

194. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process. The need to communicate such lessons is one of the project's central contributions and this will be done at least on an annual basis by producing Biodiversity Experience Notes (BEN). UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a sufficient amount of project resources will need to be allocated for these activities.

**Table 9. Project Monitoring and Evaluation Plan and Budget**

<b>Type of M&amp;E activity</b>	<b>Responsible Parties</b>	<b>Budget US\$</b> <i>Excluding project team staff time</i>	<b>Time frame</b>
Inception Workshop and Report	<ul style="list-style-type: none"> <li>▪ Project Coordinator</li> <li>▪ UNDP CO, UNDP GEF</li> <li>▪ SEMARNAT</li> </ul>	Indicative cost: 27,000	Within first two months of project start up
Measurement of Baseline Indicators and Means of Verification of project results	<ul style="list-style-type: none"> <li>▪ UNDP/SEMARNAT/PCU will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li> </ul>	Indicative cost: 2,000	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> <li>▪ Oversight by Project Coordinator</li> <li>▪ Project team</li> <li>▪ SEMARNAT</li> </ul>	Indicative cost: 2,000	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> <li>▪ PCU</li> <li>▪ UNDP CO</li> <li>▪ UNDP GEF</li> <li>▪ SEMARNAT</li> </ul>	0	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ PCU</li> <li>▪ UNDP CO</li> <li>▪ SEMARNAT</li> </ul>	0	Quarterly
Project Steering Committee Meetings	<ul style="list-style-type: none"> <li>▪ Project Coordinator</li> <li>▪ UNDP CO</li> <li>▪ SEMARNAT</li> </ul>	Indicative cost: 0	Following Project IW and subsequently at least Quarterly
Mid-term Review, including update of ABS CapDev and ESST	<ul style="list-style-type: none"> <li>▪ PCU</li> <li>▪ UNDP CO</li> <li>▪ UNDP GEF</li> <li>▪ SEMARNAT</li> <li>▪ External Consultants (i.e. review team)</li> </ul>	Indicative cost: 29,500	At the mid-point of project implementation.
Final Evaluation, including final ABS CapDev and ESST	<ul style="list-style-type: none"> <li>▪ PCU</li> <li>▪ UNDP CO</li> <li>▪ UNDP GEF</li> <li>▪ SEMARNAT</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: 35,550	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>▪ PCU</li> <li>▪ UNDP CO</li> <li>▪ SEMARNAT</li> <li>▪ local consultant</li> </ul>	Indicative cost: 5,250	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ PCU</li> </ul>	Indicative cost: 18,750	Annually
Visits to field sites	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> </ul>	For GEF supported projects, paid from IA	Annually

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
	<ul style="list-style-type: none"> <li>▪ UNDP GEF (as appropriate)</li> <li>▪ Government representatives</li> </ul>	fees and operational budget	
<b>TOTAL indicative COST</b> Excluding project team staff time and UNDP staff and travel expenses		US\$ 120,000 (+/- 5% of total budget)	

#### *Audit Clause*

195. The project will be audited in accordance with the UNDP Financial Regulations and Rules and applicable audit policies. An audit to the Project is an integral part of UNDP financial and administrative management within the framework of UNDP’s accountability, internally and with regards to the GEF. The project will be audited to ensure that resources are administered in accordance with the financial regulations of the project document, workplan and budget. The project’s budget should contemplate the resources needed to carry out the audit. The firm selected by UNDP Mexico and the Government of Mexico, through a bidding process and subjected to a rigorous evaluation within the principles of transparency, neutrality and cost benefit will take over this exercise in accountability.

#### *Communications and visibility requirements*

196. Full compliance is required with UNDP’s Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects need to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The [GEF logo](http://www.thegef.org/gef/GEF_logo) can be accessed at: [http://www.thegef.org/gef/GEF\\_logo](http://www.thegef.org/gef/GEF_logo). The [UNDP logo](http://intra.undp.org/coa/branding.shtml) can be accessed at <http://intra.undp.org/coa/branding.shtml>.

197. Full compliance is also required with the GEF’s Communication and Visibility Guidelines (the “GEF Guidelines”). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08\\_Branding\\_the\\_GEF%20final\\_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

198. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

#### **PART V: Legal Context**

199. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Mexico and the United Nations Development Program, signed by the parties on February 23<sup>rd</sup>, 1961. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

200. The UNDP Resident Representative in Mexico City is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes: (i) Revision of, or addition to, any of the annexes to the Project Document; (ii) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation; (iii) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility, and; (iv) Inclusion of additional annexes and attachments only as set out here in this Project Document.



## SECTION II: STRATEGIC RESULTS FRAMEWORK AND GEF INCREMENT

<p><b>UNDAF outcome No. 6:</b> The three branches of Government, the private sector, academics and civil society will have enhanced their capacity to check environmental degradation and use natural resources sustainably and equitably by mainstreaming environmental sustainability, low-emission development and green economy into the legislative process, planning and decision making</p>
<p><b>Country Programme Outcome Indicators:</b> Percentage of the public budget allocated to and executed under the environmental sustainability policy.</p>
<p><b>Primary applicable Key Environment and Sustainable Development Key Result Area:</b> Sustainable development pathways that can eradicate extreme poverty and reduce social and economic inequality and exclusion</p>
<p><b>Applicable GEF Strategic Objective and Program:</b> BD-4</p>
<p><b>Applicable GEF Expected Outcomes:</b> Outcome 4.1: Legal and regulatory frameworks, and administrative procedures established that enable access to genetic resources and benefit sharing in accordance with the CBD provisions</p>
<p><b>Applicable GEF Output Indicators:</b> Output 4.1. Access and benefit-sharing agreement (1) that recognizes the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits</p>

Outcome	Indicator	Baseline	Target	Means of Verification	Risks and Assumptions
<p><b>Project Objective:</b> Enhance in Mexico in a participatory manner, the capacities of national authorities (SRE, SEMARNAT, SAGARPA, CDI, SE), as well as the legal and institutional framework in relation to genetic resources, associated traditional knowledge and benefit-sharing, according to institutional conditions for the implementation of the “<i>Nagoya Protocol on Access to Genetic resources and the Fair and Equitable Sharing of Benefits Arising From their Utilization to the Convention on Biological</i>”</p>	<p>1. Status of adoption and/or implementation of a National ABS Policy and related regulatory &amp; institutional framework in compliance with the Nagoya Protocol</p>	<ul style="list-style-type: none"> <li>• No National ABS Policy or framework in place. Some individual laws address specific types of GR access that could be integrated into a national ABS framework.</li> </ul>	<ul style="list-style-type: none"> <li>• National ABS Policy<sup>31</sup> approved, and regulatory and institutional frameworks developed and operationalized at a national level</li> </ul>	<p>Official government reports</p>	<p>Coordination mechanisms among relevant stakeholders not generated</p>
	<p>2. Level of institutional and personnel capacity for implementation of the national ABS framework as indicated by an increase in the GEF ABS Capacity Development scorecard<sup>32</sup></p>	<ul style="list-style-type: none"> <li>• 21 out of a possible 69 = 30%</li> <li>• Basic to moderate capacity within government agencies</li> </ul>	<ul style="list-style-type: none"> <li>• 44 out of a possible 69 = 63%</li> <li>• Improved institutional and personnel capacity indicated by an increase of at least 30% over the GEF ABS Capacity Development Scorecard baseline score.</li> </ul>	<p>ABS Capacity Scorecard at project start, mid-term and end.</p> <p>Annual budgets of relevant institutions</p>	<p>Insufficient funding to continue necessary access to GR regulation after Project end</p>

<sup>31</sup> It is expected that the National ABS Law and the National ABS Strategy developed by the project will provide the necessary elements for the adoption of a National ABS Policy by project end.

<sup>32</sup> See Section IV Part VII for the GEF ABS Capacity Development Tracking Tool baseline scores.

Outcome	Indicator	Baseline	Target	Means of Verification	Risks and Assumptions
<i>diversity</i> ” (NP).	3. Status of development and implementation of ABS mechanisms to protect TK associated with GR	<ul style="list-style-type: none"> <li>There are no formally established protection mechanisms for TK</li> <li>0 TK registered in TK Catalog; 35 partial records</li> </ul>	<ul style="list-style-type: none"> <li>Guidelines for the protection of traditional knowledge associated with GR</li> <li>61 TK registered in TK Catalog</li> </ul>	<ul style="list-style-type: none"> <li>Guidelines</li> <li>TK Catalog</li> </ul>	Govt agencies and indigenous/ local communities unwilling to share information and data

Outcome	Indicator	Baseline	Target	Means of Verification	Risks/ Assumptions
1. Adjusting the legal framework and establishing public policy measures that regulate the access utilization of GR and associated TK arising from the fair and equitable benefit-sharing.	4. % of Analysis and Diagnosis of National Legal Framework for Genetic Resources and ABS	10% - Preliminary legal diagnosis, no gap/capacity analysis	100% Analysis and Diagnostic Study	Analysis document	Govt agencies unwilling to share information and data
	5. % Advance of Bill proposal to amend the national ABS legal framework per NP	10% - Preliminary discussion points for a proposal	100% - Bill proposal in Congress	Proposal document	Political will to support Bill
	6. # of Key Lawmakers trained on access to GR and benefit- sharing	0	At least 60 <sup>33</sup>	Training/project reports	Low participation and retention
	7. # of financial mechanisms created for ABS	<p>0 No federal ABS funding mechanism exists</p> <p>0 – No incentive programs for ABS compliance exist</p>	<p>1 Federal ABS funding mechanism for conservation of GR and TK designed and implemented</p> <p>3 - Incentive programs for user participation in ABS developed and implemented in collaboration with at least 3 major commercial sectors (e.g. agriculture, forest, marine, pharmaceutical, etc.).</p>	<p>Funding mechanism documents</p> <p>Sectoral agency and organization publications (incentive programs, codes of conduct)</p>	Insufficient funding to continue necessary access to GR regulation after Project end

<sup>33</sup> Calculation based on at least 5 lawmakers per Commission in both Houses. The following committees are proposed: Agriculture; Indigenous Affairs; Science and Technology; Environment and Natural Resources; Gender equity; Foreign Affairs, attention to International Agencies and Fisheries.

	8. % Advance of National Strategy for conservation and sustainable use of GR, including associated TK	0% - No strategy; lines of action exist for Natl Devt Plan 2012-18, NBDSAP, SINAREFI, etc.	100% - National Strategy and Action Plan for ABS approved by the federal government and published?	NSAP Documents	Conflicts of interest and different priorities of stakeholders
	9. % Advance of National ABS Policy	0% - No Policy; lines of action exist for Natl Devt Plan 2012-18, NBDSAP, SINAREFI, etc.	100% - National Policy for ABS approved by the federal government and published	National ABS Policy Document	Political will to support Policy

- 1.1. Analysis and Diagnosis of National Legal Framework, including conceptual, technical and operative aspects to determine the scope and interpretation of the standards in effect, determine gaps and inconsistencies, identify areas of interest of Federal Agencies as well as their regulatory needs and objectives to be attained regarding GR.
- 1.2. Bill proposal aligns the national ABS framework with the Nagoya Protocol.
- 1.3. Awareness and training of at least 60 key lawmakers on access to GR and benefit- sharing.
- 1.4 Proposal of a Post-2015 National Strategy for conservation and sustainable use of GR developed and accepted by the stakeholders.

Outcome	Indicator	Baseline	Target	Means of Verification	Risks/ Assumptions
2. Strengthening of national institutional capacities	10. Capacities of national ABS implementing agencies, as measured by the ABS Capacity Development Scorecard	<p>ABS Capacity Development Scorecard: 21/69</p> <p>3 Strategic Areas to improve<sup>34</sup>:</p> <p>SA2: 10 - There is limited capacity to implement ABS</p> <p>SA3: 5 - There is political will but limited awareness among stakeholders</p> <p>SA4: 3 Information is not readily available</p>	<p>ABS Capacity Development Scorecard: 44/69</p> <p>3 Strategic Areas improved:</p> <p>SA2: 19 - ABS Units established with capacity to implement policy and programmes</p> <p>SA3: 9 – Stakeholders are aware and engaged in ABS</p> <p>SA4: 5 ABS framework established to systematize and mobilize information</p>	ABS Capacity Scorecard at project start, mid-term and end.	<p>Low participation and retention</p> <p>Insufficient funding to continue necessary access to GR regulation after Project end</p> <p>Coordination mechanisms among relevant stakeholders not generated</p>

<sup>34</sup> This takes into account prioritizations made by Mexico in 2011 <https://www.cbd.int/abs/submissions/icnp-2/questionnaire-cb/mexico-es.pdf> and in 2015.

SA2 Capacity to implement policies, legislation, strategies and programmes

SA3 Capacity to engage and build consensus among all stakeholders

SA4 Capacity to mobilize information and knowledge

	11. Degree of adoption of knowledge on the part of officials	10%	80% officials demonstrate ownership of ABS knowledge	Ad hoc survey at Mid-term after training and End	Low participation and retention
	12. Degree of input from officials regarding the Learning Plan for institutionalization of ABS Policy	0%	80% officials have provided input to improve ABS capacity building programme	Ad hoc survey at Mid-term after training and End regarding quality and applicability of training, recommend changes	Low participation and retention, interest in providing/using feedback
	13. Inter-institutional Genetic Resources Information Exchange Center (GRIEC) established with:	0 GR Information Exchange Center	1 GR Information Exchange Center	GRIEC website	Govt agencies unwilling to share information and data
	a. Database on access permits	No Database	Inter-institutional database established via web-based platform	GRIEC website	Coordination mechanisms among relevant stakeholders not generated
	b. ABS checkpoints	No formal checkpoints	ABS checkpoints available on online GR Information Exchange Center	GRIEC website	
	c. National ABS Clearing-House	ABS-CH does not exist	ABS-CH website online with updated information	ABS-CH website	
	14. % compliance with the processing times for Access Permits established under the ABS Instrument <sup>35</sup>	0% compliance, no Instrument exists; <u>Processing times of Access Permits:</u> <ul style="list-style-type: none"> <li>• Research – at least 10 months</li> <li>• Commercial use - at least 10 months</li> </ul>	80% compliance of established Instrument: <u>Processing times of Access Permits</u> (once application/ documentation is complete): <ul style="list-style-type: none"> <li>• Research - 25 working days</li> <li>• Commercial use - 180 working days</li> </ul>	<ul style="list-style-type: none"> <li>• Genetic Resources Information Exchange Center published online</li> <li>• Approval reports of Access Permits</li> </ul>	ABS Unit not established with adequate resources and capacity

<sup>35</sup> The project will support the development and approval of a national legal Instrument for ABS. The type of Instrument (regulation, law, or other) will be determined under Outcome 1. Based on experience with previous Bills, the Instrument is expected to be approved within Year 2 of the project.

2. 1.- At least 100 Officers of the National Focal Point and National Authorities (SEMARNAT, PROFEPA, CONANP, SAGARPA, SE/IMPI, SRE, CDI, CONABIO) trained and possess the capacity to execute the NP.
2. 2.- Inter-institutional mechanisms to facilitate monitoring of access to GR, benefit sharing and compliance with the NP. These mechanisms include:
- A database with information on access permits (that takes into account the national regulation to comply with the NP) to follow up access requests, which shall be fed by each agency. This database will be related to GR Monitoring and Supervision System and associated Traditional Knowledge (TK).
  - Assessment and selection of ABS checkpoints
  - Creation of the National Access and Benefit-Sharing Clearing-House in order to comply with Article 14 of the NP.
    - o Identification, classification and characterization of genetic resources in Mexico.
    - o Systematization and dissemination of scientific knowledge generated about GR.

Outcome	Indicator	Baseline	Target	Means of Verification	Risks/ Assumptions
3. Protecting traditional knowledge and improving the capacities of indigenous and local communities and other stakeholders to generate social awareness on conservation and sustainable use of biodiversity, GR and associated TK, as well as benefit-sharing arising from their access and utilization.	15. % Advance of development and implementation of ABS mechanisms to protect TK associated with GR	0% -There are no formally established protection mechanisms for TK	<ul style="list-style-type: none"> <li>• 100% - Guidelines for the protection of TK associated with GR</li> <li>• Community protocols to facilitate ABS formally adopted by 12 Biocultural Regions<sup>36</sup></li> </ul>	Guideline document	Biopiracy
	16. Availability and accessibility of ABS information	<ul style="list-style-type: none"> <li>• No formal TK catalog; Partial information and records exist for 35 indigenous groups<sup>37</sup></li> </ul>	<ul style="list-style-type: none"> <li>• TK Catalog established with 68<sup>38</sup> TK records, and systems institutionalized to store and update information on GR and TK; mechanism put in practice</li> </ul>	Community Protocol documents Consultation report TK Catalog	Indigenous and local communities unwilling to include TK in catalog

<sup>36</sup> There are 23 recognized biocultural regions in Mexico integrated by indigenous and local communities according to: Boege, E. 2009. El reto de la conservación de la biodiversidad en los territorios de los pueblos indígenas, en Capital natural de México, vol. II: Estado de conservación y tendencias de cambio. Conabio, México, pp. 603-649.

<sup>37</sup> Taking as a reference the Medicinal Indigenous Flora of Mexico developed by UNAM: <http://www.medicinatradicionalmexicana.unam.mx/flora/index.php> This database forms part of the Digital Library of Mexican Traditional Medicine <http://www.medicinatradicionalmexicana.unam.mx/index.php>

<sup>38</sup> One record per Indigenous Peoples according to Boege E. 2009 OP. Cit. To finalize the catalog of 68 indigenous peoples in Mexico.

			via 7 pilots <sup>39</sup> (GIZ)	Project reports	Conflicts of interest and different priorities of stakeholders
	17. Level of awareness of targeted indigenous and local communities regarding ABS and TK, the TK catalog and community protocols	10% of biocultural regions <sup>40</sup> TBD at project start	80% of biocultural regions; Awareness program regarding ABS and TK implemented in 17 biocultural regions <sup>41</sup>	-Surveys conducted at Project Start and End -Awareness program documents -Project reports	Stakeholders identified not participating in Project activities
<p>3.1. Guidelines for the protection of traditional knowledge associated with GR taking into consideration the findings of the “<i>Consultation on mechanisms to protect traditional knowledge, cultural expressions, natural, biological and genetic resources of indigenous peoples</i>”<sup>42</sup>, among others.</p> <p>3.2 Knowledge, attitudes and practices (KAP) assessment surveys targeting indigenous and local communities assess their awareness on ABS issues, including the project’s proposal to protect traditional knowledge</p> <p>3.3 Community protocols drafted in a participatory manner with indigenous and local communities</p> <p>3.4 Traditional knowledge catalog proposal drafted in a participatory manner with indigenous and local communities</p> <p>3.5 Systematization of communication strategy and awareness program on TK Catalog and Community Protocols, including training and dissemination material (brochures, trifold leaflets, manuals, posters, etc.) on the importance of conservation and sustainable use of biodiversity and associated traditional knowledge, exchange of experiences among communities.</p>					

<sup>39</sup> Number of municipalities developing community protocols with support from CDI/CONANP

<sup>40</sup> There are 23 recognized biocultural regions in Mexico integrated by indigenous and local communities according to: Boege, E. 2009. El reto de la conservación de la biodiversidad en los territorios de los pueblos indígenas, en Capital natural de México, vol. II: Estado de conservación y tendencias de cambio. Conabio, México, pp. 603-649. OP. Cit, 2 biocultural regions have been attended, and 21 remain.

<sup>41</sup> The prioritization will be confirmed by a specific workshop at project start.

<sup>42</sup> [http://www.cdi.gob.mx/index.php?option=com\\_docman&task=cat\\_view&gid=85&Itemid=200019](http://www.cdi.gob.mx/index.php?option=com_docman&task=cat_view&gid=85&Itemid=200019)

**SECTION III: TOTAL BUDGET AND WORKPLAN**

<b>Award ID:</b>		00091799		<b>Project ID(s):</b>		00096831			
<b>Award Title:</b>		FSP Fort.Imp. Protocolo de Nagoya							
<b>Business Unit:</b>		MEX10							
<b>Project Title:</b>		Strengthening of National Capacities for the implementation of the “Nagoya Protocol on Genetic resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization” Convention on Biological Diversity.”							
<b>PIMS no.</b>		5375							
<b>Implementing Partner (Executing Agency)</b>		SEMARNAT							
<b>GEF Outcome/Atlas Activity</b>	<b>Responsible Party/Implementing Agent</b>	<b>Fund ID</b>	<b>Donor Name</b>	<b>Atlas Budgetary Account Code</b>	<b>ATLAS Budget Description</b>	<b>Amount Year 1 (USD)</b>	<b>Amount Year 2 (USD)</b>	<b>Amount Year 3 (USD)</b>	<b>Total (USD)</b>
<b>OUTCOME 1</b>	SEMARNAT	62000	GEF	71300	Local Consultants	38,000	64,600	64,600	
				71400	Contract Services Individual	36,791	36,790	36,791	
				71600	Travel	53,237	4,413	0	
				72800	Information Technology Equipment	9,500	0	0	
				74200	Audio Visual&Print Prod Cost	4,713	4,235	22,470	
				74500	Miscellaneous Expenses	3,251	3,248	3,247	
				75700	Training, Workshops and Confer	50,000	26,500	26,500	
				<b>Total Outcome 1</b>	<b>195,492</b>	<b>139,786</b>	<b>153,608</b>		
<b>OUTCOME 2</b>	SEMARNAT	62000	GEF	71300	Local Consultants	54,625	73,625	0	
				71400	Contract Services Individual	34,875	34,874	34,875	
				71600	Travel	107,944	30,295	30,295	
				72100	Contractual Services Companies	13,971	13,972	13,971	
				72800	Information Technology Equipment	57,000	62,368	0	
				74200	Audio Visual&Print Prod Cost	33,881	10,588	10,588	
				74500	Miscellaneous Expenses	13,174	4,117	4,117	
75700	Training, Workshops and Confer	65,000	110,000	125,000					
				<b>Total Outcome 2</b>	<b>380,470</b>	<b>339,839</b>	<b>218,846</b>		
<b>OUTCOME 3</b>	SEMARNAT	62000	GEF	71300	Local Consultants	9,500	0	0	
				71400	Contract Services Individual	162,071	162,071	162,071	
				71600	Travel	5,157	2,157	2,157	
				72200	Equipment and Furniture	27,930	0	0	
				72300	Materials & Goods	1,961	1,961	1,961	
				74200	Audio Visual&Print Prod Costs	8,200	5,000	20,000	
				74500	Miscellaneous Expenses	3,520	3,520	3,520	
75700	Training, Workshops and Confer	27,196	8,196	8,196					
				<b>Total Outcome 3</b>	<b>245,535</b>	<b>182,905</b>	<b>197,905</b>		
<b>OUTCOME 4: Monitoring &amp; Evaluation plan</b>	SEMARNAT	62000	GEF	71200	International Consultants	0	20,000	20,000	
				71300	Local Consultants	0	8,000	8,000	
				71600	Travel	3,000	5,000	5,000	
				74100	Professional Services	2,850	8,300	7,600	
				74200	Audio Visual&Print Prod Costs	1,250	2,000	2,000	
				75700	Training, Workshops and Confer	25,000	1,000	1,000	
				<b>Total Outcome 4</b>	<b>32,100</b>	<b>44,300</b>	<b>43,600</b>		
<b>Project Management</b>	SEMARNAT	62000	GEF	71400	Contract Services Individual	31,239	31,240	31,240	
				74598	Direct Project Costs	5,000	5,000	5,000	
					<b>Total Project Management</b>	<b>36,239</b>	<b>36,240</b>	<b>36,240</b>	
<b>TOTAL PROJECT</b>						<b>889,836</b>	<b>743,070</b>	<b>650,199</b>	<b>2,283,005</b>

## Total Budget Summary

Donor Name	Year 1 Amount (USD)	Year 2 Amount (USD)	Year 3 Amount (USD)	Total (USD)
GEF	889,836	743,070	650,199	2,283,105
CONANP	15,000	15,000	15,000	45,000
DGSPRNR	66,058	66,057	66,057	198,172
DGGFS	15,667	15,667	15,666	47,000
DGVS	38,912	38,913	38,913	116,738
PROFEPA	5,656	5,657	5,657	16,970
CONABIO	26,494	26,494	26,494	79,482
SFNA	36,896	36,896	36,896	110,688
UCPAST	30,539	30,538	30,538	91,615
UCAI	15,414	15,415	15,415	46,244
SNICS	57,181	57,182	57,182	171,545
IMPI	62,726	62,726	62,726	188,178
CDI	50,401	50,402	50,402	151,205
GIZ-CONABIO Project	2,475,248	2,475,247	2,475,247	7,425,742
UNDP	83,333	83,333	83,334	250,000
<b>TOTAL</b>	<b>3,869,361</b>	<b>3,722,597</b>	<b>3,629,726</b>	<b>11,221,684</b>

## Summary of Funds by Outcome

Source	Amount	Amount	Amount	Amount	Amount	Total
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Project Management	
GEF	488,886	939,155	626,345	120,000	108,719	2,283,105
CONANP (In-kind)	11,250	11,250	11,250	0	11,250	45,000
DGSPRNR (In-kind)	26,058	26,057	26,057	0	120,000	198,172
DGGFS (In-kind)	11,750	11,750	11,750	0	11,750	47,000
DGVS (In-kind)	29,184	29,184	29,185	0	29,185	116,738
PROFEPA (In-kind)	4,243	4,243	4,242	0	4,242	16,970
CONABIO (In-kind)	19,871	19,870	19,870	0	19,871	79,482
SFNA (In-kind)	27,672	27,672	27,672	0	27,672	110,688
UCPAST (In-kind)	22,903	22,904	22,904	0	22,904	91,615
UCAI (In-kind)	23,122	11,561	0	0	11,561	46,244
SNICS (In-kind)	42,886	85,773	0	0	42,886	171,545
IMPI (In-kind)	94,088	47,045	47,045	0	0	188,178
CDI (In-kind)	37,802	37,801	37,801	0	37,801	151,205
GIZ-CONABIO Project (Grant)	0	223,497	7,202,245	0	0	7,425,742
UNDP (230,000 Grant + 20,000 In-kind)	62,500	62,500	62,500	0	62,500	250,000
<b>Total</b>	<b>902,215</b>	<b>1,560,262</b>	<b>8,128,866</b>	<b>120,000</b>	<b>510,341</b>	<b>11,221,684</b>



## Part II: Budget Notes

Budget note	Notes
<b>SEMARNAT: Full NIM</b> <b>S-NIM UNDP: UNDP will be providing NIM support</b>	
<b>Outcome 1</b>	
1	<b>Local consultants S-NIM UNDP</b> (US\$ 167,200): National consultants to provide technical expertise for the delivery of the following products: (i) two documents that will present conclusions (legal and technical) and determine the recommended course of action to define and strengthen the National Legal Framework for ABS (new 1.1); (ii) Output 1.2 (old 1.1) One document with a refined legal text which contains the necessary elements to ensure access to genetic resources is carried out in due form; (iii) Mexican strategy of <i>in situ</i> conservation of agricultural biodiversity: focusing on the implementation and strengthening of community seed banks (as a complementary action for in situ conservation of GRs) (Sub-output 1.4.1); (iv) National inventory of <i>ex situ</i> collections including botanical gardens, gene banks, living collections, collections of work, private collections as GR sources (potential GRs providers) (Sub-output 1.4.2); Agreed, approved and printed National Strategy for conservation and sustainable use of GR, including associated TK (Sub-output 1.4.3).
2	<b>Contractual services individual S-NIM UNDP</b> (US\$ 110,372) Specialists responsible for provide technical, economic and legal information to support the approval of the legal text which implement Nagoya Protocol in Mexico and support in the organization and reporting of results with the lawmakers.
3	<b>Travel SEMARNAT</b> (US\$57,650): Travel related to search and documentation expeditions for agrobiodiversity to be included in National inventory of <i>ex situ</i> collections (Sub-output 1.4.2); resources will be allocated to co-fund national travel for technical and legal team to workshops for the National Strategies (agrobiodiversity, subpart and to the National Strategy) (Sub-outputs 1.4.1. and 1.4.3)
4	<b>Information Technology Equipment S-NIM UNDP</b> (US\$ 9,500): 4 Computers, 2 laptops, one projector and 4 tablets, provide equipment to the specialists. Output 1.2 and (Sub-output 1.4.3)
5	<b>Audio Visual&amp;Print Prod Cost SEMARNAT</b> (US\$ 31,418): (i) Print the agrobiodiversity and National conservation GR strategies (Sub-outputs 1.4.1. and 1.4.3); (ii) Print capacity building materials for lawmakers (output 1.3); (iii) Print the proceedings of the implementation of the international experiences workshop (Sub output 1.4.4 )
6	<b>Miscellaneous Expenses SEMARNAT</b> (US\$ 9,746): Diverse materials for the daily operation and to facilitate the workshops (printouts, copies, stationery, etc.) (1.4).
7	<b>Training, Workshops and Confer SEMARNAT</b> (US\$ 103,000): (i) meetings with GR Users to create awareness and capacity on the ABS law (Output 1.2); (ii) training workshops for lawmakers (Sub output 1.3.1); (iii) reinforcement and awareness-raising workshops for lawmakers (Sub output 1.3.2); (iv) National Strategy for agrobiodiversity conservation and capacity building for officials responsible for germplasm collections and gene banks; (v) implementation of international experiences workshop (Sub output 1.4.4 ) ; (vi) workshops on the National Strategy for conservation and sustainable use of GR, including associated TK (Sub-outputs 1.4.1) .
<b>Outcome 2</b>	
8	<b>Local Consultants S-NIM UNDP</b> (US\$ 128,250): (i) Consultancy on monitoring the use of GR in Mexico vis a vis other Parties monitoring systems (Output 2.1 c); (ii) Development of a national database on ABS project applications abroad (Sub output 2.2 a.1); (iii) Interoperable via web-based platform, this database will be related to GR Monitoring and Supervision System and associated TK (Output 2.2 a.); (iv) Via Web National Access and Benefit-Sharing Clearing-House in compliance with Article 14 of the NP (Output 2.2).
9	<b>Contractual services individual S-NIM UNDP</b> (US\$ 104,624): (i) Diagnosis, establishment and evaluation of the homologated strategy DGVS-DGGFS for issuing ABS permits (Output 2.1.a)).
10	<b>Travel S-NIM UNDP</b> (US\$ 168,534): (i) Resources will be allocated to co-fund travel of the different agencies to the regional courses on specialization and implementation of the approved systems (Output 2.2).
11	<b>Contractual Services – Companies S-NIM UNDP</b> (US\$41,914): National Platform for Biodiversity for Food and Agriculture, which includes modules: -Data Passport (1st Phase)-PIC.-Request and Flow of Germplasm,-Record <i>Ex situ</i> collections (Output 2.2).
12	<b>Information Technology Equipment S-NIM UNDP</b> (US\$119,368): (i) Resources will be allocated to support the acquisition of 60 GPS video camera recorders for inspection and surveillance by PROFEPA (Output 2.1.a); (ii) Funding will also support acquisition of three servers (NFP, CDI and DGVS-DGGFS) and one system for secure distribution and encrypting information (for permits databases and TK catalog (developed under Outcome 3))
13	<b>Audio Visual&amp;Print Prod Cost; SEMARNAT</b> (US\$ 55,057) Learning Materials, videos and capacity building materials for training courses and raising awareness of the agencies and authorities. (Output 2.1.)

Budget note	Notes
	<b>SEMARNAT: Full NIM</b> <b>S-NIM UNDP: UNDP will be providing NIM support</b>
14	<b>Miscellaneous Expenses SEMARNAT</b> (US\$ 21,408) Diverse materials for the daily operation and to facilitate the training courses (copies, stationery, etc.) (Output 2.1.a).
15	<b>Training, Workshops and Confer SEMARNAT</b> (US\$ 300,000) (i) Four regional basic training courses for officials who are part of the structure of the National Focal Point and national authorities to effectively implement the Nagoya Protocol (Output 2.1.a); (ii) Specialized training courses for the National Competent Authorities to gain knowledge and hands on experience for ABS dossier permit evaluation and GR/TKA monitoring access (Output 2.1.a); (iii) Workshop for exchange of experiences between competent authorities issuing permits and monitoring of ABS of selected Parties with similar conditions (megadiverse countries/ centers of origin /multicultural nations) (Output 2.1.a); (iv) Specific training workshop for inspection and surveillance Staff in sampling and chain of custody for ABS (Output 2.1.a); (v) Workshop with users and providers from different areas to promote the inclusion of ABS in accordance with the provisions in national legislation, codes of conduct, codes of good practices, existing internal regulations, academic institutions (Output 2.1.b); (vi) Workshops and working groups for design the monitoring system (Output 2.1.c); (vii) Training workshop for agricultural research institutions (Output 2.1.b); .
<b>Outcome 3</b>	
16	<b>Local Consultants S-NIM UNDP</b> (US\$ 9,500): General guidelines for the protection of traditional knowledge (Output 3.1)
17	<b>Contractual services individual S-NIM UNDP</b> (US\$ 486,213): (i) Communication strategy (KAP) Surveys, Consultancies, communication materials. (Output 3.2.); (ii) Development of 12 Community/Biocultural protocols for targeted Biocultural Regions (4 per year) (Sub Output 3.3.1.); (iii) Development of 4 local biocultural protocols (Sub Output 3.3.2); (iv) TK catalog and systematization of information (Output 3.4); (v) Systematization of communication strategy and awareness program for indigenous communities (Output 3.5)
18	<b>Travel SEMARNAT</b> (US\$ 9,471): Resources will be allocated to co-fund travel of project personnel and consultants to local communities
19	<b>Equipment and Furniture S-NIM UNDP</b> (US\$ 27,930): Resources will be allocated to support the acquisition of one motor vehicle to facilitate the transportation of CDI personnel and specialist to the communities for the development of Outputs 3.3.1, 3.4 and 3.5.
20	<b>Materials &amp; Goods SEMARNAT</b> (US\$5,883): Materials for KAP surveys. (Output 3.2)
21	<b>Audio Visual&amp;Print Prod Costs SEMARNAT</b> (US\$ 33,200): Resources will be allocated to the publication (design, printing) of the Community/Biocultural Protocols developed (Output 3.3), manuals of PIC/MAT and ABS awareness information (Output 3.5)
22	<b>Miscellaneous Expenses SEMARNAT</b> (US\$10,560): Diverse materials for the daily operation and to facilitate the workshops (printouts, copies, stationery, etc.)
23	<b>Training, Workshops and Confer SEMARNAT</b> (US\$ 43,588): (i) Capacity building workshops for indigenous communities regarding TK protection, Community/Biocultural Protocols and general issues on ABS (outputs 3.3.1, 3.4 and 3.5); (ii) Basic Human rights workshop for local communities (Output 3.5)
<b>Outcome 4</b>	
24	<b>International Consultants S-NIM UNDP</b> (US\$ 40,000): Consultants specialized in identifying and measuring project progress; identifying lessons learned and good practices (MTR & TE)
25	<b>Local consultants S-NIM UNDP</b> (US\$16,000): Consultant to provide technical oversight and documentation of project progress (PIR, AWP), coordination between pertinent partners to acquire results from Outcomes 1, 2 and 3; as well as (ii) National consultant to support, accompany and complement the International Consultant responsible for M&E (MTR & TE)
26	<b>Travel S-NIM UNDP</b> (US\$13,000): Travel related to identifying, measuring and documenting project progress; identifying lessons learned and good practices; and support to International Consultant responsible for M&E (MTR, TE).
27	<b>Professional Services S-NIM UNDP</b> (US\$ 18,750): External Financial Audits
28	<b>Audio Visual&amp;Print Prod Costs S-NIM UNDP</b> (US\$ 5,250): Publication of project tools and results (technical manuals, field guides).
29	<b>Training, Workshops and Confer S-NIM UNDP</b> (US\$ 27,000): Inception and Final Workshops, Steering Committee meetings, Work group meetings.
<b>Project Management</b>	
30	<b>Contractual Services Individual</b> (US\$ 93,719): Salaries for National Project Coordinator and Administrative-Financial Assistant for <i>management</i> functions ensuring project is executed in an efficient manner (this excludes cost of provision of technical expertise for Outcomes 1, 2 and 3);
31	<b>Direct Project Costs</b> (US\$ 15,000) Estimated UNDP Direct Project Service/Cost recovery charges to UNDP for executing

Budget note	Notes
	<p><b>SEMARNAT: Full NIM</b>  <b>S-NIM UNDP: UNDP will be providing NIM support</b></p> <p>services. In accordance with GEF Council requirements, the costs of these services will be part of the executing entity's Project Management Cost allocation identified in the project budget. DPC costs would be charged at the end of each year based on the UNDP Universal Price List (UPL) or the actual corresponding service cost. The amounts here are estimations based on the services indicated, however as part of annual project operational planning the DPC to be requested during the calendar year would be defined and the amount included in the yearly project management budgets and would be charged based on actual services provided at the end of that year.</p>

## **SECTION IV: ADDITIONAL INFORMATION**

PART I.	Endorsement Letter (same as PIF)
PART II.	Genetic Resources in Mexico
PART III.	National Legal Framework for ABS in Mexico
PART IV.	Stakeholder Analysis and Participation Plan
PART V.	Terms of References for key project staff
PART VI.	Direct Project Costs and Letter of Agreement
PART VII.	Institutional Capacity Analysis & GEF ABS Capacity Development Scorecard
PART VIII.	UNDP Environmental and Social Screening Tool
PART IX.	UNDP Risk Matrix
PART X.	Co-funding letters
PART XI.	ABS KAP and Communication Strategy