



CLEARANCE SLIP FOR EXCHANGE OF LETTER



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Resilient nations.*

CONTRIBUTION AGREEMENT BETWEEN MINISTRY OF ENVIORNMENT OF THE REPUBLIC OF KOREA AND UNDP

Agreement/Trust Fund title:	EXCHANGE OF NOTE BETWEEN THE MINISTRY OF ENVIORNMENT OF THE REPUBLIC OF KOREA (THE DONOR) AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
Project No:	Output ID: 00092175 & Award ID: 00083957
Project Title:	Capacity building for conservation and sustainable use of biodiversity resources in the Asia-Pacific
Country Office/HQ Business unit:	Bangkok Regional Hub
Regional Bureau:	RBAP
Donor:	Ministry of Environment, Republic of Korea (MoE/RoK)
Total amount of the Agreement:	KRW 160,000,000
Document Received on	29 November 2017
Reviewed by	Claudio Lema-Pose
Consulted	Mr. Kwan-Sung SONG, Deputy Director, Ministry of Environment, Republic of Korea
Comments/Additional information	<p>MoE/RoK has committed a contribution of KRW 160,000,000 to UNDP Bangkok Regional Hub for a capacity building support.</p> <p>MoE/RoK suggested to formalize the cooperation and fund transfer through an exchange of letter instead of Cost Sharing Agreement (CSA).</p> <p>Clearance is therefore, sought to use the letter exchanged between UNDP & MoE/ROK as a formal arrangement to accept contribution for the above reference project from MoE/RoK.</p>
Cleared by:	<div style="text-align: right;">   <hr/> Simon Hannaford Director, Legal Office </div>
Date of clearance:	7 / 12 / 2017



22 November 2017

*Empowered lives.
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Dear Mr. Song,

**Subject: Project Proposal for Funding Support from the
Ministry of Environment of the Republic of Korea**

Greetings from Bangkok. I hope this letter finds you well.

We would like to thank the Ministry of Environment (MoE), Republic of Korea (RoK) for your interest to collaborate with the UNDP Bangkok Regional Hub (BRH) to provide capacity building support to selected countries in the Asia-Pacific region to achieve the third objective of the Convention on Biological Diversity (CBD) on the fair and equitable sharing of benefits arising from biodiversity utilization.

I am pleased to inform you that this priority is very much aligned with UNDP's vision for our new Strategic Plan (2018-2021) which aims to help countries eradicate poverty in all its forms, accelerate structural transformation for sustainable development, and build resilience to crises and shocks. The strategic plan has identified *promoting nature-based solutions for sustainable planet* as one of the 6 signature solutions to programme countries in achieving the 2030 Agenda.

In this regard, I am forwarding herewith for your review and consideration a project proposal on "Capacity Building for Conservation and Sustainable Use of Biodiversity Resources in the Asia-Pacific." The proposal focuses on three key areas of support:

1. Building capacity of national focal points and stakeholders to develop national framework and legislation on access and benefit sharing (ABS) consistent with the CBD.
2. Establish a platform to bring together practitioners and document best practices on ABS implementation.
3. Develop project proposal on ABS in at least two countries in the region to scale-up the capacity building initiative.

I am hopeful that this proposal will be favourably considered by the Ministry of Environment. I look forward to our collaboration with your ministry in the areas of biodiversity conservation and sustainable natural resource management which is fundamental for sustainable development.

Yours Sincerely,

A handwritten signature in blue ink, which appears to read "Gordon E. Johnson".

Gordon Johnson

Regional Team Leader

Resilience and Sustainable Development

Mr. Kwan-Sung Song
Deputy Director
National and Ecology Policy Division
Nature Conservation Bureau
Ministry of Environment
Republic of Korea

Capacity building for conservation and sustainable use of biodiversity resources in the Asia-Pacific

Proposal for collaboration between the Ministry of Environment (MoE), Korea and UNDP Bangkok Regional Hub [Focusing on Ecosystem and Biodiversity]

Overview

Biodiversity and ecosystems provide the foundation for human societies and ecosystem services for billions of people. Biodiversity conservation and sustainable natural resource management are fundamental to sustainable development. The world's natural capital and ecosystem services is estimated to be worth US\$ 44-125 trillion per year, while the global GDP of all countries in 2015 was US\$ 73 trillion¹. Yet, biodiversity is in severe decline because of habitat destruction, fragmentation and degradation, along with conventional intensive land use practices and climate change. This has resulted in biodiversity loss and ecosystem degradation, leading to negative consequences for local communities and national economies. The loss of biodiversity is a challenge for the world's poor who are dependent directly on nature for their livelihoods and subsistence. It is estimated that 1.2 billion people in living in severe poverty are likely to suffer disproportionately from the adverse impacts of biodiversity loss (ibid.).

UNDP supports governments to sharpen policy, access funds and develop capacity for the management of biodiversity and ecosystems for sustainable development and poverty reduction. In Asia and the Pacific, UNDP currently supports 36 countries and territories, helping them create and share solutions for sustainable development, democratic governance and peacebuilding, and climate and disaster resilience - to help empower lives and build resilient nations².

Despite high and sustained growth, longstanding development challenges persist in the Asia-Pacific region: 44 percent of the world's extreme poor—330 million people—still reside in Asia-Pacific³. Within countries, rural poverty has reduced at a faster rate than urban poverty, and inequality is significantly higher in cities. Moreover, the risk of falling back into poverty for vulnerable and marginalized populations has only increased, in part because disasters and climate related events have increased in frequency and intensity (ibid). One of the causes of persistent poverty and inequality in the region can be attributed to environmental degradation due to growing population and increasing consumerism. With 4.2 billion people in the region (including some 1.4 billion in China and 1.3 billion in India), Asia has long been the most populous region on earth.

¹ Costanza et. al, 2014 & World Bank 2016.

² Together for a sustainable future: achieving the SDGs in Asia and the Pacific through government co-financing.
<http://www.asia-pacific.undp.org/>

³ Outline of the Regional Programme for Asia and the Pacific (2018-2021) – draft (February 2017)

This has brought about an explosion in the demand for natural resources - over-fishing and over-grazing, deforestation and land degradation thereby shrinking the resource base on which the rural poor depend for their livelihoods (ibid.).

In the context of ecosystem and biodiversity – the region encompasses some of the world’s largest and most diverse ecosystems – from the snows of the high Himalayas and the inky depths of the Marian Trench to tropical rainforest to tundra, alpine meadows and mangroves⁴. The region covers 13 of 35 global biodiversity hotspots, where the greatest number of endemic species is found⁵. The web of ecosystems in this region and the biodiversity that enriches them support the lives and livelihoods of millions of people. It is home to all the world’s wild tigers (3300-3800 wild individuals)⁶. However, the region faces lot of challenges – biodiversity is in decline in all types of ecosystem; the rate of species loss is about twice the global average; natural assets are depleting at an unsustainable rate - tropical forests are shrinking; water scarcity is increasing; and climate change is worsening these threats⁷. Natural forest areas in Southeast Asia and the Pacific including global biodiversity hotspots, declined drastically from 1990-2015, and the number of threatened mammal and plant species increased by more than 10 and 18 percent respectively in the last decade⁸.

To reverse this trend and intensify efforts in biodiversity conservation and sustainable ecosystem management, international community set up the Aichi Biodiversity Targets for 2011-2020 at the Convention on Biological Diversity (CBD) Conference of the Parties in 2010. The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) to the Convention on Biological Diversity was also adopted in 2010 and entered force in 2014. Furthermore, the 2030 Agenda and Sustainable Development Goals reflects importance of biodiversity and ecosystem in the implementation of key national priorities for sustainable development.

UNDP’s vision for the new Strategic Plan, 2018-2021 is to help countries eradicate poverty in all its forms, accelerate structural transformations for sustainable development, and build resilience to crises and shocks. The strategic plan has identified *promoting nature-based solutions for sustainable planet* as one of the **6 signature solutions** to develop integrated responses to support programme countries in achieving the 2030 Agenda. This solution is premised on the knowledge and understanding that biodiversity and ecosystems provide the foundation for human societies and a safety net of resources and ecosystem services for billions of people. UNDP will apply integrated actions to address biodiversity loss by tackling market, policy and governance failures that lead to ecosystem degradation. In some development contexts, strengthened ecosystem

⁴ Biodiversity for sustainable development: delivering results for Asia and the Pacific (2014)

⁵ CEPF 2015

⁶ Burning bright: UNDP & GEF in the tiger landscape (2016)

⁷ The Living Planet Index (WWF) cited in Biodiversity for sustainable development: delivering results for Asia and the Pacific.

⁸ GEO-6 Asia and the Pacific, UNEP 2016.

management and nature-based solutions can help achieve food and water security and sustainable livelihoods. In other contexts, this signature solution will help governments identify and access new finance opportunities; promote policy coherence on natural resources and help transitions to green economies⁹.

UNDP's work on the ecosystem and biodiversity:

Our work on Ecosystem and Biodiversity (EBD) focuses on harnessing the positive opportunities provided by biodiversity and natural ecosystems, as a catalytic for sustainable development as articulated in the *Global Biodiversity and Ecosystems Framework (2012-2020)*¹⁰. Sustaining ecosystem services and biodiversity represents an essential pillar of achieving the Sustainable Development Goals (SDGs) and Agenda 2030. This work is covered most directly under SDG 13 (climate action), SDG 14 (life under water), and SDG 15 (life on land). In addition, smart investments in and effective management of ecosystems contribute directly to all of the SDGs, bringing multiple benefits for people and society¹¹.

UNDP manages a large portfolio of biodiversity and ecosystems projects across more than 110 countries that are financed by the Global Environment Facility and other partners. UNDP-GEF Ecosystem and Biodiversity (EBD) Team based at the Asia and Pacific Regional Hub in Bangkok provides support to countries in the region to design policies and strategies for managing biodiversity and ecosystems by focusing its efforts on the three signature programmes outlined in the global biodiversity and ecosystem framework:

- 1) Integrate biodiversity and ecosystem management into development planning and production sectors to safeguard biodiversity and maintain ecosystem functions that sustain human well-being;
- 2) Unlock the potential of protected areas, including indigenous and community conserved areas, to conserve biodiversity while contributing to sustainable development; and
- 3) Manage and rehabilitate ecosystems for adaptation to and mitigation of climate change.

A summary of the EBD results as of 2017 include the following¹²:

- 66 EBD projects under implementation with total resources of US\$ 237 million;
- 74 million hectares of terrestrial and marine ecosystems under improved management and/or protection;
- 23 countries adopting integrated water resources management practices;

⁹ UNDP Strategic Plan 2018-2021 (draft)

¹⁰ The future we want: Biodiversity and ecosystems – driving sustainable development. Biodiversity and ecosystems global framework 2012-2020: <http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/biodiversity/UNDP-Biodiversity-and-Ecosystems-Global-Framework-2012-2020.pdf>

¹¹ Ecosystem and biodiversity – underpinning societies and sustainable development. Policy and programme brief 16. November 2016.

¹² 2016 UNDP-GEF Annual Performance report (2017)

- 14 countries adopting sustainable tourism practices;
- 16 countries adopting sustainable agriculture and livestock practices;
- 18 countries adopting sustainable fisheries practices; and
- 80% of the projects have mainstreamed gender and 48% of the projects work with indigenous communities.

Areas of cooperation

Ministry of Environment, Korea has expressed interest to collaborate with UNDP-BRH to provide capacity-building support to countries in the Asia-Pacific to achieve the 3rd objective of the Convention on Biological Diversity that is, the fair and equitable sharing of benefits arising from their utilization. The reasons for the capacity building support is - the Republic of Korea (RoK) has ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization on 19 May 2017 to enhance engagement on the international efforts for conservation and sustainable use of biodiversity. The Nagoya Protocol (NP) is a supplementary agreement to the Convention on Biological Diversity. The Protocol builds on the access and benefit-sharing provisions of the Convention by establishing predictable conditions for access to genetic resources and by helping to ensure the fair and equitable sharing of benefits arising from the utilization of these resources. Adopted in 2010 in Nagoya, Japan, the NP entered into force on 12 October 2014¹³. A total of 98 countries have ratified the Protocol as of May 22, 2016.

The EBD team in BRH has been supporting countries in the AP region to develop comprehensive framework for the implementation of the Nagoya Protocol. Some of the key barriers that the countries currently face include:

- **Lack of comprehensive legal and regulatory framework on ABS:** Currently there is no effective national legal and regulatory framework on ABS in place. There is an urgent need for fully establishing the national ABS framework to ensure that bioprospecting and product development will accrue tangible and fair benefits to the country and concerned institutions and communities. Limited awareness of existence, use and option values of biodiversity is also hampering progress. There are insufficient levels of awareness of the value of biodiversity and its genetic resources among decision- and policy-makers.
- **Limited institutional and individual technical capacities:** Access and benefit-sharing and the Nagoya Protocol is a new and emerging topic to the public as well as to the government. Lack of capacity has been identified as a key constraint for the introduction of a national ABS regime across a wide range of stakeholders and at all levels – national, state, local/community

¹³ Press release: The Republic of Korea ratifies 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. 22 May 2017

and sectoral. It is necessary to build up awareness within governmental agencies and competent authorities in charge, as well as stakeholder groups, such as local residents and communities that hold genetic resources and traditional knowledge, scientific staff and research institutions, businesses and the private sector, public and media through training and education.

- **Limited experience with the negotiation and implementation of ABS agreements:** While several agreements are already in place for bio-prospecting partnership activities in the countries, these have not had to comply with CBD / Nagoya Protocol provisions for PIC and mutually agreed terms (MAT) in the absence of a national law to implement these provisions. Therefore, while such bio-prospecting is regulated, it may not necessarily take account of the PIC, rights and needs of ILCs and other stakeholders, or include any requirement for the equitable sharing of benefits. There is therefore, a strong need for model examples of the consultative processes involved in development of ABS agreements, including PIC and MAT.

To address the above barriers, solutions have been proposed to establish a comprehensive national legal, regulatory and institutional framework for Access and Benefit Sharing of genetic resources and traditional knowledge in generating economic benefits to the country and key stakeholders including ILCs - in the form of business, employment, technology transfer and capacity development. Currently in the region ABS projects are implemented in Bhutan, Malaysia, Samoa, and China. There is also global ABS programme coordinated by UNDP in 24 countries which has started implementation in 2016/17.

Building on the current work of EBD in the AP region, supported by MoE, Korea, will focus on:

1. Building capacity of national focal points and stakeholders to develop national framework and legislation on ABS consistent with the CBD. The broad activities under this will include:
 - Stocktaking and assessment - support gap analysis of ABS provisions in existing policies, laws and regulations, stakeholder identification, user rights and intellectual property rights, and assess institutional capacity including research organizations.
 - Targeted trainings for the implementation of ABS measures – policy, legal, and regulatory frameworks governing ABS, National Focal Point, Competent National Authority, Institutional agreements, administrative procedures for Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT), monitoring of use of genetic resources, and compliance with legislation.
2. Establish a platform to bring together practitioners and document best practices on ABS implementation. The activities under this will include:
 - Establish a platform/community of practice to serve as a knowledge sharing platform involving ABS practitioners, country focal points, research and academic institutions, ILCs, private sector and business firms. This platform can facilitate deliberating on

relevant topics on thematic areas related to biodiscovery, customary uses of genetic resources, business models, legal frameworks on ABS, ILCs and ABS, bioprospecting, etc.

- Collaborate with the CBD Secretariat and ASEAN centre for Biodiversity to raise ABS capacities in the region.
 - Undertake a case study to document good practices and lessons from ABS processes and activities (engaging selected countries in the region – to be decided at a later date).
 - Conduct ABS seminar to take stock of the experiences of ABS implementation, disseminate best practices and lessons.
3. Develop project proposal on ABS in at least two countries in the region: to scale-up the capacity building initiative, the support can be extended to developing a full-sized project on ABS in the region.

Funding details

- The amount requested is US\$ 135,000

Sl. #	Budget Description	Fund requested (US\$)
1	Consultancy fee	40,000
2	Training of country focal points	15,000
3	Workshops/seminar	50,000
4	Travel	10,000
5	Case study	10,000
5	Logistics/overhead cost	10,000
	Total	135,000

Implementation modality

- The project will be implemented by the EBD team of UNDP-BRH
- MoE Korea will support US\$ 135,000 for the implementation.
- Selection of countries for case study and capacity building will be decided once the proposal approved.

Project Duration [13 Months]

- Start Date: 01 December 2017
- End date: 31 December 2018



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1 December 2017

Dear Mr. Gye-Yeong Hwang,

It is with great appreciation that we hereby acknowledge receipt of your notification dated 29th November 2017 informing the United Nations Development Programme (“UNDP”) of the decision of the Ministry of Environment of the Republic of Korea (MoE/RoK) to make a contribution in an amount of KRW 160,000,000 (the “Contribution”) in support of UNDP project “**Capacity building for conservation and sustainable use of biodiversity resources in the Asia-Pacific**” (the “Project”).

On behalf of UNDP, I am pleased to accept this generous Contribution which shall be used for the above referenced purpose and Project. Please be hereby informed that the Contribution needs to be transferred to the following bank account:

Bank Account

Account Name: UNDP Contributions Account
Bank Name: CITIBANK, N.A
Bank Address: 111 Wall Street, New York, NY 10043, USA
Account: 36349562
IBAN/ABA: ABA#021000089
Swift Code: CITIUS33

The Contribution shall be managed in line with UNDP’s Rules and Regulations and procedures (including but not limited to accounting, auditing, cost recovery, operational exchange rate, procurement, reporting, project-management practice and asset disposal).

If you are in agreement to the above considerations, we kindly ask you to reply to this letter with your acceptance of these terms and conditions. I would like to take this opportunity to express UNDP’s gratitude to the Ministry of Environment of the Republic of

United Nations Development Programme

Korea for your support and we look forward to our continued collaboration this year and beyond.



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Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jaco Cilliers', is written over a horizontal line.

Jaco Cilliers

Chief: Regional Policy and Programme for Asia and the Pacific
Bangkok Regional Hub
United Nations Development Programme

Agreed by:

A handwritten signature in black ink, appearing to read '황계영' (Hwang Gye-yeong), is written over a horizontal line.

Gye-Yeong Hwang
Director General
Nature Conservation Bureau
Ministry of Environment, Republic of Korea



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Yours sincerely,

Jaco Cilliers

Chief: Regional Policy and Programme for Asia and the Pacific
Bangkok Regional Hub
United Nations Development Programme

Agreed by:

Gye-Yeong Hwang
Director General

Nature Conservation Bureau
Ministry of Environment, Republic of Korea