** **

**United Nations Development Programme**

**Country: Cook Islands**

**PROJECT DOCUMENT[[1]](#footnote-1)**

|  |  |
| --- | --- |
| **Project Title:** | **Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands** |
| **UNDAF Outcome(s):** | By 2017 the most vulnerable communities across the PICTs are more resilient and select government agencies, civil society organizations and communities have enhanced capacity to apply integrated approaches to environmental management, climate change adaptation/mitigation, and disaster risk management. |
| **UNDP Strategic Plan** | Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded |
| **UNDP Strategic Outputs** | Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste |
| **Cook Islands NSDP** | Goal 6- Environment for Living “A Cook Islands where we sustain our ecosystems and use our natural resources efficiently.” |
| **Executing Entity/Implementing Partner:** | The Cook Islands National Environment Service |
| **Implementing Entity/Responsible Parties** | CIMTECH, Matheson |

|  |
| --- |
| **Brief Description**  The primary objective of the project is to develop and implement a national Access and Benefit Sharing (ABS) legal framework, build national capacities and support an ABS Agreement based on Traditional Knowledge and a Public-Private Partnership. The project will focus on three components: 1) strengthened national regulatory and institutional framework for ABS; 2) capacity building and awareness raising for the implementation of the National ABS Framework; and 3) bio-discovery and benefit-sharing agreement based on Traditional Knowledge on Bone and Cartilage Regeneration. The project takes advantage of the traditional medical knowledge to use a common Cook Islands biological resource (*Hibiscus tiliaceus)* to accelerate bone healing and cartilage repair. The project will aim to commercialize its genetic properties and benefit the Cook Islands, local communities and contribute to the implementation of customary biodiversity and sustainable use practices, known as *ra’ui*[[2]](#footnote-2). |

|  |  |  |
| --- | --- | --- |
| **Program Period:** 2015-2018  **Proposal ID ATLAS:** 00079046  **Project ID ATLAS:** 00089162  **GEF Agency ID:** PIMS 5317  **Start Date:** 01 May 2015  **End Date:** 30 April 2019  **Management Arrangements:** NIM  **PAC Meeting Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | **Total Resources Required: 2,429,137 USD**  **Total Resources Allocated: 930,137 USD**  GEF/NPIF 930,137  **Additional co-financing:** **1,499,000 USD**  In-kind contributions   * + NES 150,000   + Crown Law 150,000   + MFEM 50,000   + MCD 50,000   + OPM 50,000   + NHT 50,000   + Island Council 20,000   + Aronga Mana 50,000   + Te Ipukarea 50,000   + Matheson Enterprises 50,000   + CIMTECH (Australia) 150,000   + UNDP 50,000   In-cash contributions   * + Matheson Enterprises 50,000   + CIMTECH (Australia) 579, 000 |

Agreed by (National Environment Service):

Date/Month/Year

Agreed by (UNDP):

Date/Month/Year

**TABLE OF CONTENTS**

[1. SITUATION ANALYSIS 7](#_Toc405466050)

[1.1 Background 7](#_Toc405466051)

[1.2 Evolutionary Significant Biodiversity 8](#_Toc405466052)

[1.2.1 Key ecosystems and notable species diversity 8](#_Toc405466053)

[1.2.2 Conservation and sustainable use of globally significant biodiversity 9](#_Toc405466054)

[1.2.3 Fair and equitable sharing of the benefits arising from the utilization of genetic resources 9](#_Toc405466055)

[1.3 Policy and Institutional Context 10](#_Toc405466056)

[1.3.1 Government and Traditional Rule 10](#_Toc405466057)

[1.3.2 Traditional Conservation of Biodiversity 11](#_Toc405466058)

[1.3.3 ABS Legislation and other relevant policies and laws: 12](#_Toc405466059)

[1.3.4 Existing ABS-Relevant Activities: 12](#_Toc405466060)

[1.3.5 Private Sector Benefit-Sharing 13](#_Toc405466061)

[1.4 Threats, Root Causes and Impacts 14](#_Toc405466062)

[1.5 Long-term Solution and Barriers to achieving the Solution 15](#_Toc405466063)

[1.5.1 Opportunities 17](#_Toc405466064)

[1.6 Stakeholder Analysis and Roles 18](#_Toc405466065)

[1.7 Stakeholder Involvement Plan 20](#_Toc405466066)

[1.8 Baseline analysis 21](#_Toc405466067)

[1.8.1 Capacity analysis: 21](#_Toc405466068)

[1.8.2 Gaps analysis: 21](#_Toc405466069)

[1.8.3 Funding analysis 22](#_Toc405466070)

[1.9 Coordination with other GEF financed and other initiatives 23](#_Toc405466071)

[2. PROJECT STRATEGY 24](#_Toc405466072)

[2.1 Project Rationale 24](#_Toc405466073)

[2.2 Country Ownership: Eligibility and Drivers 24](#_Toc405466074)

[2.3 Design principles and strategic considerations 25](#_Toc405466075)

[2.4 Project objective, outcomes and outputs/activities 25](#_Toc405466076)

[**Outcome 1**: Strengthened National Regulatory and Institutional Framework on ABS 26](#_Toc405466077)

[**Outcome 2:** Capacity Building and Awareness Raising for the Implementation of the National ABS Framework 29](#_Toc405466078)

[**Outcome 3**: Bio-discovery and Benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration 32](#_Toc405466079)

[2.5 Key risks and assumptions 37](#_Toc405466080)

[2.6 Financial Modality 40](#_Toc405466081)

[2.7 Sustainability and replicability 42](#_Toc405466082)

[2.7.1 Environmental sustainability 42](#_Toc405466083)

[2.7.2 Financial Sustainability 42](#_Toc405466084)

[2.7.3 Social sustainability 43](#_Toc405466085)

[2.7.4 Institutional sustainability 44](#_Toc405466086)

[2.7.5 Replicability and Scale-Up 45](#_Toc405466087)

[3. INCREMENTAL COSTS OF GEF INVESTMENT AND STRATEGIC RESULTS FRAMEWORK 46](#_Toc405466088)

[3.1 Incremental Costs Analysis 46](#_Toc405466089)

[3.1.1 Global and national objectives 46](#_Toc405466090)

[3.1.2 Baseline scenario 46](#_Toc405466091)

[3.1.3 NPIF alternative to generate global benefits 46](#_Toc405466092)

[3.1.4 Incremental cost summary 47](#_Toc405466093)

[3.1.5 Incremental costs matrix 47](#_Toc405466094)

[3.2 Project Results Framework 49](#_Toc405466095)

[4. TOTAL BUDGET AND WORKPLAN 53](#_Toc405466096)

[4.1 Budget for GEF / NPIF (AWP years 1-3) 53](#_Toc405466097)

[4.2 Co-financing 56](#_Toc405466098)

[4.3 Notes to budget 59](#_Toc405466099)

[4.4 Workplan 62](#_Toc405466100)

[5. MANAGEMENT ARRANGEMENTS 64](#_Toc405466101)

[5.1 Project Steering Committee, Board and Structure 64](#_Toc405466102)

[5.2 Monitoring and Evaluation Plan and Budget 67](#_Toc405466103)

[5.2.1 Monitoring and reporting 67](#_Toc405466104)

[5.2.2 Description of the Budgeted M&E Plan: 68](#_Toc405466105)

[5.2.3 Communications and visibility requirements 69](#_Toc405466106)

[6. LEGAL CONTEXT AND PROJECT GOVERNANCE 69](#_Toc405466107)

[6.1 Project Implementation Arrangement: 70](#_Toc405466108)

[6.2 Comparative advantage of UNDP in Cook Islands with respect to this project: 71](#_Toc405466109)

[6.3 Project’s alignment with UNDP’s programme for Cook Islands: 72](#_Toc405466110)

[6.4 Stakeholder involvement in the implementation of the project: 72](#_Toc405466111)

[7. ANNEXES 74](#_Toc405466112)

[7.1 Co-financing letters 74](#_Toc405466113)

[7.2 Evidence of consultation with community 75](#_Toc405466114)

[7.3 UNDP/GEF ABS Capacity Development Scorecard 76](#_Toc405466115)

[7.4 Environmental and Social Screening Survey 83](#_Toc405466116)

[7.5 Project Team Terms of Reference 96](#_Toc405466117)

[7.6 Cook Islands Consultation Program in working towards the Ratification of the Nagoya Protocol 100](#_Toc405466118)

[7.7 Stakeholder Identification & Involvement Plan 104](#_Toc405466119)

[7.8 Supplemental provisions to the project document 108](#_Toc405466120)

**LIST OF ACRONYMS**

|  |  |
| --- | --- |
| **Acronym** | **Meaning** |
| ABS  Au | Access and Benefit-Sharing  *Hibiscus tiliaceus* |
| BU  CBD | Biodiversity Unit  Convention on Biological Diversity |
| CHM  CINHT | Clearing House Mechanism  Cook Islands Natural Heritage Trust |
| CIMTECH  DCD | Cook Islands Medical Technology  Development Co-ordination Division |
| EEZ  GCM | Exclusive Economic Zone  Global Catalogue of Microorganisms |
| GEF | Global Environment Facility |
| HAS  IAS  ICBG | House of *Ariki*  Alien Invasive Species  National Institutes for Health International Cooperative Biodiversity Group |
| IFD | Island Futures Division |
| IRCC | Internationally Recognised Certificates of Compliance |
| MAT  MEA  MoCD  MFED | Mutually Agreed Terms  Multilateral Environment Agreements  Ministry of Cultural Development  Ministry of Finance and Economic Management |
| NBSAP | National Biodiversity Strategy and Action Plan |
| NCA | National Competent Authority |
| NES | National Environment Service |
| NFP | National Focal Point for the Nagoya Protocol |
| NPIF  NP | Nagoya Protocol Implementation Fund  Nagoya Protocol |
| OPM | Office of the Prime Minister |
| PIC | Prior Informed Consent |
| SBMA | Sea Bed Minerals Authority |
| SPREP | Secretariat of the Pacific Regional Environment Programme |
|  |  |
| TIS  TK  TKP | *Taporoporoanga Ipukarea* Society  Traditional Knowledge  Traditional Knowledge and Practices |
| TMMIH | *Te Marae Moana* Information Hub |
| UEBT | Union for Ethical Biotrade |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| WWF | World Wildlife Fund for Nature |

SITUATION ANALYSIS

The objective of Nagoya Protocol is the “…fair and equitable sharing of the benefits arising from 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, and by appropriate funding, thereby contributing to the conservation of biological diversity and the sustainable use of its components”.

This project will develop and implement the legal framework for implementation of the Nagoya Protocol and build national capacities in the Cook Islands for access and benefit-sharing (ABS), as well as support development of an ABS Agreement based on traditional knowledge and a Public-Private Partnership. This project takes advantage of the potential use of the ‘Au’ tree, *Hibiscus tiliaceus*, abundant in the Cook Islands, to apply Nagoya Protocol provisions. The tree contains bioactive compounds used in traditional medical practices for accelerated bone healing and cartilage repair.

The project will aim to have a derivative of this genetic resource be commercialized and benefit the Cook Islands, local communities and contribute to the implementation of customary biodiversity and sustainable use practices, known as *ra’ui*[[3]](#footnote-3).

## Background

The Pacific nation of the Cook Islands is made up of 15 islands located within a 2 million km2 of EEZ in the Southern Pacific Ocean. The Cook Islands has extremely limited land resources, with 99.99% of the area within its EEZ consisting of marine areas. Of its approximate 240 km2 of land, 26.2 % is *makatea* land (lime and rock), and only 4.3% is used for agricultural purposes. Approximately 70% of the land consists of steep sloping lands, wetlands, fernlands and escarpments. The Cook Islands’ biodiversity has been considered globally important. The World Wildlife Fund has listed the forests of the Cook Islands (particularly on Rarotonga) as one of its key *Global 2000 Ecoregions* and considers them to be in a critical/endangered state. The Islands also fall under Conservation International’s Polynesia-Micronesia hotspot. Birdlife International has listed at least 11 endemic birds on the Islands, and recognises two endemic bird areas. Of the 538 known angiosperm species recorded in the southern Cook Islands, approximately 4% are endemic. About 13 endemic species of endodontid snails and 11 species of charopid snails have been recorded, with several already extinct, and others facing severe threats, especially on Rarotonga. Eight species of range-restricted birds have been recorded, six of which are endemic. Of the three single island endemics, the Atiu swiftlet, Rarotonga starling, and Mangaian Kingfisher are globally vulnerable.

The Cook Island people are mostly of Maori descent. Preliminary results from the 2011 census suggest that the total population of the country is 17,791, of which 13,097 live on the island of Rarotonga. The level of subsistence living in the Cook Islands (particularly in the outer islands) is also high, with an estimated 64% of all households engaged in subsistence farming and fishing activities. Most land in the Cook Islands is held under customary tenure. Cook Islanders have for centuries been using natural plant-based remedies to ‘doctor’ common ailments. The modern day health care system in the Cook Islands is a combination of neo-traditional ways and Western medicine. The use of traditional medicine is still widely used, with traditional healers using a variety of herbal medicines and traditional practices to treat people.

The Prime Minister of the Cook Islands, The Hon. Henry Puna, announced in August 2012 the establishment of the Cook Islands Marine Park encompassing approximately 1.1 million square kilometers of the country’s southern Exclusive Economic Zone (or more than 50% of the country’s EEZ). This commitment, including the financial aspects of such a commitment, underlies the need to gauge the increasing pressures on the environment vis-à-vis the goal to conserve the biodiversity in perpetuity and identify critical measures that need to be put in place to enable a win-win situation. In this regard, the Cook Islands sees great potential in sustainably utilising its vast wealth of genetic resources by enabling the fair and equitable sharing of benefits through access to genetic resources, part of which in turn is ploughed back into its conservation to sustain conservation initiatives in the country.

The objective of Nagoya Protocol is the fair and equitable sharing of the benefits arising from 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, and by appropriate funding, thereby contributing to the conservation of biological diversity and the sustainable use of its components. This project takes advantage of the potential utilization of the *Hibiscus tiliaceus* and compositions comprising the same, for the promotion of bone and cartilage repair by inducing new bone formation and new cartilage growth. It also seeks to continue the development of the use of these and other genetic resources found in the Cook Islands for a line of skin care products. Both the bone regeneration drug and the skin care products represent a bio-chemical analysis of a traditional knowledge-based remedy for bone fractures, which has been widely held in the Cook Islands according to traditional healers.

The project will aim to support the development of an access and benefit-sharing (ABS) framework in the Cook Islands, and to have derivatives of the *Hibiscus tiliaceus* genetic resource commercialized and contributing to benefits for the State and local communities in the Cook Islands.

## Evolutionary Significant Biodiversity

This project addresses the importance of biodiversity conservation and fulfilling the objectives of the Convention on Biological Diversity through its facilitation of the implementation of the Nagoya Protocol. As a cross-cutting issue it also supports the conservation of globally significant biodiversity and sustainable use of the components of globally significant biodiversity in small island nations.

### Key ecosystems and notable species diversity

Key marine ecosystems of the Cook Islands include shallow lagoons with fringing reefs around high islands in the south, and atolls in the northern group with their large, deep lagoons encircled by coral reef. Other notable marine ecosystems include seamounts, seabed, and the open ocean water columns. The diversity of marine species includes at least 7 species of mammals, 570 species of bony fish species, 390 shellfish species, over 100 species of crustaceans, over 116 species of hard corals, and 62 species of seaweed and algae. The marine ecosystems are home to several globally endangered species such as the Giant Wrasse and the Green Turtle. They also host several globally vulnerable species including the Bigeye Tuna, Black-blotched Stingray, Giant Grouper, Oceanic Whitetip Shark, Blue Marlin, the Blacksaddled Coral Grouper and several coral species. Several endemic marine species have also been recorded such as Cook Island Brittlestar *(Asterostegus maini),* Cook Islands Flashlight Fish *(Photoplepharon rosenblatti),* and Orange Spotted Soapfish *(Belonoperca pylei).*

### Conservation and sustainable use of globally significant biodiversity

The project will provide environmental benefits through its contribution towards conservation and sustainable management of the Cook Islands’ genetic and biological diversity that has evolved due to its remoteness in the mid-Pacific Ocean, as well as promoting and leading to the conservation of the traditional knowledge of the uses of these resources. The conservation of traditional knowledge and its promotion into modern medicinal practices will be directly linked to the conservation of its associated biological resources through the project. By developing the national ABS legal framework and capacity and piloting Nagoya Protocol compliant ABS agreements, the project will facilitate sustainable and most cost-effective use of biological resources and ensure that the derived benefits accrue to the nation and its people. Thus, the project will play a significant role in safeguarding the country’s biological resources and their genetic diversity.

The habitat[[4]](#footnote-4) of *Hibiscus tiliaceus* will be conserved through traditional conservation and sustainable extraction practices. The awareness of the traditional conservation practice of *ra’ui* (currently mostly marine/coastal areas) will be increased due to the monetary and non-monetary support from the implementation of the project to the *Te Koutu Nui*. This will result in more general public support and adherence to the closed area and period and the conservation of fish, sea cucumber and other species that were diminishing in the closed areas.

The possible establishment of a *Ra’ui* Network Trust Fund to be capitalised by revenues from ABS benefit sharing will result in increased long-term sustainable financing to the *ra’ui* system of sustainable biodiversity ecosystem services protection in the Cook Islands.

### Fair and equitable sharing of the benefits arising from the utilization of genetic resources

This project takes advantage of the potential utilization of the natural biologically active plant compounds derived from "Au" (*Hibiscus tiliaceus*), which has been shown to have bone and cartilage regeneration properties. Both the bone regeneration drug and the skin care products represent a bio-chemical analysis of a traditional knowledge-based remedy for bone fractures (cosmetic applications from this and other Cook Island plants were identified following the initial research on bone and wound healing).

The current preclinical data available demonstrates a regenerative effect on bone injury from the chemical extracts from *Au*; its actual utilization would be unprecedented and extremely innovative. The potential of this project to alleviate disability resulting from bone injuries in both the developed and developing world is significant. Preliminary research that was conducted to develop the base technology to this point was so unique, novel and innovative that it resulted in the award of a PhD and 3 international patents. The existing facilities in the Cook Islands for the production of materials to the requisite standard for this project are not adequate. All of the necessary improved extraction methods, equipment and processes would have to be custom designed and modified locally. Doing so creates considerable transfer of technology and innovation. It should be noted that the technology transfers involved in this project represent the first high-tech manufacturing project in the Cook Islands.

## Policy and Institutional Context

### Government and Traditional Rule

The Cook Islands is a self-governing representative, democratic state with a parliamentary system in free association with New Zealand. The Cook Islands Parliament consists of 24 members, 10 from the main island of Rarotonga and 14 from the outer islands. The Cabinet is the executive arm of Government and a Prime Minister heads the Cabinet. Ten outer islands have a representative Island Government (*Island Government Act* 2012-2013) except Nassau, which is governed by the Pukapuka Island Government (*Palmerston Island Local Government Act* 1993). A mayor heads each island council. The functions of the Island Government are “*to provide good, efficient and effective governance for the island in relation to those responsibilities conferred upon it by or pursuant to this Act, and any other law*”.

The House of Ariki is a legally recognized parliamentary body of the Cook Islands and is composed of Cook Islands high chiefs (*Ariki*). Its function is to: “*consider such matters relative to the welfare of the people of the Cook Islands as may be submitted to it by Parliament for its consideration and it shall express its opinion and make recommendations thereon to Parliament*” (*House of Ariki Act 1966*). Each outer island has a representative chief on the assemblage of traditional leaders (*Ariki*). The *Ariki* of each island work in partnership with the Island government on projects that have an impact on the welfare of Cook Islands people. Under the Cook Islands customary law, each clan has an Ariki (paramount chief) and each Ariki has a number of sub-chiefs responsible for the cultural heritage of the Cook Islands. The *Te* *Koutu Nui*, a formal assemblage of these sub chiefs is charged with overseeing the cultural impacts of modern lawmaking. While the CBD and Nagoya Protocol recognize sovereign rights of States over biological resources, the Protocol also encourages the recognition of customary laws where communities have established rights over genetic resources. The House of Ariki and Te Koutu Nui operate according to customary laws that may make claims to these genetic resources and associated traditional knowledge.

The Cook Island’s national environmental authority is the National Environment Services (NES). The NES has a total of 26 staff, of which only one focuses exclusively on biodiversity in the Biodiversity Unit (BU) under the Island Futures Division. The Island Futures Division (IFD) major functions include providing advice on multi-lateral environmental agreements (MEAs) to Government, NGOs, private sector and the general public as well as meeting obligations to MEAs; negotiating, coordinating and managing all projects relevant to MEAs; and participating in negotiation meetings at regional and international level on behalf of Cook Islanders. The IFD contributes to the overall outputs of the National Environment Service through four main responsibilities: effective policy and planning for sustainability; enhanced biodiversity conservation practices; multilateral environmental agreements; information dissemination, education and communications; education and awareness programmes and assistance to the NES Advisory and Compliance Division. The Ministry of Marine Resources (staff number of around 44, with 50% stationed in Rarotonga) is responsible for marine resource management.

A National Research Committee has been established within the Prime Minister’s office. This committee comprises of Government and non-Government agencies. Its role is to approve any research that is carried out in the Cook Islands, including biodiversity. A National Heritage Trust was established in 1999 by an Act of Parliament. The Trust has developed and maintained a biodiversity database. This is the Cook Islands multimedia Biodiversity database and has been online since 2003, and presently has information on 4,500 existing species, native and introduced, including 2,500 with photographs to aid recognition. Recording of well-known groups, such as birds, lizards, fishes, flowering plants and ferns are essentially complete. The development of the database has three goals: (i) to record in a single database all local plants and animals with images and key identification features; (ii) To record relevant traditional and scientific knowledge; and (iii) To make this information available to the public to facilitate awareness and communication. The Ministry of Cultural Development also keeps a register of traditional holders and rights.

The Cook Islands Government has taken an inclusive approach to development of its nation with local control. It welcomes foreign investment in many areas and has opened its economy. As of late, the Cook Islands has refined its foreign investment policy to ensure such activity is encouraged for the national benefit of Cook Islands people. In the Cook Islands National Sustainable Development Plan 2010 – 2015 under Priority Area 7, Objective 8, the Cook Islands proposes to “establish and strengthen external relations that will benefit the Cook Islands” Under Priority Area 1 (economic development) Strategic Objective 4, the Cook Islands Government stated that it would achieve better economic development by “identifying and exploiting trade opportunities”. By this statement, the Cook Islands indicated that it would further encourage international trade and other economic relations. Attention will be focused on identifying and exploiting regional and international trade opportunities, including through the negotiation of agreements to promote its sustainable development objectives. Furthermore, in taking this approach, the Government will continue to have the private sector, traditional authorities and community organizations as stakeholders in business.

The Cook Islands Government is also passionate about having a clean, green economy. As such, Priority Area 6 of the Cook Islands National Sustainable Development Plan focuses on “Ecological sustainability”. The government’s goal for such a priority area is “A Cook Islands where we sustain our ecosystems and use our natural resources efficiently”. Operationally this means the management of the Cook Islands’ ecosystems is paramount to conserve and preserve these functional systems in order for the systems to be able to support and sustain the people of the islands. The Cook Islands marine ecosystems are critical systems in sustaining the standard of living required by its people and as such the government’s strategy is to utilize its marine resources sustainably for economic development and provide for the protection of our biodiversity and ecosystems. This builds on its cultural heritage of systems of sustainable use conducted under *Ra’ui*, which is enforced by the *Te Koutu Nui* through education and signage.

The government intends to develop and implement integrated management plans for the use of its marine resources in consultation and collaboration with its communities. Research and monitoring of its marine resources will be strengthened. One of the most important government objectives is the “Protection of our biodiversity and ecosystems”. This means that protection measures will be carefully developed and crafted to effectively protect Cook Islands’ biodiversity from external and internal exploitation. The Cook Islands Government will ensure that equitable sharing of benefits arising from the use of genetic resources will be incorporated into appropriate policy and regulatory frameworks for access to genetic resources and its associated traditional knowledge to provide for the equitable sharing of benefits arising from the use of genetic resources.

### Traditional Conservation of Biodiversity

The protection of areas and species of special significance is not a new concept to the Cook Islands. The concept of reserves has existed in the Cook Islands for hundreds of years in one form or another. The imposition of the *ra’ui*: a traditional system whereby access to a particular resource or area is forbidden for a given period is still being practiced in the Cook Islands. The *ra’ui* is promoted and supported by the *Te Koutu Nui* and the *Te Koutu Nui* is responsible for the establishment and management of *ra’ui*. The advantage of using the traditional system in the modern context is that it is community based and managed. *Ra’ui* is locally managed by community members. Management measures include traditional practices – most commonly, seasonal closures of an area (mostly marine areas) to ensure replenishment of a stock of an important economic species (fish for example) – but now also includes longer-term closures from harvesting of areas to conserve particularly threatened species (see figure 1).

**Figure 1: Sign indicating a Ra’ui protected marine area. (Source: Daniel Robinson, 2012)**



### ABS Legislation and other relevant policies and laws:

The Cook Islands had an ABS Bill called the “Biological Research and Benefits Bill” drafted in 2006. This Bill was based on implementing the CBD Bonn guidelines, prior to the adoption of the Nagoya Protocol in 2010. As a result this Bill needs to be significantly re-designed to incorporate Nagoya Protocol compliance elements. It also needs to be realigned to complement the *Traditional Knowledge Act* (2013) that established a register of traditional knowledge administered by the Ministry of Cultural Development. Under this recently passed Act, local communities are likely to start registering traditional knowledge relating to biological resources (as well as handicrafts and other expressions). As a result, it is likely that future R&D on genetic resources in the Cook Islands that utilizes traditional knowledge will need to be checked against this register to avoid unauthorized use.

Further, the Cook Islands’ National Research Policy clearly outlines the National Research Committee and the Research permit process, which currently requires foreigners entering the country to obtain a research permit prior to conducting any R&D activities, including those on biological resources. The national administrative processes for issuing ABS license, negotiating and enforcing agreements have not been fully clarified and key stakeholders remain unaware of their roles in promoting ABS. Since 2012 the ABS Capacity Development Initiative has been working with the NES for the development and clarification of policies, processes and roles necessary for the design of an effective ABS system.

### Existing ABS-Relevant Activities:

Although there is not yet a specific ABS law in the Cook Islands there is one known agreement established under contract law that resembles an ABS agreement. This is an agreement with Cook Islands Medical Technologies (CIMTECH). This is a natural products research and development company established by Cook Islanders that draws on the traditional medicines of the Cook Islands to bring new natural beauty skincare, cosmeceuticals, dermatological and pharmaceutical products to the market. CIMTECH has established an ABS-type agreement with the *Te Koutu Nui* regarding the research and development of traditional medicines that was developed under mutually agreed terms with prior informed consent (PIC). CIMTECH is established as a private company with the *Te Koutu Nui,* and the University of New South Wales (UNSW, Australia) as major shareholders. The company has developed technology derived from the traditional knowledge and genetic heritage of the Cook Islands under arrangements compliant with the Nagoya Protocol’s stated objectives.

### Private Sector Benefit-Sharing

As the existing commercial applications of CIMTECH’s technology is developed and implemented direct immediate benefits accrue to the Cook Islands. These include technology transfer (i.e. intellectual property), creation of extraction machinery and processes, establishment of plantation seedlings, quality control equipment, novel production processes, training and enhanced employee and regulatory expertise and skills. CIMTECH has acquired three patents filed internationally covering the utilisation of particular plant extracts for therapeutic uses. As a result, CIMTECH owns and has exclusive commercial rights to the use of plant extracts of *Terminalia catappa*, *Vigna marina* and *Cocos nucifera* alone or in combination for the promotion of skin health and improvement of skin injury. The resulting cosmeceutical TeTika products range is developed and being further refined from the traditional knowledge of the use of the mentioned three plant species.

All CIMTECH activities relating to the access of the plant material are conducted in the Cook Islands, using Cook Islands people and Cook Islands owned companies. The plantations are owned and maintained by local landowners who are paid a premium price for the plant materials provided. CIMTECH has spent over $2 Million developing the intellectual property and commercial outcomes relating to the genetic materials. The Cook Islands extraction facility is leased by CIMTECH in an improvements-for-lease arrangement, whereby CIMTECH constructed a dedicated facility to be owned by the Cook Islands landowner in return for a 10-year commercial lease on the premises. CIMTECH has acquired and transferred to the Cook Islands the initial dedicated technology and machinery required for the extraction and standardization of the material. CIMTECH is an Australian based company and all the Cook Islands operations are conducted for CIMTECH by a locally based Cook Islands company: Matheson Enterprises. The first commercial product arising from the access and benefit sharing arrangement - TeTika Skincare, was launched in the Cook Islands in 2012. The direct monetary benefits from that program have reputedly resulted in over $400,000 for the Cook Islands economy since the program commenced in 2011. TeTika product sales by CIMTECH rely on Bioactive Cook Islands oils produced in the Cook Islands, depending on the concentration, account for up to 16% of the value of CIMTECH sales returning to the Cook Islands.

The *Te Koutu Nui* holds 10% of the shares of CIMTECH*.* Thus 10% of CIMTECH profit distributed to CIMTECH shareholders goes directly to the Cook Islands. The *Te Koutu Nui* in turn have agreed that the sums received by them from CIMTECH will be directed to support customary biodiversity conservation and sustainable use through the traditional practice of Ra’ui and managed by local communities, amongst other charitable activities. A minimum of 25 % of the funds received by the *Te Koutu Nui* will be spent on Ra’ui.

To ensure that this expenditure is undertaken in an accountable and transparent manner the NES and *Te Koutu Nui* will examine the feasibility of establishing a Ra’ui Network Trust Fund via a Deed of Trust. Mechanisms, consistent with Cook Islands governance best practice will also be developed to ensure all income and monies expended for the purpose of supporting Ra’ui under such a trust fund (or a related mechanism) is undertaken transparently and audited. The traditional practice of Ra’ui involves the management of lands and waters to allow it to recover its biodiversity and productivity before it can be used again. Accordingly this income flow to local communities will support a strengthening of biodiversity conservation through the application of traditional biodiversity knowledge, greater community involvement, increased inter-generational transmission of cultural knowledge and practice along with external validation of the importance of Cook Islands’ culture. This will result in conserved biodiversity and more resilient communities.

## Threats, Root Causes and Impacts

Several threats to Cook Island’s biodiversity significance arise from the fact that they are not considered economically important by local communities and development sectors, and the reality that economic actions that degrade or cause a loss of biodiversity are often more profitable in the short term. Overharvesting of wild resources is a serious concern, in particular of coastal and marine species that are important to the food security of local communities living on the Cook Islands. For instance, Parrotfish, Giant clams (*Tridacna*) and Coconut crabs (*Birgus latro*) are declining in numbers. Excessive harvesting of sooty terns (*Sterna fuscata*) on Penrhyn (the only island other than Suwarrow in the Cook Islands that harbours these birds) has reduced the population there.

There are also concerns that some international fishing vessels may also be breaching their contract with the Government and harvesting products that they are not permitted to and/or fishing in areas that are prohibited under their license conditions, despite having monitors on board the ships. Further, there has been a progressive conversion of lowland forests (especially on Rarotonga) to agriculture, plantations, infrastructure and settlements. Consequently, little native vegetation remains in the more accessible lowland zones. The conversion of coastal areas for tourism related infrastructure also means that only remnants of the natural coastal forests and salt marshes remain. Consequently, the availability of habitats of the Beach Morning Glory (*Ipomoea pes-caprae*) and Portia Tree (*Thespesia populnea*) has significantly declined.

In some instances, tourism infrastructure may also impact the nesting sites of sea turtles. There is some on-going conversion of natural habitats in Rarotonga for house construction, as people move inland and up the hills that house globally significant cloud forest ecosystems. Trade and planned/accidental import of organisms have also caused a spread of invasive alien species (IAS), – there are at least 88 known IAS in Cook Islands. Root causes include disproportionate distribution of income, uneven employment opportunities across islands and amongst males and females, as well as a fairly high unemployment rate (13% of the total labour force in 2012). The unemployment rate in Rarotonga was much lower at 7%, compared to 27% and 35% in the southern and northern groups of islands. Increasing affluence and the modernizing lifestyle of the Cook Islanders has also increased consumption and use of natural resources. These broader threats impact on biodiversity and ecosystem stability. They reduce the availability of genetic resources and the habitat for the sustainable use of *Hibiscus* *tiliaceus.* They are a threat to the success of the project if not managed.

Modernizing lifestyles, unemployment, and over-reliance on subsistence farming and fishing when taken in combination often leads to loss of biodiversity and reduced sustainable resources. Its immediately visible consequences are soil degradation and overfishing. Concomitantly, there is a loss of respect for traditional or customary biodiversity conservation and a lack of buy-in for modern measures such as the CBD and the Nagoya Protocol’s implementation. A lack of support would, in turn, be a direct threat to the Project in so far as the investments to be made are predicated on the Protocol being successfully implemented in the Cook Islands.

The commitment of the Prime Minister regarding the establishment of the Cook Island Marine Park, including the financial aspects of such a commitment, underlies the need to gauge the increasing pressures on the environment vis-à-vis the goal to conserve the biodiversity for perpetuity and identify critical measures that need to be put in place to enable a win-win situation. In this regard, the Cook Islands sees great potential in sustainably utilizing its vast wealth of genetic resources through a far-sighted vision which enables the fair and equitable sharing of benefits through access to genetic resources, part of which in turn ploughed back into its conservation to sustain conservation initiatives in the country. With civic and community engagement in implementing the ABS regime, there will be a paradigm shift from state-centric conservation to people-centric conservation thereby enabling the future of conservation in the Cook Islands as well as empowering local communities and livelihoods. Furthermore, the underlying problem related to ABS is that the potential benefit which developing countries such as the Cook Islands can receive from the exploration and exploitation of their genetic resources for drugs and agrochemicals is not fully explored. This results in undervaluing the genetic resources the country harbours and their overexploitation, which in turn threatens the genetic resources and Cook Islands biodiversity. At the same time, spending worldwide on drug discovery research (amount to tens of billions of dollars per year) is virtually all conducted in developed countries rather than the host countries where the biodiversity occurs naturally. As a result, the benefits that host countries receive from the exploration and exploitation of their genetic resources are limited, both in terms of financial income and trickle-down benefits such as training and employment: this in turn limits their motivation and abilities to invest in the conservation of biodiversity.

The project will demonstrate the value of biodiversity by increasing local employment in the production facility, paying local landowners to provide plants and the bulk of income derived from CIMTECH will be spent by the *Te Koutu Nui* among local communities managing biodiversity conservation through *Ra’ui*.

## Long-term Solution and Barriers to achieving the Solution

Achieving the potential of the Cook Islands’ diverse genetic resources to generate tangible local and national economic benefits through the establishment of ABS agreements, thereby safeguarding these resources, has to date been impeded by a number of barriers.

*Weak national and institutional framework on ABS*: The Cook Islands current has only a draft Biological Research and Benefits Bill (developed in 2006) which has not been fully updated to incorporate the elements required to make it compliant with the Nagoya Protocol (with missing elements including; user measures, compliance, tracking, monitoring, and clear permit processes). Therefore part of this proposed project requires the development of an effective and transparent ABS system, which builds upon the existing knowledge of the NES and OPM for regulation of biodiversity and management of research permits respectively. The concept of ABS is relatively new to the Cook Islands, however it is an issue of some importance given the close and traditional dependence of the Cook Islands people on local biological resources. Further, progress has been somewhat slow since the enactment of the Bill due to the suboptimal institutional framework for implementation, and an absence of clear rules and regulations for implementation of the Bill, such as a system of prior informed consent. There is also a need to review the Bill in line with Nagoya Protocol. The Cook Islands also has a National Research Policy clearly outlining the National Research Committee’s responsibility in research approval and outlining the research permit process. The national administrative processes for issuing ABS licenses, negotiating and enforcing agreements have not been fully clarified and key stakeholders remain unaware of their roles in promoting ABS. Little is known about research activities that access biological resources after they have received their research approval and there is limited capacity to monitor these activities in-country. There is no means of enforcement of the requirements of the approved permit, especially once the researchers have left the country. The Cook Islands remains reliant on user country measures of the type introduced by the EU to see its national interests protected.[[5]](#footnote-5)

*Limited national technical capacities and awareness to maximize benefits from the nation’s genetic resources*: Previously poor management of traditional knowledge and practices (TKP) related to customary use of biological resources in the Cook Islands is a major gap. Understanding of TKP in the Cook Islands is usually limited to local practitioners such as *ta’unga* (traditional healers), many of whom are reluctant to share their knowledge of BD species used in traditional medicine for fear of misuse and abuse by others. Oral history and records have been traditionally relied on to preserve knowledge however this can lead to loss of valuable information if this knowledge is not passed on. Programmes or attempts to record traditional knowledge have been inconsistent and ad hoc, leading to a major need to document traditional knowledge as well as on-going bio-prospecting research.

Nevertheless the Cook Islands is one of the few nations in the Pacific that has actually implemented a project on access and benefit sharing, which has led to the marketing of a skin care product derived from a chemical from a plant. However, the country has not been able to build on this success due to limited local research and development capacities (capacity limitations in terms of human, technical, financial and infrastructure resources). This has meant that further potential for replicating the past success has been extremely limited till late. This has also led to no further development of value chain of potential products to maximize the economic potential of genetic resources in the nation and to link them to both biodiversity conservation and sustainable use, and also for the economic benefits of local communities and the country as a whole.

There is an urgent need to strengthen the institutional set up of the BU and individual capacity to enable better implementation of the ABS policy, ensuring sufficient competence for monitoring bioprospecting projects and to facilitate value addition to biological and genetic resources in the country. There is a need for accelerating documentation of traditional knowledge (TK) associated with genetic resources, in order to ensure that an adequate PIC process will be conducted and NES will be assured that the holders of TK will be able to derive tangible and fair benefits from the ABS deals. Similarly, although many local community members are aware of the past ABS project, they also do not have full understanding on the options and opportunities to maximize local benefits through ABS and are not aware on the Nagoya Protocol provisions that require ensuring free prior informed consent and equitable sharing of benefits. There is also a clear need for bioprospecting work to be directly linked to biodiversity conservation work in line with objectives one and two of the Convention on Biological Diversity namely the conservation of biodiversity and its sustainable use.

*Limited in-country scientific research capacity and experience with the negotiation and implementation of ABS agreements*: There is currently only one bioprospecting activity on-going and the company (CIMTECH) has entered a formal agreement in accessing the traditional knowledge with the *Te Koutu Nui*. However, in order to maximise the national benefits from ABS agreements, extraction facilities would to be placed in-country. There is a need for the extracted chemicals that are exported to have standard documentation detailing the chemical nature of the products. The inability to provide such documentation places severe limits on the acceptability of extracted material in the international market. The alternative is to export raw plant material, and the associated risk of nutrient loss, and the loss of the major value added component of the supply chain. The refined product must also have safety and toxicology data to inform the safe handling and transport of material. The Cook Islands does not have the expertise or capacity to perform these tests currently.

In the implementation of ABS agreements, the possible negative effects of the commercialisation of extract of a native plant should also be considered. There is a clear need to establish the scientific basis for the monitoring and control of the harvesting of the plant species at the outset. This allows for a more targeted and sustainable approach to supply and sustainability of the value chain, reducing guesswork and improving the acceptance of all environmental controls. A well-designed and internationally acknowledged certification process currently does not exist that would allow the product to be identified as compliant with the Nagoya Protocol. This gap would have to be resolved.

Cook Islands cultural requirements, environmental standards and sustainability and high quality end-product will allow the product to reach market with minimum of additional barriers in the export jurisdiction. Further, given the new nature of the topic and inadequate capacity of the BU and stakeholders, there is limited expertise in actually developing ABS agreements that are fully compliant with the Nagoya Protocol. Progress in advancing the ABS agenda in the country will remain slow without consideration of emerging model agreements and the experience of realized, tangible benefits to the country and concerned communities which can be replicated and up-scaled.

In many developing countries and small economies there is often difficulty in significantly value-adding on basic biodiversity products. This is due to limited available technologies, small or isolated markets, high transaction costs, and several other factors. In the CIMTECH case, they have been successful in establishing a small facility and transferring some basic technologies to use and value add to their products. However some formulations of the skin care ‘Te Tika’ products still have to be completed in Australia, as well as packaging. In addition the small market in the Cook Islands means that ‘Te Tika’ is seeking to expand its marketing in other countries in the region to make sufficient revenue (e.g. Fiji, Australia, New Zealand). However, it faces competition from other established lines such as the ‘Pure Fiji’ brand.

It can also be challenging to establish sustainable supply chains which benefit the community. In this case the main question relates to the scale. At the moment, the supply of ingredients is small and provides only part time employment and income for some farmers (including members of the *Te Koutu Nui* and their families). However, demand may increase and this could lead to an expansion of farming, the need for more plantations and more staff. The economic benefits of this have to be checked against the sustainability of supply. Supply of the ingredients for the bone healing R&D is likely to be relatively small in the short term, but could expand in the long term if the drug proves to be safe and effective and passes clinical trials. However, there is also the potential for companies to use synthetic biology to synthetically produce drugs in large quantities, and this can remove a supply chain from an original provider country (as has happened in the Samoan Mamala case regarding the drug candidate Prostratin).

Although the *Te Koutu Nui* is the primary beneficiary of this product, there are other potential relevant beneficiaries, raising questions about the need for mechanisms for equitable distribution of benefits.

### Opportunities

*Strengthened national regulatory and institutional framework on ABS:* There are opportunities to use this specific CIMTECH ABS agreement to develop the national ABS system of the Cook Islands. The agreement highlights specific gaps in the permit system and the need to design a specific PIC process consistent with the Nagoya Protocol that clarifies who has ‘established rights’ over genetic resources and associated traditional knowledge, and involves these GR and TK-holders in establishing MAT. It has also come up in meetings with several government stakeholders that biodiversity conservation-oriented research is of great benefit to the Cook Islands and so streamlined permits for non-commercial research could be encouraged.

Since the development of the Biological Diversity Draft Bill 2006, other associated legislative frameworks were developed like the Traditional Knowledge Act 2013, which has prescribed systems that can be beneficial to the development of the ABS system. These systems must be adapted and integrated to ensure success in its implementation.

*Supply chain:* There are opportunities to further establish the supply chain of *Terminalia catappa*, *Vigna marina* and *Cocos nucifera*, for use in cosmetics, as well as *Hibiscus tiliaceus* for use in the R&D and subsequent potential commercial pharmaceutical for bone healing. Currently several people have part-time employment and income from the farming of these ingredients. There is potential for this to expand with further R&D on the Hibiscus plant, meaning further employment and income for these people. Although large quantities are not usually required for R&D, in the long term there is potential for this to expand if the R&D is successful.

*Technology transfer:* There are potential benefits in terms of training, technology transfer and expansion of the facility and laboratory at CIMTECH in the Cook Islands. This would include laboratory QA/QC, materials processing, fractionation, and other processes.

*Commercial opportunities:* The project will contribute to the commercial development of biotechnology from the sustainable use of biodiversity through a public private partnership that has the goal of creating the financial, technical, institutional and legal conditions to attract public and private resources for the development of companies and commercial products based on the sustainable use of biodiversity, specifically biological and genetic resources and their derivatives. It will specifically contribute to the following strategic objectives:

To strengthen the institutional capacity to coordinate and implement activities related to the commercial development of biotechnology through the sustainable use of biodiversity, specifically biological and genetic resources and their derivatives.

To adjust and revise the legislative framework related to access to genetic resources and their derivatives.

*Conservation and sustainable use of globally significant biodiversity* Finally, The project will provide global environmental benefits through its contribution towards conservation and sustainable management of the Cook Islands’ genetic and biological diversity that has evolved due to its remoteness, as well as promote and lead to the conservation of the traditional knowledge of the uses of these resources. Moreover, elements of Cook Island Maori culture are shared with other Pacific Island communities. This means that the success of this initiative is likely to significantly influence other small island states in their implementation of the Nagoya Protocol. To this end the Cook Islands government is willing to share its experiences with other countries in the region.

## Stakeholder Analysis and Roles

*The House of Ariki and Te Koutu Nui*: The House of Ariki represents the tribal leaders across the Cook Islands. Given the strong traditional knowledge focus of the project the House of Ariki will be consulted and capacitated in their role of providing traditional leadership advice to the parliament. Their support to the ABS Act is paramount in its passing in Parliament. The *Te Koutu Nui* is a major shareholder of CIMTECH and will be involved in all components of the projects. The *Te Koutu Nui* will also take a lead role in ensuring the investment of financial benefits in the management of *Ra’ui.* Aside from *Ra’ui,* the *Te Koutu Nui* are involved in many charitable activities and so the likelihood of social benefit as a result of benefit-sharing is high.

*The Cook Islands Government National Environment Service, Biodiversity Unit and Island Futures Division:* The National Environment Service is the focal Government Agency responsible for implementing the CBD, the CCD, and related MEAs. The National Environment Service will be the primary agency responsible for coordination and management of the project and particularly on implementation of activities related to terrestrial biodiversity conservation and ABS. It will also facilitate the linkages with other related project initiatives both internationally and nationally. It will work closely with the Crown Law Office in the development of legislative and regulatory frameworks that will allow this project to be governed to high level of environmental and quality assurance, and to implement the environmental and conservation benefits of this project. The Island Futures Division will be responsible for some of the education and awareness raining that will be conducted on the project.

*The Office of the Prime Minister* (OPM): The National Research Committee, which is part of the Office of the Prime Minister is responsible for processing requests for research, authorizing the research permits and monitoring research conducted in the Cook Islands. Also based in this office is the Central Policy and Planning Division responsible for ensuring policies and subsequent standards and guidelines are efficient and effectively carried out. This division can act as the monitoring arm in terms of effective public/private sector partnership agreements and representing the interest of the Government in the implementation of processes required for the Nagoya protocol.

*Matheson Enterprises*: This is a wholly owned Cook Islands company that operates existing CITMECH projects under license within the Cook Islands and will manage the development, operations and export components of *Hibiscus tiliaceus* on this project.

*CIMTECH:* CIMTECH is the company that holds the intellectual property rights deriving in part from the application of traditional knowledge and associated genetic resources of the Cook Islands under agreements with the *Te Koutu Nui* of the Cook Islands. CIMTECH and its appointed partners will provide the technology transfer, the commercial supply agreements and the capital required for the production of the export quality material.

*Cook Islands Natural Heritage Trust (CINHT)*: The Natural Heritage Trust was established in 1999 by an Act of Parliament. The Natural Heritage Trust played a key role during NBSAP development and implementation. The Trust also has developed and maintained a biodiversity database, which comprises nearly 2 decades of baseline biodiversity information specifically to the Cook Islands. The Natural Heritage Trust will be a key stakeholder in the project design and development, and will play a technical advisory role during implementation.

*Te Ipukarea Society (TIS)*: TIS is a Cook Islands non-governmental organisation with 16 years of experience on addressing global and national environmental issues. Their mission is “to promote the balance and harmony, which should characterise the relationship of the Cook Islands people with other components of our environment. TIS would assist in the provision of ABS public awareness activities as well as assist the *Te Koutu Nui* in advocating and managing the *Ra’ui*.

*Local community groups*: Local communities will be primary agents to manage community conservation areas and also in local agro-ecosystems management. Local traditional leaders as well as government leaders (such as the Parliamentarians) will play key roles in ensuring local conservation area declaration and management, whilst local farmers groups/fishing groups, women’s groups, youth groups etc. will also play key roles in different aspects of conservation planning, implementation and also in landscape management under the Cook Island Ridge to Reef Programme.

*Ministry of Finance and Economic Management:* The Development Co-ordination Division (DCD) of the Ministry of Finance and Economic Management (MFEM) will be responsible for the receipt of funds from UNDP for the project. DCD will keep the funds in its USD account and will transfer funds directly to Matheson’s Enterprises or alternatively to NES to transfer to Matheson’s Enterprises when project conditions are honored and complied with. They will be instrumental in establishing and monitoring accountability mechanisms for the expenditure of funds between DCD and NES. While they may not be required to report on the expenditure of funds, they will be the conduit for the report sent to UNDP.

*Crown Law Office:* The Crown Law office will be the key agency in the review and redrafting of the current ABS Bill. The plan is for the Crown Law Office to use their networks and connection with the New Zealand Parliamentary Services Legal Drafting Division to do much of the legal drafting work, however, the Crown Law Office will co-ordinate and manage the information for the redrafting of the bill and will also contribute to the development of the policy and the legal instructions policy. After the Bill is passed, the Crown Law Office will play a supportive role to NES in providing legal advice for the development of relevant regulations in compliance with the Nagoya Protocol.

*Island Council:* The Island Council Office on each island will be required to play a supportive role in the development of the policies, legislation and regulations for ABS. They will support the team who will be consulting with outer islands communities by ensuring meetings are arranged and relevant stakeholders are available to participate in those meetings and getting the best out of meetings on their islands. They will be key in the development of systems in the outer islands, especially systems and procedures at the island level. The Island Council will also be communicating with NES in the best way to raise awareness about ABS on their respective islands and to ensure key messages are communicated with their respective communities.

*Ministry of Cultural Development*: The Ministry of Cultural Development (MOCD) is the implementing agency for the Cook Islands Traditional Knowledge Act 2013. MOCD is in the process of developing a database of traditional knowledge and knowledge holders. As part of its legislated obligations, it is required to develop a standard benefit sharing agreement process that can be used by anyone wishing to enter into such process. It is anticipated that this benefit sharing process will be complimentary to the ABS process for genetic resources and that there will be some common grounds.

The MOCD will be willing to provide information to aid the development of the ABS process for genetic resources and will be instrumental in being the conduit with knowledge holders if the need arises. It may be willing to share resources with the project to ensure consistency and synergy is achieved.

*Te Rito o te Vairakau Maori:* The *Te Rito o te Vairakau Maori* is a community based association of Traditional Healers. This association is based on Rarotonga and on a few of the southern group islands and they represent the interest of some traditional healers at island and national levels. They are central in providing advice on the conservation of plants and plant materials that serve as ingredients to key medicines used locally. For this project, they can be an effective avenue to raising awareness for the conservation and careful management of the Au plant.

## Stakeholder Involvement Plan

From this analysis a Cook Islands *Stakeholder Identification & Involvement Plan* has been developed. This is set out in table form at Annex 7.7. The Steering Committee will keep the matter of stakeholder involvement and consultation under review during the project and will consider the need, timing and content of further consultations and the possible need for greater stakeholder involvement as issues and opportunities arise with the unfolding operationalization of the international regime in the utilisation of genetic resources and in light of continuing advances in scientific research and development.

From preliminary consultations undertaken during the initial community consultation mission undertaken in August 2014 (see Annex 7.2) and subsequent discussions with key ministries a detailed initial and comprehensive consultation program has been prepared. This is the *Cook Islands Consultation Program In Working Towards the Ratification of the Nagoya Protocol* and is provided in Annex 7.6. This Program represents the important initial consultation phase. The need, timing and content of further community and sector consultations will be determined by the Steering Committee following project inception.

## Baseline analysis

### Capacity analysis:

Despite limitations on staff numbers within government ministries, the Cook Islands has a demonstrated capacity to undertake the programme of consultation and awareness raising necessary as the precursor to the ratification and consequential implementation of the Nagoya Protocol. This has been demonstrated through its development and passage of the recent Traditional Knowledge Act 2013, and its successful integration of customary law and practice with biodiversity conservation through the roles of the House of Ariki, the *Te Koutu Nui* and operation of *ra’ui*. Experience has been gained through current arrangements for the management of ABS and research permits. For example, there is a National Research Committee that is responsible for approving ABS related research. The Cook Island National Heritage Trust maintains a biodiversity database of associated traditional knowledge that is provided by the traditional healers, while the Ministry of Cultural Development keeps a register of all traditional knowledge holders and rights.

Moreover, a strong indicator of capacity to implement the project is the fact that the Cook Islands has established mechanisms for traditional knowledge protection via registers of traditional knowledge and, most significantly, it has successfully prepared draft ABS legislation to implement the CBD Bonn Guidelines on ABS - prior to the development of the Nagoya Protocol. The existence of such consultative processes and the Cook Island’s experience in community and customary consultation will enable it to undertake the necessary steps to successfully implement the Nagoya Protocol - subject to the availability of the project grant assistance to enable logistic costs to be defrayed. It should also be noted that the Cook Island Crown Law Office has the professional and technical qualifications to undertake the necessary gap analysis of existing Cook Island legislation, in both its substantive and draft forms, and to identify legislative and administrative steps needed to implement the Protocol. In this task the Crown Law Office has an arrangement in place to allow it to draw on the resources of the New Zealand government’s legislative draughters to turn ABS drafting instructions into applicable laws and regulations.

The Cook Islands is well served by telecommunications despite its isolation. This allows it to communicate with the CBD in Montreal efficiently. With the passage of its ABS implementing laws and the consequential appointment of its ABS National Competent Authority (NCA) and National Focal Point (NFP) the NCA will be able to lodge its ABS permits with the newly established ABS Clearing House Mechanism (ABS CHM) in Montreal and thereby create Internationally Recognised Certificates of Compliance (IRCCs). The establishment of IRCCs will add to the Cook Islands capacity to remotely track and monitor the utilisation of its genetic resources once taken outside of the Cook Islands for research and development. The Cook Islands participation in the compliance system established under the Nagoya Protocol in all ‘user’ countries will provide it with a level protection for benefit sharing flowing from its grant of access to its resources (and associated traditional knowledge) that is not available to non-participating countries. The obligation to ensure genetic resources obtained from developing countries and then used within developed countries is only undertaken in accordance the providing country’s terms and conditions is a key feature of the Protocol. It is designed to meet the permit and benefit sharing compliance needs of developing countries and small island states like the Cook Islands. In short, participation in the IRCC system shifts much of the regulatory burden from developing countries to developed countries.

### Gaps analysis:

Through the Cook Islands earlier National Biodiversity Strategic Action Plan (NBSAP) and related initiatives there is a basis for further developing awareness of ABS as structured under the Nagoya Protocol. The additional features of the Protocol such as the role of IRCCs and the requirement of all participating governments to undertake compliance, monitoring and tracking measures together with measures to protect the interests of traditional knowledge holders are new features that will have to be included in community awareness activities. This task is made easier by the Cook Islands participation in regional ABS awareness activities supported by the GIZ ABS Capacity Initiative and the South Pacific Regional Environment Programme (SPREP). This includes access to multimedia innovations such as ‘*ABS Simply Explained.*

Notwithstanding this sound base, the Cook Islands customary land tenure system as modified with land title systems more common with Anglo Saxon countries means that ABS will have to be tailored to the needs of the Cook Island peoples. Similarly inshore areas with customary use and management systems will have to be taken into account. It may be that the role of government becomes one of ensuring that benefit sharing in return for access to resources and or the use of associated traditional knowledge is one of being satisfied that there has been fair-dealing before the National Competent Authority grants an access permit. In this regard Cook Islanders speak fluent English in addition to Maori as a first language. It should also be noted that despite its isolation many Cook Islanders have lived and worked in English speaking environments. Indeed it is noteworthy that in common with some other small island states the Cook Island expatriate community is greater that the resident population. Notwithstanding this comparative advantage that Cook islanders may have over some otherwise comparable communities, the level of scientific literacy is not high among villages and the outer islands. This fact reinforces the importance of awareness-raising and the development of simple, clear, robust and transparent ABS measures.

### Funding analysis

Assuming there is no GEF investment, the Cook Islands Government will still support this project but its implementation will be slow due to other competing projects for its resources. However, government may reshuffle its resources (financial and human) to achieve the objectives of this project despite scant resources and limited capacity to ensure the national legislation and subsequent rules and procedures established including the awareness raising campaign for stakeholders. Key government agencies have committed to co-finance this project in the form of provision of advice, transport, telecommunications and other forms up to $620,000. There is also the establishment of rules, procedures and best practice for ABS and the commitment of government officials to be trained to negotiate and operate ABS processes. It is anticipated that after the lifetime of this project, the government of the Cook Islands will continue to operate and maintain the ABS system which may put demand on the government financial and human resources.

*Biodiversity Conservation*: The Cook Island Government annually invests around US$53 million in all sectors of the Government. The current baseline investment by the national Government into environment management related actions with a bearing on biodiversity totals at least US$ 12 million over the planned project period. This includes Government investment through the National Environmental Service of approximately US$ 0.8 million per annum to incorporate biodiversity management in national and sectoral policies and planning processes and promoting and enhancing community participation and actions to help conserve biodiversity.

Additionally, the Ministry of Marine Resources invests US$1 million annually on the monitoring, control and prevention of illegal practices in its marine areas, on the implementation of the Cook Islands Lagoon Monitoring Programme (which includes water quality monitoring in Rarotonga, Aitutaki and Manihiki Islands) and on education and public awareness programmes on marine issues. The National Environmental Service would be responsible for the enforcement of the Biological Research and Benefits Act, while the National Research Committee (including its Manager) is responsible for approving ABS related research. The National Heritage Trust will during the project period continue updating the biodiversity database with traditional knowledge that is being provided by the traditional healers, while the Ministry of Cultural Development will keep a register of all traditional knowledge holders and rights. The ABS Framework and Capacity investment over the project period in the Cook Islands as a baseline figure is estimated at approximately US$2 million.

*Bio-discovery*: CIMTECH and appointed partners through its local counterpart Matheson Enterprises, will invest approximately US$600,000 over the project period in the further development and extraction of plant chemicals in its quest of the further commercialisation of Te Tika skincare products and its cartilage and bone regeneration product.[[6]](#footnote-6) CIMTECH intends to build upon this successful albeit limited program with the second of the technology platforms derived from its access and benefit sharing arrangement. CIMTECH holds patents filed under the Patent Cooperation Treaty (PCT) in 7 countries and Europe covering the therapeutic uses of *Hibiscus tiliaceus* for bone and cartilage repair. The healing of bone fractures is a lengthy process. Notably, cartilage does not contain blood vessels and therefore compared to other connective tissue repairs more slowly. CIMTECH’s researchers found that certain extracts from *Hibiscus tiliaceus* and traditional compositions comprising the same, promote bone and cartilage repair by inducing new bone formation and new cartilage growth. The data supporting the therapeutic potential of this is convincing however there are barriers as described above to the full commercialisation of this technology, and the ability of the Cook Islands to capitalise on the opportunity for the direct and indirect benefits intended under the access and benefit sharing arrangements.

Nevertheless, while higher level scientific testing and research is being undertaken in Australia and elsewhere in conjunction with its research partners, CIMTECH and partners are committed to pursuing the production of pre-curser material from the Cook Islands and establishing the Cook Islands as the principle source of high quality, certified, stable source-material capable of meeting stringent regulatory standards. To this end CIMTECH has already invested considerable funds in building its initial facility and its primary production equipment and entered into supply relationships with local farmers. As an act of commitment and good faith CIMTECH in 2014 CIMTECH ordered, and has had delivered, custom-made solvent based extractive equipment designed to be suitable for the circumstances of the Cook Island. This equipment is robust and can be maintained with the resources available in Rarotonga. Once operational local employees will be trained in its use and the maintenance of scientific equipment and documentary processes. This will also require concomitant training of governmental regulatory staff.

## Coordination with other GEF financed and other initiatives

*UNEP–GEF medium size project ‘Ratification and Implementation of the Nagoya Protocol in the countries of the Pacific’:* This project will be delivered in partnership with SPREP and will cover a number of Pacific countries, including Cook Islands. This project will undertake a scoping study of the existing laws and regulations related to ABS in the countries, develop a strategy and action plan for the implementation of ABS measures, and build capacity among stakeholders with particular emphasis in the Government agencies in charge of making the protocol operational. The project will also have an emphasis of learning from other countries in their implementation of the Nagoya protocol. Strong coordination and synergy between the two projects will be implemented, with the outputs of the Cook Islands project serving as case studies, ‘lessons learned’ and best practices for the regional project.

*UNDP-GEF Full Size Project “Strengthening human resources, legal frameworks and institutional capacities to implement the Nagoya Protocol”*. This is a global capacity building project that will cover 25 countries six of which are from the Asia/Pacific region. This project will share lessons and best practices with the UNDP-GEF Cook Island project through the following three components: a) Strengthening the legal, policy and institutional capacity to develop national ABS frameworks; b) Building trust between users and providers of genetic resources to facilitate the identification of bio-discovery efforts; and c) Strengthening the capacity of indigenous and local communities to contribute to the implementation of the Nagoya Protocol.

*UNEP-GEF PAS Implementing the Island Biodiversity Programme of Work by Integrating the Conservation Management of Island Biodiversity*: this initiative is supporting a number of activities relevant to the proposed project, such as a programme to conserve rare Vairakau Maori (traditional medicine) plants; a program to conserve rare birds, rare plants and marine turtles in Mauke and northern islands; and a program to manage Teroto Nui and Teroto Iti te Pito o Kare (‘muddy lakes’) on Mitiaro.

*UNEP-GEF PAS Prevention, Control and Management of Invasive Alien Species in the Pacific Islands*: This project is working in the following islands to support several activities such as ship rat early detection surveillance (trapping and monitoring) on Aitutaki, Suwarrow and Atiu; promoting management practices for Cuscuta and Beach Burr on Rarotonga and Pukapuka; for sand flies on Aitutaki and Mitiaro; and eradicate red passion fruit using best management practices in Mauke.

*Cook Islands Ridge to Reef Project*: This UNDP-GEF project is currently under design and it intends to support the operationalization of a large marine protected area in the country. This project will ensure that there is strong coordination and cooperation between the two projects on issues of capacity building and awareness raising.

*ABS Capacity Development Initiative*: This GIZ‐implemented, multi‐donor project is supporting capacity building in the Pacific. The UNDP-GEF project will work closely with this regional initiative to ensure that there is no duplication of activities, and that lessons from around the region informs the project’s actions in the Cook Islands and lessons from the Cook Islands are also fed back to other countries.

PROJECT STRATEGY

## Project Rationale

In order to safeguard the Cook Islands’ diverse genetic resources, the potential of genetic resources must generate tangible local and national economic benefits. The benefits will be in the form of business, employment and capacity building opportunities, through the discovery of new medicines, thereby providing a rationale for the preservation of the biological resources that contain those genetic materials. This will present a paradigm shift from the situation described above, to one in which biodiversity-rich nations such as the Cook Islands are fully and equitably involved in this prospectively lucrative research process with the primary goal of promoting people-centric conservation and sustainable use.

## Country Ownership: Eligibility and Drivers

The Cook Islands is a signatory to the Convention on Biological Diversity, signed in 1992, ratified in 1993 and entered into force in the same year. The Convention on Biological Diversity is a legal instrument used in the Cook Islands to guide the development of strategies that balance the appetite for economic development and the protection of its ecological biodiversity. Integrated in the Cook Islands National Sustainable Development Plan and other associated plans, this convention is one of the most locally well known and accepted at all levels, be it government, traditional, NGO, community and associated stakeholders.

The project accordingly has the active support and provision of in-kind resources of the key ministries of the Cook islands, principally the:

* Office of the Prime Minister
* National Environment Service
* Crown Law Office
* Ministry of Finance and Economic Development
* Ministry of Cultural Development, and
* National Heritage Trust.

In addition, other ministries with an interest in the success of the project have indicated their support. These include the Ministry of Agriculture, the Seabed Authority and the Ministry of Marine Resources. The involvement and active support of the non-government bodies; the Aronga Mana and Te Ipukarea Society, the Island Council representing local government, along with Matheson Enterprises and CIMTECH and partners - whose private sector support involves a project commitment of US$579,000.00 and employment, training and the establishment of a sustainable industry producing bioactive ingredients in cosmeceuticals and therapeutic products – is indicative of the broad-based support for the project within the Cook Islands.

The project contributes to the fulfillment of the commitments undertaken in the framework of the Convention on Biological Diversity, and will achieve ratification and implementation of the Nagoya Protocol.

Project activities are in line with the Cook Islands policies as outlined above, on the Protection of Cook Islands Biological diversity and Economic Development strategic objectives, provisions of the Traditional Knowledge Act 2013 and on Access and Benefit Sharing as outlined in the Cook Islands National Sustainable Development Plan 2010 – 2015, and will meet Aichi Target Objective 16 and the inclusion of biological diversity in the process of poverty reduction.

As indicated in the 2001 report on environmental progress from the Cook Islands to the CBD, the country had not yet achieved its goals related to equitable profit distribution and particularly those goals aimed at protecting the rights of the indigenous and local communities in terms of their knowledge, innovations and practices, including their rights to benefits (Goal 9.2), or access to genetic resources in line with the Biological Diversity Agreement and its provisions (Goal 10.1). However, since that last report, the Cook Islands has exceeded its target with the establishment of a marine park covering 50% of its marine EEZ. The target required 30%. The Cook Islands has also enacted its Traditional Knowledge Act 2013.

## Design principles and strategic considerations

The following strategies have been considered in project design:

* + - 1. Strengthening the ability of the Government of Cook Islands to properly support the implementation of the agreement between CIMTECH and *Te Koutu Nui* by developing legislation, administrative rules that draw upon the real case study on benefit-sharing arising from the development and implementation of the agreement with CIMTECH and Te Koutu Nui.
      2. At minimal opportunity cost, building on an advanced process, which requires additional investment for long-term sustainability.
      3. Developing and marketing a genetic resource product that delivers fair compensation throughout the value chain for communities and promoting sustainable practices from an otherwise vulnerable ecosystem.
      4. Acknowledging the validity of the knowledge held by traditional knowledge holders and promotes its applicability to modern day life.

## Project objective, outcomes and outputs/activities

**Project Objective**: The overarching objective of the project is to develop and implement a national Access and Benefit Sharing (ABS) framework, build national capacities and support an ABS Agreement based on Traditional Knowledge and Public-Private Partnership. This will be accomplished through achievement of the following outcomes.

### **Outcome 1**: Strengthened National Regulatory and Institutional Framework on ABS

This outcome will support strengthening of the national ABS regulatory framework in compliance with the Nagoya Protocol and provide support for timely ratification of the Protocol by Parliament through consultation and provision of necessary information targeting the legislature. The national legal framework on ABS will be fully established and made operational under this outcome. The outcome will also support the further refinement of the existing ABS agreement in the Cook Islands to ensure consistency with the Nagoya Protocol and national legislation.

Output 1.1: Nagoya Protocol ratified by Parliament

The following activities will be necessary to support the timely ratification of the Nagoya protocol by the Cook Islands Parliament. To ensure efficiency of time and expenditure, some of these activities will need to be undertaken concurrently with activities under other outputs as noted below.

* + - 1. The Draft ABS Bill will be reviewed by NES and Crown Law. This review will include a gap analysis, identifying missing processes required under the Protocol and including verification of stakeholders to be consulted as a consequence of the need to change the existing Bill.
      2. The NES will prepare an information paper for the responsible Minister to take to Cabinet to get Cabinet endorsement to undertake the consultation process to lead to revised ABS legislation.
      3. The NES will be responsible for the consultation process including the logistically difficult Island groups. This will include contacting island mayors to get permission to consult. Consultation will involve at least two people to visit selected outer islands, all islands in the southern group, and at least two in northern group islands where charter flights will need to be shared to reduce costs.
      4. At the conclusion of the consultation process, the NES will prepare a second information paper for the responsible Minister to take to Cabinet outlining their conclusions and recommendations for the redrafted Bill and any consequential amendments to other legislation together with a recommendation for Ratification of the Protocol to be made concurrent with the passage of the revised ABS law.
      5. The NES will be responsible for the preparation of drafting instructions for the Crown Law Office and the necessary Ratification documentation.
      6. The Crown Law Office will redraft the Bill and this will be submitted to Cabinet for approval.
      7. The Cabinet will consider the proposal and table the Bill before Parliament. Finalising the ABS Bill has already been established as a priority through the process of developing the National Biodiversity Strategy & Action Plan (NBSAP). NES officials and supporting agencies will provide support to members of Parliament during its consideration, in accordance with Cook Islands practice and procedure.

Output 1.2: Strengthened National Regulatory and Institutional Framework on ABS

The project will prioritize the achievement of this output, as the establishment of regulatory and institutional mechanisms will depend on the approval of the ABS Act. The following activities will be carried out to realize this output:

* + - 1. The NES will hold preliminary one-on-one meetings with support from Crown Law and the Office of the Prime Minister with the key persons listed in the Stakeholder Involvement Plan. An agreed outline of the regulatory framework will be settled following the first Project Inception Meeting. The document will ensure each party is aware of their roles and responsibilities in the framework and obtain their buy-in to the strengthened framework.
      2. This work will be undertaken so that it also supports the achievement of Output 1 and consultations will be timed to be undertaken so that it strengthens that process.
      3. Prior to conducting a broad based consultative workshop, the NES will provide a special briefing to the Cook Islands National Biodiversity Steering Committee including the Natural Heritage Trust, and, on the advice of the Ministry of Culture, separate meetings with the *Te Koutu Nui* and the House of Ariki will be held. This will build on earlier information-sharing and consultation activities undertaken during the project preparation phase.
      4. A consultative workshop will be held with the government officials, NGOs and community representatives to explain the nature of the Nagoya Protocol and the responsibilities and opportunities available to small island states like the Cook Islands.
      5. The workshop will set out the process to be undertaken through the Project. Care will be undertaken at the outset to ensure that participants have a realistic view of the nature and likelihood of benefits being derived from the utilisation of Cook Islands genetic resources and any associated traditional knowledge.
      6. The NES, with input from other relevant Ministries, will provide information to the media explaining the nature of the Protocol and the consultation process being undertaken. This will be done in accordance with Cook Islands practices and procedures for the dissemination of government related information.
      7. A review will be undertaken of existing Cook Island laws on the protection of traditional knowledge to identify gaps to be filled to make the laws of the Cook Islands consistent with its obligations on ratification of the Nagoya Protocol. This process will involve consultation with stakeholders, local communities and including the ta’unga (traditional healers), ra’ui (community based traditional sustainable use practice), *Te Koutu Nui* (sub-chiefs) and the House of Akriki (paramount chiefs).
      8. The outcomes of the review will be included in the second information paper for the Minister to take to Cabinet outlining conclusions and recommendations for the redrafted Bill and any consequential amendments to other legislation to be made concurrent with the passage of the revised ABS law. The technical drafting of the ABS Act and consequential amendments will be undertaken by New Zealand under existing arrangements between the Government of New Zealand and the Government of the Cook Islands.
      9. Following passage of the ABS Act, the NES will prepare selection criteria for the appointment of the ABS National Focal Point and the National Competent Authority. In doing so the NES will determine whether, in all the circumstances, the two positions should be held by the same appointee as foreshadowed by the terms of the Protocol.
      10. The NES will subsequently initiate an appointment process for the establishment of the ABS National Focal Point and the National Competent Authority. This will be conducted in accordance with the policies and procedures of the government of the Cook Islands.

Output 1.3: ABS Rules and Procedures developed

*Rules and procedures:* The NES will be responsible for the development of ABS rules and procedures and prepare these concurrently with the development of ABS legislation and with support from other relevant ministries.

Crown Law, NES and OPM will collect, in consultation with regional and international development organisations and the Secretariat of the Convention on Biological Diversity, examples of ABS guidelines, best practices and model contracts and model clauses and consider their applicability to the Cook Islands. This process will include consultation with regional and international development organisations, the Secretariat of the Convention on Biological Diversity and its ABS Clearing House Mechanism. It will also collect lessons learned from other Pacific countries through the GEF-UNDP Global Capacity Building Project, GEF-UNEP Regional ABS Project and from bilateral discussions.

NES will review those approaches and formats to determine which are best suited for use in the Cook Islands.

Crown Law, NES and OPM will then develop ABS rules and procedures in light of information obtained from the consultation process.

The NES, in overseeing this process, will ensure that rules and procedures developed are proportionate to the administrative circumstances of the Cook Island and minimize costs to applicants and administrators while maximizing ease of use including through the application of ICT in accordance with Cook Island policy and practice.

*Model agreements:* The Nagoya Protocol provides recognition of the role traditional knowledge plays in the utilisation of associated genetic resources. Various organizations are developing and disseminating capacity building tools for traditional knowledge holders, model agreements for the use of traditional knowledge and best practice guidelines.

The project will identify those approaches and document formats best suited for use in the Cook Islands. Increased international interest in the use of traditional knowledge through safe-guarded procedures will increase confidence among holders of traditional knowledge and also increase inter-generational respect for knowledge and its role in Cook Island society.

*Simplified procedures:* The NES will establish simplified procedures through the national research permit for scientific research undertaken for non-commercial purposes. This will include a binding proviso that should the researcher or her institution seek to commercialize that research then they are obliged to enter into an ABS agreement with the Cook Islands National Competent Authority, and will ensure that genetic resource are not given to a second or third party.

NES will undertake consultation for this process concurrent with output 1.1 activities to ensure time and cost efficiencies.

Output 1.4: Existing ABS Agreements aligned to NP and ABS National Legislation

The NES will create a list of existing ABS agreements in Cook Islands, e.g. through looking at ICBG operations in the Pacific.

After the ABS Act has been adopted, NES will review the adequacy of agreements against the requirements of the Nagoya Protocol and the national legislation with a view to strengthening them in the mutual interests of the parties to the agreements.

The NES will contact parties to existing ABS agreements, and advise them how to review their agreements to align them to the Nagoya Protocol and the national legislation, so that they may take advantage of opportunities to enhance legal certainty and traceability established through the operations of the Nagoya Protocol.

The NES will assist Parties to any revised ABS Agreements to register them on the Cook Islands Database of ABS Agreements, and the NFP will advise the ABS Clearing-House of the Nagoya Protocol accordingly.

This output will also support the further refinement of the existing ABS agreement between CIMTECH (user) and the *Te Koutu Nui* (provider) for use of genetic resources for skincare product development (based on traditional knowledge) to ensure consistency with Nagoya Protocol Benefit Sharing provisions and national legislation including specifying monetary and non-monetary benefits.

### **Outcome 2:** Capacity Building and Awareness Raising for the Implementation of the National ABS Framework

This outcome focuses on building the capacity of the Biodiversity Unit and the Islands Future Division within the National Environment Service as well as the National Research Committee for facilitating ABS agreements and handling issues under the Nagoya Protocol. Emphasis will be placed upon capacity to monitor bio-prospecting projects and facilitate value addition to genetic/biological resources in the country.

Output 2.1: Upgraded facilities and staff skills for bio-prospecting and TK documentation

*Expansion of Cook Islands biodiversity database*: The NES and the Ministry of Culture will expand the Cook Islands Biodiversity database with information regarding traditional uses of plants and other organisms. This will be undertaken with the involvement and consent of the holders of the traditional knowledge involved.

This will enhance the database that already contains information on 4,200 of the estimated 7,000 species found on the Cook Islands. A key element of the database is its use of both scientific and Maori names. The outcome of the introduction of simplified procedures for scientific research under the Nagoya Protocol and the capacity to require the lodgment of taxonomic duplicates in public collections will expand the database and the opportunity to establish linkages with other taxonomic and biodiversity data bases. The resulting output will be increased biodiversity data, improved conservation decisions and the retention of associated traditional knowledge.

*Simplified procedures lodgments:* The NES will collaborate with MoCD to establish an ABS database to support the operation of simplified procedures to lodge outcomes of research with the providers of the genetic resources involved and, or, the providers of any traditional knowledge used in the research, and to record the providers written permission and information about where taxonomic duplicate has been lodged.

The Project will support the NES’ elaboration of the required design, implementation and hosting of the ABS database. This will be integrated with the ABS permit procedures.

*Public awareness materials on lodgment:* The NES will prepare brochures and other public information tools to ensure that persons wishing to access Cook Island genetic resources understand that they will be required to lodge copies of research outcomes with the National Competent Authority or with designated or accredited institutions. Information provided by NES will make it clear that, in addition, it will be required to lodge taxonomic duplicates with an appropriate public taxonomic institution within the Cook Islands, or in an approved public taxonomic institutions within the region, or institution holding significant scientific collections of Pacific biota. Similarly, as a negotiated condition of mutually agreed terms, they may be required to lodge duplicate research samples with research bodies identified by the National Competent Authority. The information will explain that the objective of these provisions is to increase biodiversity knowledge of Cook Islands’ genetic resources and to encourage research and development on those resources by making them available for research in ex-situ conditions.

*Procedures to accredit lodgment institutions:* The NES will develop a procedure for the NCA to accredit research bodies or institutions as suitable for holding Cook Island genetic resources to fulfill ABS requirements. Accreditation may be based on national or international recognition of such bodies as Nagoya Protocol compliant and administering policies that ensure that material deposited with them is only used or provided to third parties in accordance with the terms and conditions of the provider of the material.

*Elaboration of online processes for ABS agreements*: The project will assist the government to develop and trial online processes in place for establishing ABS agreements and in line with National Environment Service’s systems and procedures. Internationally, new ABS processes and procedures are being developed to reduce transaction costs and increase legal certainty. The project will review these initiatives and seek to adopt those that are most suitable for inclusion in the operation of ABS in the Cook Islands.

The NES will also develop and trial on-line application processes and ensure these are in place for applicants to apply to the National Competent Authority for permission to access Cook Island genetic Resources.

The NES will also develop and trial provision of on-line information about the processes and applicable procedures to be followed for such applications.

To support achievement of these outputs, the NES will purchase and install necessary computing and ancillary equipment to enable online processing of applications. Ancillary equipment and allied software will also be purchased to handle large data files necessary to receive and evaluate research outputs in accordance with the terms and conditions agreed as part of the process for the grant of access permits and the establishment of mutually agreed terms. Maximum use will be made of resources held by the ABS Clearing-House established by the Protocol, as well as consideration of any regional mechanism that may be made available under the Pacific Islands Regional ABS Project.

The measure of the success of this approach will be the reduction in decision-making time and the reduction in the complexity of agreements. This will include the purchase and installation of necessary computing and ancillary equipment to enable online processing of applications and the creation of Internationally Recognised Certificates of Compliance (IRCCs).

It is anticipated that this will be aligned with the establishment of simplified procedures for non-commercial scientific research and, in the field of microbial research, the alignment of Cook Island IRCCs with the tracking and monitoring facilities provided by the Global Catalogue of Microorganisms (GCM). Additional elements of tracking and monitoring as ‘user measures’ in the Cook Islands that could be developed with this project may be through certain checkpoints at the University of South Pacific (USP) which has a campus in Cook Islands (main campus is in Suva). These could include mechanisms for monitoring via reporting on funding, ethics committee processes, or through regional journals.

Output 2.2: Improved technical capacity for implementing ABS activities

*Streamlined decision process:* NES will develop a streamlined decision making process for use by the National Competent Authority (NCA). This will demonstrate the adaption of available best practices, model clauses and guidelines together with the utilization of the ABS CHM to create Internationally Recognized Certificates of Compliance.

*Best practice manual:* To achieve this output the NES will conduct a review of ABS best practices, tools and guidelines and codes-of-conduct and determine which aspects are suitable for adaptable to the circumstances of the Cook Islands. These will be set out in a manual as a set of practices to be followed by the National NCA.

*IRCC Training workshop:* The NES will organize and conduct a training workshop for the NCA on how to apply this process and to operate the ABS Clearing House mechanism to create Internationally Recognized Certificates of Compliance (IRCCs).

The development of Cook Island best practices and the training of the appointed NCA will give practical support to the operation of the Cook Island’s ABS legislation implementing the Cook Islands ratification of the Protocol.

The concluded output will be a settled organisational structure including the designation of a National Competent Authority and a clear delineation of its mandate and responsibilities together with the capacity to grant permits for access to genetic resources and any associated traditional knowledge, establish mutually agreed terms and to create IRCCs.

*Technical support mechanism:* The NES will establish a mechanism for technical support from appropriate national and regional institutions such as SPREP, FAO, etc. To establish this mechanism, the NES will liaise with the Ministry of Foreign Affairs.

*Training materials for government staff*: The NES will organize national training for government staff from relevant government agencies and NGOs on the Nagoya Protocol’s provisions and national legislation and ABS application processes. It will prepare training materials and will make these available online for future reference and use. The NES will also develop training modules to be used on a train-the-trainer basis and develop manuals, together with the development of contacts with ongoing sources of assistance such as those provided by the SCBD, WIPO and regional assistance programs including from SPREP and SPC and identify opportunities to work with the *ABS Capacity Initiative*.

The NES will ensure that training also includes negotiation skills.

*Capacity-building for research institutions and private sector*: The NES will organize capacity training that will be provided for research institutions and selected private sector in the Cook Islands to promote the addition of value to genetic and/or biological resources. The methodologies for ABS Capacity improvement will be gauged using the UNDP ABS Capacity Development Scorecard developed specifically for ABS projects. This aspect will take into account the existing narrow, sector-based, focus of research into agricultural and marine resources together with scale of the private sector in the Cook Island with the exception of CIMTECH.

Initial training will involve at least two workshops. The first will be conducted during the awareness raising phase and involve about 18-24 participants from government and key stakeholders identified by NES and will set out the operation, responsibilities and opportunities associated with the Nagoya Protocol. The second will involve consultation on the draft measures being considered for implementation of the Protocol with the aim of identifying possible refinements to improve operational efficiency and minimizing cost while stakeholder securing support. A further workshop will be undertaken following the passage of the ABS law and the appointment of the NCA and NFP to familiarize officials and stakeholders with the processes involved in implementation of the Cook Islands ABS law.

Output 2.3: Increased awareness of ABS and associated national regulatory and institutional framework among a wide range of stakeholders

*Awareness-raising plan:* The NES create an awareness-raising plan for; community awareness, holders of traditional knowledge associated with genetic resources, landowners or water managers and researchers operating in the Cook Islands. This plan will be integrated into the activities described in 2.1, and 2.2 above. It is anticipated that about 23 different stakeholders (11 on Rarotonga and 12 in the outer islands is expected to be reached by the awareness raising program.

*Video explanation:* The NES will create a video explanation of the Nagoya Protocol and its implementation in the Cook Islands and record them onto DVDs. NES will provide these DVDs to the outer islands for Island Councils to be played on island TV stations. This activity is consistent with Cook Island awareness raising practices for logistically isolated communities.

*Written materials:* The NES will prepare written public awareness materials to explain ABS, e.g. brochures, with simple step-by-step processes for people to be able to take advantage of the process. Key target groups for this material are the holders of traditional knowledge, their representatives, the managers or owners of biodiversity and farmers together with scientific researchers working in the Cook Islands

*Briefings:* The NES will brief senior government officials on the operation and implications of the ABS framework following its adoption by Parliament. The NES will identify an interim point of contact for information on the ABS framework pending the selection and appointment of the ABS National Focal Point.

The NES will include in its awareness raising plan provision for information about the Cook Islands ABS framework to be lodged with the online ABS Clearing House Mechanism established within the CBD Clearing House Mechanism.

The NES awareness-raising plan will also address the need to advise bodies conducting scientific research involving genetic resources in the region about the Cook Islands ABS framework. These may include, for example, research programs conducted by the University of the South Pacific, the European E-Coast Consortium and the U.S. National Institutes for Health International Cooperative Biodiversity Group (ICBG).

*Operationalization of ABS agreements*: The NES will also focus on the operationalization of ABS agreements such that some benefit sharing occurs during the course of the project. The NES will encourage domestic and foreign researchers to undertake research into Cook Islands genetic resources and assist them in securing permits issued by the National Competent Authority and to establish benefit sharing agreements with resource providers or the holders of traditional knowledge where traditional knowledge associated with genetic resources is being used. The NES will encourage users of genetic resources to share the direct and certain benefits that are usually non-financial, such as technical transfer, capacity building and the production of increased scientific knowledge.

### **Outcome 3**: Bio-discovery and Benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration

Under this outcome, the Cook Islands community and its biodiversity will benefit from the private sector involvement in four ways. Firstly the *Te Koutu Nui*’s shareholding in CIMTECH will lead to increased expenditure on conservation through *Ra’ui*. Secondly, expenditure from increased CIMTECH employment will flow into the community though purchase of local goods and services. Thirdly, a new source of income will be generated for farmers as they provide increased amounts of plant material for processing. And fourthly, wild harvest protocols and a waterway habitat protection plan will be established and overseen by NES, ensuring that farmers will have an incentive to conserve "Au" (*Hibiscus tiliaceus*) on private land.

The main potential for income derived from this project is related to net sales of a product that reaches the market. There are initial benefits related to the development costs and technological transfers, however the key benefit will occur if the partners are successful. This relies on CIMTECH partners successfully developing the product through to FDA and EMA approvals. CIMTECH benefits directly from this income, and the Koutu Nui as shareholders. Should this potential value be monetized in the form of a sale of CIMTECH, Te Koutu Nui will benefit from this as shareholders also.

Output 3.1: A Stronger CIMTECH and *Te Koutu Nui* ABS Agreement regarding Cartilage and Bone Regeneration:

*Revised ABS Agreement between the* Te Koutu Nui *and CIMTECH:* This output will pilot the first revised Cook Islands ABS Agreement between a user of genetic resources an indigenous and local community organisation following the operationalization of the Nagoya Protocol. The *Te Koutu Nui* (TK provider) and CIMTECH will review the existing ABS agreement to determine what mutually agreed changes will be made to strengthen the Agreement in light of the responsibilities and opportunities established by the Protocol and by the adoption of Protocol compliance measures among developed country members. The revision will include consideration of opportunities to promote demonstrated evidence of prior informed consent to third parties and the existence of mutually agreed terms possibly through the CBD’s ABS CHM and by strengthening evidence of legal certainty for continued research and development undertaken under by CIMTECH. A key objective of the revision is to provide greater international recognition of the Cook Islands as, not only a state providing facilitated access to its genetic resources in accordance with the Nagoya Protocol and welcoming private sector involvement, but a place where traditional knowledge may be accessed under mutually agreed terms with the holders of the knowledge or their representatives.

Direct and certain benefits from utilisation[[7]](#footnote-7) of are usually non-financial such as technical transfer, capacity building and the production of increased scientific knowledge. The availability of financial benefits are less certain - being subject to successful research outcomes suitable for product development and the success of the subsequent commercialisation of the research outcomes. The research undertaken in the Cook Islands by CIMTECH has provided an example of some early commercial success from its development of skin care products based on bioactive ingredients from Cook Islands biodiversity, however the prospect of more significant commercial success depends on the continued success of CIMTECH research and development activities into bone regeneration and cartilage repair.

The Te Tika skincare range has been operating over the past 2 years in markets other than the Cook Islands as it expands its operations. Net Sales over the past 2 financial years have been about $100,000 per annum. Within the Cook Islands, it is selling approximately $50,000 per annum and 85% of the profits from the Cook Islands operations remain within the Cook Islands. The Net Sales of Te Tika products directly benefits CIMTECH and Te Koutu Nui as shareholders of CIMTECH benefit from this. The branding of Te Tika skincare is intimately linked to the Cook Islands and the marketing of Te Tika also promotes the Cook Islands. The target demographic of Te Tika is almost identical to the target demographic of the Cook Islands Tourism.

Increased recognition of legal certainty from a revised ABS agreement will promote commercialisation of CIMTECH discoveries thereby increasing the likelihood of financial benefits flowing to the *Te Koutu Nui*.

The tangible measure of this output will be a revised agreement providing additional benefits to appropriate parties, which likely includes the *Te Koutu Nui*, *Ta’unga Vairakau* Ra’ui and to the broader Cook Islands community. Benefits will go beyond possible financial returns and may include increased local employment, improved labor force skills and a new source of income for landholders. This aspect of the project will see local employment expanded to 6-7 people employed on a more regular basis (if not employed full-time). Currently 3-4 local people are employed farming the plants on a part time basis.

*Market analysis*: The project will also support an analysis of marketing opportunities for the extract through further market analysis and development (internationally) to further increase the likelihood of financial benefits for the *Te Koutu Nui*. CIMTECH will also prepare a reviewed business plan to reflect the financially optimal range and volume of Te Tika products to be marketed. This will also identity obstacles to the requisite level of sales within the Cook Islands and internationally, and steps needed to overcome them. Under the project this step will be supported by NES as project manager and CIMTECH and Matheson Enterprises through their in-kind support.

*Benefit-sharing and Biodiversity Conservation Quantification*: The NES will monitor and quantify the benefits flowing from the ABS agreement. Under the project CIMTECH’s further development of its bioprospecting discovery in bone and cartilage regeneration will generate additional local community benefits through increased employment and the creation of a new form of limited agricultural production and scientific processing. This additional benefit flow is direct and certain. Later, full and successful international market approval of the bone and cartilage regeneration product would generate substantially greater dividends payable to the *Te Koutu Nui* through its ABS agreement and consequent shareholding in CIMTECH.

*Investigation of establishing a Trust Fund:* Benefit sharing will also be firmly linked to biodiversity through the Te Koutu Nui’s commitment to support Ra’ui and the management of the areas declared under Ra’ui. Under the project and as an adjunct activity flowing from the review of the ABS agreement, the *Te Koutu Nui* in consultation with NES and CIMTECH will examine the feasibility and desirability of setting up a Ra’ui Network Trust Fund as the most appropriate vehicle to receive and expend funds arising from the *Te Koutu Nui’s* 10% shareholding in CIMTECH and also to receive funding for Ra’ui activities from other sources. The establishment of a Deed of Trust would be overseen by the NES and undertaken in accordance with the relevant laws of the Cook Islands.

NES will ensure that a minimum of 25% of the funds received by the *Te Koutu Nui* will be directed to supporting Ra’ui. Earlier discussions with Cook Islands officials, CIMTECH and representatives of the *Te Koutu Nui* on this point indicate that the percentage of funds received by the *Te Koutu Nui* directed to supporting Ra’ui will be considerably greater than 25% (possibly the bulk of funds) but this will be determined during implementation.

NES will develop mechanisms, consistent with Cook Islands governance best practice to ensure all income and monies expended for the purpose of supporting Ra’ui under such a trust fund (or related mechanism) is undertaken transparently to maximize public confidence in the process.

Output 3.2: Application of improved extraction techniques to ‘Au’ (*Hibiscus tiliaceus*) to meet international standards

Under this output, the CIMTECH will procure technical advisory services and assistance to improve the extraction protocol for natural biologically active plant compounds derived from "Au" (*Hibiscus tiliaceus*), which, based on the application of traditional knowledge, has been shown to have bone and cartilage regeneration properties. This is needed so that the active chemical can meet international standards for further pre-commercial research and to later support possible commercial production of approved therapeutic products for accelerated bone healing to ensure that potential commercialisation benefits are achieved and can flow to the *Te Koutu Nui*.

CIMTECH and partners have planned expenditure of $100,000 for the first year of the project to establish the extraction process and to obtain technical assistance and to train staff. CIMTECH and partners have planned a further expenditure of $700,00.00 in the second year of the project and included an allocated $50,000 to install and train staff on the use of Gas Chromatography/Mass Spectrometry equipment The steps involved in establishing upgraded skills, increased production volumes and raised certification standards are set out in detail in the Indicative Work Plan found at page 62. The activities involved are set out in summary step-form in paragraph 160. Each activity undertaken by CIMTECH and partners through Matheson Enterprises will be monitored and verified by NES in accordance with a memorandum of understanding entered into between NES and Matheson Enterprises.

The development of protocols for extraction and standardization of active compounds from "Au", will allow CIMTECH and partners to undertake toxicological trials to ensure stability and safety of the extract for developing therapeutic applications. CIMTECH and partners through Matheson Enterprises will also support studies on production safety and detailed toxicological studies on the active extracts and studies on the efficacy of the extract in bone defect and bone grafting to prove the safe, therapeutic effect of the extract. This is contingent on Cook Island processing, production and documentation meeting international standards. NES will verify the achievement of this output.

Output 3.3: Scale up production and undertake staff training to ensure analytical and laboratory capacities necessary to ensure consistent quality of the biologically active extract

CIMTECH and partners will design the extraction process, provide specialized equipment and be responsible for technology transfer to Cook Island staff through Matheson Enterprises.

Under the project CIMTECH and its partners will provide the expertise and know-how while the technology will be transferred to local stakeholders working for sub-contractors and other research institutions interested in the technology. Previously mentioned toxicology and safety studies required to allow for the production of Material Safety Data Sheet will be undertaken. CIMTECH and partners is committed under the project to design the infrastructure and equipment required to scale up the process including analytical equipment for testing of samples. It will further design the markers of efficacy and the laboratory processes required to identify and characterize the derived standard of extract, and design and oversee the pre-clinical and analytical studies and develop correlations to the chemical markers of efficacy.

CIMTECH, through its appointed partners and associated subcontractors, will support the installation of equipment, implementation and refining of processes; the production of the prototypes for the toxicology studies; installation and implementation of the laboratory processes required to identify and characterize the standard of the extract. These activities will ensure that the Cook Islands is able to process the bioactive chemicals in-country from locally purchased ingredients. Thus value adding to the local economy, as opposed to simply exporting the raw plant material abroad. Local production will also reduce the risk of loss of chemical characteristics of the plant material with concomitant variations in efficacy. As an outcome, this could include an initial employment of 1-3 local staff doing processing, laboratory and quality control work.

*Monitoring and accreditation system*: NES and Matheson Enterprises will also support the establishment of reporting and control of plant use and disposal of processed plant material, as well as establishing accreditation systems, and the development of certification fees and charges where appropriate. Sustainability of plant use will be done through modeling the impacts of plant utilization rates, replacement rates and its impact on the environment.

An analysis of the various plant populations and their correlation to efficacy markers will be undertaken by CIMTECH and partners. Efficacy markers are biochemical or physical characteristics that can be measured and correlated with biological activity, in order to be used as a simple, real-time means to track efficacy among the plants in-situ and through the production and extraction process. Analysis of soil characteristics and the effect this has on efficacy markers will also be analysed. These will help to establish a scientific basis for the monitoring and control of the harvesting of the plant species at the outset, and will allow for a more targeted and sustainable approach to supply and sustainability of the value chain, reducing guesswork and improving the acceptance of all environmental controls.

*Enhanced extract certification process*: CIMTECH and partners and Matheson Enterprises will enhance the certification process of extracts for export so that it is well designed and internationally acknowledged and fully compliant with the Nagoya Protocol, Cook Islands cultural requirements, and its environmental standards. The steps and costs involved are set out in the Work Plan and include the following actions:

First year Processing - Stage One:

* + Maintenance and management of the Cook Islands program including all documentation, utilities and insurances
  + Testing and preparation of the extraction equipment, trouble-shooting, correction of instrumental errors.
  + Establishment of the extraction process and protocols in conjunction with partner groups.
  + Staff training
  + Preliminary plant extraction process operation and analysis
  + Repeated processing and comparison with the output from each extraction
  + Standardize process with partners and develop standard operating procedure
  + for the initial stage of extraction
  + Formulating plant collection and delivery program

First year Processing - Stage Two - extraction using stage 1 extracted material

* + Liquid – liquid extraction, separate and standardize the resulting output.
  + Load and manage the input liquids and the separating solvents
  + Run the separation process
  + Separate the liquids
  + Advanced staff training
  + Analyse the separated liquids
  + Store and label the extracted liquids
  + Repeat for 5 Liquid-liquid extraction protocols
  + Repeat stage 1 flowing directly into stage 2 without storage delay
  + Standardize and compare results and store outputs

First Year Processing – Stage Three

* + Concentrate and separate the extracts further
  + Label and standardize the extracts
  + Coordinate further analysis of extracts with partners
  + Organize appropriate technology for further evaluation of the material
  + Develop year 2 plans in cooperation with partners depending on results of analytical and efficacy studies.

Second year Processing:

* Import, install and train staff on the use of advanced analytical equipment (Gas Chromatography/ Mass Spectrometry )
* Staff training and installation of equipment
* Collect and extract product from plant material as per partners
* Manage extraction processes and standardize extracted products
* Send extracts for formal chemical analysis
* Send extracts for comprehensive biological safety testing
* Send extracts for standardized efficacy testing
* Develop efficacy co-marker for standardization.
* Develop export regulatory process and export regulation with NES

Output 3.4: Sustainable management plan for collection of *Hibiscus tiliaceus* and improved conservation of its waterway habitats

*Sustainable management of* Hibiscus tiliaceus *(‘Au’):* CIMTECH and partners through Matheson Enterprises will undertake a further extraction and refining of approximately 50kg of the *Hibiscus tiliaceus* and 50 kg of each of the additional 3 bioactive plant materials which are also covered under the CIMTECH/*Te Koutu Nui* access and benefit-sharing agreement. This will involve expenditure totaling approximately $50-$100,000 over the first 2-3 years. The NES will provide advice to CIMTECH on the harvesting conditions under which such materials are to be collected to ensure minimization of any environmental impacts.

Because the species *H. tiliaceus* is not considered to be under threat in the Cook Islands[[8]](#footnote-8), it will therefore be sourced through a managed wild harvest. A wild harvest management plan will be prepared and followed, that will ensure the ‘Au’ it is cleared appropriately from land with regard to ensuring no strip felling, no loss of soil retention and water bank subsidence.

To ensure minimization of any environmental impacts, Matheson Enterprises will prepare a wild harvest management plan and submit this to NES for review with a view to ensuring the proposed harvest is of an acceptable volume and that it does not compromise the sustainability of the environment. NES will coordinate with other relevant Ministries to improve local communities’ capacities to undertake sustainable harvesting of *H. tiliaceus* through the oversight of the wild harvest management plan for the conservation and sustainable use of *Au* on designated public lands and voluntary measures for private lands*.*

Under the project the government of the Cook Island will provide oversight of the collection and cultivation regimes for *H. tiliaceus*, as well as through the development and use of a defined certification process for the refined extract for export. The NES will conduct a site inspection to ensure that the management plan is being followed.

*Improved conservation of waterway habitats: H. tiliaceus* tend to grow alongside streams and play a key role in the retention of soil in the banks. Habitat conservation will therefore focus on ensuring the harvest does not impact on waterway management, as this is the area most threatened when land is cleared.

To ensure that the *H. tiliaceus* harvesting for this project does not impact on waterway or soil conservation, the primary source of ‘Au’ material for the project be from plant material that has been removed during approved land clearance for planting or building. Any such land clearance requires Cook Islands government environmental assessment before it is approved, and at this stage the plant quality and environmental impact of plant removal will be determined.

Matheson Enterprises will collate the relevant environmental analyses used during the harvesting period and will submit a short analysis to NES on the condition of ‘Au’ in the collection area that will then be used by NES as part of a broader waterways management strategy.

## Key risks and assumptions

***Risks***. The following table shows the risks identified, for which the project may implement mitigation measures.

| **Risk** | **Level** | **Mitigation Measures** |
| --- | --- | --- |
| Expertise deficit – the lack or loss of highly qualified personnel to conduct the project. | Medium | Matheson Enterprises will train Cook Islanders employed by Matheson Enterprises in the processes and the science required. CIMTECH and partners and Matheson Enterprises will both have personnel independently capable of conducting all necessary processes and will provide succession planning by training additional individuals. |
| Environmental Damage – The excessive removal of plant materials beyond the carrying capacity of the environment or without consideration of the ecological role of the plant as well as inappropriate disposal of plant waste materials | Low | The National Environment Service will work with CIMTECH and partners and Matheson Enterprises to determine sustainable land management and harvesting regimes for various sites, and the assessment of the local environmental conditions to ensure that the environment impact from cultivation, harvesting and disposal of waste plant materials is minimal. |
| Climate Change – Sea level rise, increase in temperature and extreme weather events | Low | There is potential for sea level rise to affect some of *Hibiscus tiliaceus* habitat over time, however this plant is particularly resistant to salt water and grows in a habitat range tens of meters above the likely impact of sea level rise and the extraction facility is constructed on high ground away from the ocean. There is the possibility for an increase in the intensity of intense tropical cyclones, and this could affect the physical infrastructure and the production of materials if the harvest sites are directly impacted. The facility is built to withstand severe cyclones with additional reinforcement and footings being incorporated into the design. The plant component of interest is produced over many years and is widely distributed among the islands and unlikely to be substantially damaged during an extreme weather event. |
| Efficacy loss - the inadvertent loss of efficacy occurring when the scaling up of a production line | Low | The larger scale extraction facility mirrors the equipment utilized in the bench-top extractions used previously in efficacious productions. Variations built into the new processes to improve the system also have interchangeable components that allows for the reversion to the less optimal but previously proven processes if need be. In addition the system installed is designed to be easily maintained and repaired locally if required. |
| Safety issues - the identification of adverse events in the scaled-up product | Medium | The safety of biologically active products is an essential component to the viability of the program. None of the previous studies have demonstrated any adverse events that suggest significant risk. The processing will be meticulously cleaned and the solvents for use will be of extremely high grade. The removal of solvents will be complete and thorough. Safety issues if identified will need to be either severe or identified within the therapeutic range in order to significantly prevent the project from progressing. |
| Social concern over project – the reaction of Cook Islanders over the utilization of their traditional knowledge | Low | The disclosure of this project has been in the public domain since the announcement of the commercial program in April 2011 at the National Economic Summit where it formed the basis of a Keynote address. *Te Koutu Nui* voted unanimously for the project at its conception and both the House of Ariki and *Te Koutu Nui* and has been fully informed on ABS and developments along the way. Public sentiment to date has been positive, although concerns were noted by various members of the public, in particular traditional knowledge holders such as *ta’unga vairakau*. Effective education and awareness of ABS and the Nagoya Protocol, transparency in process and the demonstrated ability to achieve scientific, commercial and social milestones is vitally important to ensure Cook Islanders are fully aware and informed of the process and that social concerns are addressed. |
| Supply constraints - Potential demand outstripping supply capabilities. | Medium | The potential demand for this product is very large, however it is unlikely to outstrip supply constraints in the short term. The time required for therapeutic products to progress through the regulatory path to market is long and will provide time for increasing capacity. The extraction systems are modular and may be added to match increasing demand. |
| Rejection of material – The possibility of the material produced being unsuitable for use in the therapeutic goods supply chain | Medium | The Cook Islands currently does not have regulations that would provide comfort to partnering companies that the product is made to an appropriate standard. Key to this project is the development of legislative and regulatory frameworks that will ensure that the product will be capable of being certified as being produced to a high standard. All processes will be followed to good laboratory standards (GLS)[[9]](#footnote-9). If the requirements are for Good Manufacturing Practice (GMP) manufacturing, there will be a very high cost impost on the manufacturing costs that may render the project non-viable commercially and will need substantial next step upgrades to a new level of manufacturing standards. |
| Economic success of CIMTECH and partners and Matheson Enterprises activities are significantly delayed or insufficient to achieve significant dividend payments | Medium | Non-monetary benefits for the *Te Koutu Nui* are also included in the ABS agreement even if monetary benefits are not delivered. If Ta’unga do not benefit (there is potential for them to benefit indirectly through the *Te Koutu Nui*) then there may be some tensions within the Cook Islands regarding the ‘fairness and equity’ of benefit-sharing with resulting disharmony and blaming. This will be addressed by ensuring local stakeholders are made aware of the time and risks involved in reaching commercialization, and that CIMTECH and partners and Matheson Enterprises do not unnecessarily raise undue expectations of large royalty or milestone payments. |
| External investment could boost R&D but impact on delivery of long-term benefits if external parties become majority shareholders | Low | The 10% share holding of the *Te Koutu Nui* in CIMTECH provides protection for benefits to flow to the Cook Island community. |
| Competing traditional knowledge – concerns from other Pacific Island Countries relating to the presence of plants like *Hibiscus tiliaceus* in those countries | Low | Literature reviews support the claim that the traditional knowledge of bone healing is distinct to the Cook Islands, see for example ethnobotanical documentation by Art Whistler.[[10]](#footnote-10) |
| An alternative source material is easier to extract and process, competing with CIMTECH and partners operations and not providing benefits to Cook Island peoples | Low | No such alternative plant species is currently known. CIMTECH and partners will remain abreast of current scientific literature to ensure no competing product is in development. |

## Financial Modality

The project will be funded jointly by the private sector, specifically CIMTECH, Matheson Enterprises as subcontractors to CIMTECH and the Cook Island Government with further in kind investments from government agencies, NGOs, UNDP, CIMTECH and Matheson Enterprises. NPIF resources will supplement the investments to facilitate the introduction of a genetic resource derivative into the market, strengthen its value chain on the appropriate scale, and guarantee the development of institutional and regulatory capacities, all to make the investment sustainable.

1. The project is implemented under a National Implementation Modality (NIM), according to the standards and regulations for cooperation of the UNDP in the Cook Islands. The costs of the additional activities required to contribute to the global benefits to be funded by GEF are USD 970,000. Project funds will be channeled through the Ministry of Finance and Economic Management’s Development Co-ordination Division (DCD) to NES. NES being the government project implementing agency will need to have clear monitoring mechanisms for the flow of funds as Matheson Enterprises will be required to report on the expenditure of each activity, outputs and outcomes to UNDP (through NES) for the project. NES will enter into a contractual relationship with Matheson Enterprises to ensure they are both clear on the terms and conditions of each party and Matheson Enterprises’s responsibility to NES for the expenditure of funds at each level. The contract will also state that which entity will keep the asset funded by the project.

*Cost Effectiveness Analysis*: The project builds on a previous investment by CIMTECH and Matheson Enterprises, and already has a relatively advanced agreement and process in place for the continued R&D, supply of ingredients, and potential for local economic benefits (dividends to the *Te Koutu Nui*, employment for locals), and technology transfer. This means a relatively small investment by the GEF would contribute to further financial, social, institutional and environmental sustainability in the use of the genetic resource and the distribution of benefits through the value chain. GEF funding will help further the R&D, increasing the chances of further external investment from private investors, and/or the potential for R&D to be licensed, tested for clinical effectiveness and safety, and then eventually commercialised.

The project also has the advantage of a second commercial product – the Te Tika skin care creams – already on the market. With further marketing, this aspect of CIMTECH’s operations could expand and support its continuing R&D, and continues to provide local benefits. The sales of this product provide local jobs in sales/marketing as well as supply. They also have an existing and potential tourism benefit, having been used in boutique spas on Rarotonga.

Thirdly, the project promotes a functional example of a joint public/private initiative, which permits informed, coordinated and realistic work on the development of new standards and capacity building in the Cook Islands government. With clear regulations and guidelines in the development of this partnership, it is hoped that this new venture will pave the way for other similar partnership arrangements (for non-commercial/conservation-oriented purposes as well as commercial ventures) in the Pacific.

The following alternatives were considered in the cost-effectiveness analysis:

* 1. *No intervention – no investment*: Private investment would slowly continue from CIMTECH, fed by the cosmetic sales, and personal or private investments (much already made by Dr Graham Matheson and Matheson enterprises), in an attempt to commercialize a derivative product for bone regeneration. The slow development of an investment (pharmaceuticals can take 15-20 years to pass clinical trials) which does not bring short or medium term dividends would also be affected by the lack of clarity in the regulations and the ignorance of the public regarding appropriate and efficient procedures for the management of permits, licenses and contracts. The disappointment of local communities because of unmet expectations of profit and/or benefits for the *Te Koutu Nui* might increase, and the process would be at risk of failure; meaning a potential loss of income to support the charitable role of the *Te Koutu Nui* towards aged care, environmental education and enforcement of the ‘Ra’ui’. Thus failure to invest in this project would likely generate economic, social and environmental losses.
  2. *Capacity building in the Government without private sector support*. Despite the fact that the public sector has authority to regulate the use of biological resources, along with customary authority of the Aronga Mana (where they are able to establish clear rights), they do not have the capacity to stimulate research, development and sale of derived products. Investment in the education of public servants and the creation of new regulations would not have any effect on the generation of economic benefits from genetic resources or of community profits through the value chain. Supporting capacity building in the government without providing a situation in which to use the capacity would create a liability in the investment.
  3. *No investment, status quo maintained*: Without the development of a secure, legal environment defining the public and private sectors’ ‘freedom to operate’ when utilising genetic resources, it would be problematic to attract further private sector funding for operations in the Cook Islands. International reliance on IRCCs created through national implementation of the Nagoya Protocol will establish the legal provenance of genetic resources. They are the primary ‘user’ country compliance tool to check that genetic resources were lawfully obtained and used in accordance with providing countries terms and conditions. The absence of ABS laws implementing the Nagoya Protocol in the Cook Islands will hinder the conduct of future commercial and non-commercial research. It would increase commercial risk and transactions costs for the further development of existing uses of Cook Island genetic resources.

*Stakeholder consultations:* Consultations were triggered with initial project design discussion with a wide range of stakeholders during the in-country mission as part of the PPG from 28 July to 1 August 2014. Thirty-three participants, representing government agencies, the private sector, traditional leaders, and NGOs were part of the consultations. Consultations with these stakeholders are described in the mission report in Annex 7.2. Generally, project design was a participatory process, in line with UNDP’s and GEF’s requirements. The project builds on earlier work led by the NES and assisted by the ABS Capacity Development Initiative, involving meetings and consultation processes to develop the draft national ABS policy in November 2013, which also involved a wide range of stakeholders at all levels.

*Plan for involvement of actors:* During project preparation, a preliminary stakeholder analysis was undertaken in order to identify key stakeholders, assess their interests in the project and define their roles and responsibilities in project implementation. The key stakeholders engaged so far include central government agencies concerned with the governance of ABS implementation and research permits (NES, OPM); bodies concerned with traditional medicine and technology development (including Ta’unga Vairakau – Te Rito o te Vairakau Maori, and CIMTECH); regulation of biological materials (NES, The Cook Is National Biodiversity Steering Committee including the Natural Heritage Trust); traditional leaders (House of Ariki and Te Koutu Nui); environmental NGOs involved in sustainable biodiversity use (Te Ipukarea Society); other organisations with an interest in regulating access to genetic resources in different sectors (Ministry of Agriculture, Sea Bed Minerals Authority, Ministry of Marine Resources); and the organisations involved in legal drafting and enforcement of relevance to ABS (Crown Law Office, The Ministry of Foreign Affairs and Immigration). This information is available in Annex 7.4 (Environmental and Social Screening Survey).

Additional consultations for outer islands have been outlined in Annex section 7.6. A full Stakeholder Involvement Plan will be prepared upon project inception and this is already an identified activity.

## Sustainability and replicability

### Environmental sustainability

The project has significant potential to be a ‘sustainable use’ activity that utilises renewable biological resources. *Hibiscus tiliaceus* grows wild in the Cook Islands, is found in many gardens and properties, and is also found across the Pacific. Some informants, including NES staff, noted that it is commonly regarded as a ‘weed’ or ornamental plant. Thus, it is likely that the *Hibiscus* tree can be sustainably harvested and farmed in the Cook Islands without significant impacts. Other considerations regarding sustainability include: land clearing for plantations, (over)use of pesticides and fertilisers, replacement of other crops and local species, prevention of plantations becoming ‘weedy’ if not harvested.

*Terminalia catappa*, *Vigna marina* and *Cocos nucifera* are also used by CIMTECH for the skin care ‘cosmaceutical’ product lines. *Terminalia spp* or ‘kauariki’ is found widely in the Pacific, Africa, Asian region and Australia. It is used for traditional canoe production in Polynesia, and is widely found. It is believed to have been introduced to the Cook Islands, however the *Terminalia glabrata* kauariki ‘enua’ species is native to the Cook Islands. This is a widespread inland tree of the Cook Islands, only found natively in the South Pacific. Clarification should be sought about the use of either or both species for the formulation of the skin care product to ensure sustainability. *Vigna marina* is distributed widely internationally in the tropics in coastal areas and is known as the ‘beach pea’. It has reputedly been used as a skin remedy for sores and boils in other parts of Polynesia such as Hawaii. It is considered native to Cook Islands and is found in prevalent/weedy extent.[[11]](#footnote-11) *Cocos nucifera* or coconut palm is widely found in the tropics. It is native and prevalent in the Cook Islands. It is commonly used as a food, for cooking (oil), in medicines and in skin care/cosmetic products. It is readily cultivated throughout and wild harvested throughout the Pacific.

Measures should be taken at the CIMTECH facility to ensure appropriate bunding, fume extraction, handling and clean-up of any potentially hazardous solvents used in their operations. While these are currently relatively small in scale, the potential impact of spills or fires could exacerbate as the project expands and larger quantities are used.

The Trust Fund or, equivalent mechanism, established to receive income from the *Te Koutu Nui*’s 10% shareholding in CIMTECH, will use a minimum of 25% of received funds for the traditional conservation practice known as *Ra’ui* and managed by community members in a transparent, verifiable and accountable process, including through audited accounts.

### Financial Sustainability

The creation of an ABS system will be a new challenge for the Cook Islands public service. With the passing of the *Traditional Knowledge Act* 2013 and now with preparations towards the ratification of the Nagoya Protocol in mind this puts pressure on the Cook Islands government to further explain how they will establish these systems and more importantly, how the community and the private sector can be integrated into the process with consistency and simplicity. The system advocated for access and benefit sharing for traditional knowledge is community based, with the public sector acting as support mechanisms for the implementation of ABS. The key difference is in the role the public sector plays in the implementation of this system. Given the scientific nature of ABS with genetic resource utilisation, there is debate as to which public sector agency should be responsible for this work. For reasons of sustainability and further clarity in processes and regulatory systems, it is expected that the National Environment Service is the better agency, however, in terms of community status and for gaining better recognition and co-ordination with the Research Council and accessing the services of the ICT unit, the Office of the Prime Minister (OPM) may also be a suitable agency. Information required for ABS can be stored on the Office of the Prime Minister website and be updated regularly. An important outcome of the project will be clarity about which option best suits the Cook Islands public administration. The project outcome here will be a clear decision on responsibility.

As noted above in the cost-effectiveness analysis, the private sector aspect of the project is at a moderate stage of development. It has had the benefit of Cook island community (*Te Koutu Nui*) and Cook Island non-financial support and the benefit of some personal and private investments, some university investment by the University of New South Wales (UNSW), and is now supported by a small skin care line that has had steady sales. The bone regeneration treatment under development and the principle objective of continued R&D has significant potential as a potential drug, given the lack of similar products on the market. This made it reasonably likely to receive further private investment from partners, or licensing of the R&D, if the causality and efficacy of the bioactive ingredients in the bone healing drug can be tested and proven. Causality and efficacy has already been partially established during the life of the bone regeneration R&D project through successful licensing aspects of already created intellectual property. This is now providing substantial research and development funding in the region of $5,000,000-$10,000,000 over 3 years for advanced laboratory research and testing[[12]](#footnote-12). Possession of this intermediate private funding will assist the development of the therapeutic treatment and help secure the further, and substantially greater, investment necessary for international product market approval.

In the meantime, the financial sustainability of the private sector element of the project continues to be supported through the ongoing development and sale of bioactive skin care products through the *Te Tika* product line established by CIMTECH and Matheson Enterprises and subject to the ABS Agreement with the *Te Koutu Nui*. The NES will provide active project management and the employment of the financial controls and policies of the Cook Islands through the engagement of the Ministry of Finance and Economic Management’s Development Co-ordination Division to ensure that funding disbursements and expenditure reconciliations are in line with accounting standards.

### Social sustainability

Currently the physical aspects of social benefit are small but have the potential to expand. *Te Tika* sales mean some local employment for sales/marketing and supply, as well as continued employment of staff at the factory (Matheson Enterprises). There are also potential tourism benefits (it is the one of the only domestically produced products of its kind). Some part time employment also exists for cultivation of *Hibiscus* and this would expand with this project. Technology transfer would likely have some spin off benefits for employment.

The development of an approved therapeutic product for accelerated bone healing derived from the use of Cook Island traditional knowledge and using Cook Islands genetic resources will have a significant impact on Cook Islands society. It would be a source of pride, and it would encourage interest in further education – as the primary discoverer of its utility in modern clinical setting, Dr Matheson, is himself a Cook Island medical practitioner. It will raise the standing of traditional knowledge and Cook Islands traditional culture and give it credibility among younger Cook Islanders in particular.

Enhanced government capacities for permitting and regulation of ABS activities will increase legal certainty for research activities. This could have the dual impacts of increasing conservation-oriented research interest in the Cook Islands, as well as commercial oriented research leading to biodiscovery. It will make the Cook Islands with its extensive marine EEZ a more desirable destination to conduct research into genetic resources. This will also enhance the attraction for research to be conducted within the Cook Islands campus of the University of the South Pacific. The example of CIMTECHs ability to conduct initial research and production of precursor compounds may lead other small to medium biotechnology companies base their research into tropical terrestrial and tropical marine researches. This attraction is enhanced by the existence of low-nutrient extremophiles with novel metabolic pathways within the Cook Islands EEZ. The ability for the Cook Islands to provide facilitated access to these organisms under Nagoya Protocol compliant ABS laws will provide a significant comparative advantage.

### Institutional sustainability

The project aims to embed ABS capacity within the government of the Cook Islands and the broader Cook Islands community to establish institutional sustainability. The project involves national and local institutions associated both with access to biological resources and with the generation of knowledge. These institutions have been involved in designing the project strategy and recognizing the necessity of its implementation. The sustainability of this knowledge within the institutions is ensured with the review of the earlier ABS draft law and the creation of a revised ABS law. It is expected that the proposed legislation will be adopted and implemented in the country. Its implementation will be supported by the creation of an ABS permits portal for the NES (the supervening agency for the Biodiversity Unit as National Competent Authority). The project will, as well, establish training modules and create procedures manuals. These will include organizational structure charts and guided consultation processes (i.e. who to contact and for what circumstances when an application for a permit comes in). The project will further review emerging and established codes of practice, model ABS agreements and the use of model clauses as recommended by the terms of the Protocol. This may also include considering the applicability of science sector based initiatives such as the use of the Global Catalogue of Microorganisms (GCM). Under the structure of the GCM strains with accompanying Internationally Recognised Certificates of Compliance can be easily tracked and national reports generated showing where they are, who holds them, whether any patents have been generated and what papers have been published. This service is free and online. Such initiatives when adopted by small island states will reduce the regulatory workloads of National Competent Authorities.

Taken together, these actions will ensure the institutional sustainability of the ABS framework within the Cook Islands by establishing a legal and administrative framework that is proportionate to the financial and human resources available to the Cook Island for the governance of its genetic resources and associated traditional knowledge. The involvement and legislative recognition of traditional social structures such as the House of Ariki and the *Te Koutu Nui* under the enactment of a revised ABS law and reviewed Traditional Knowledge law add to institutional stability by reducing social tension between contemporary governance practice and traditional or customary practice.

### Replicability and Scale-Up

The administrative arrangements developed to implement the Nagoya Protocol through a revised ABS law for the Cook Islands and the administration of a public-private partnership for benefit sharing from the utilisation the traditional knowledge of Cook Island Maori may be replicated in four ways. Firstly, the administrative arrangements and experience gained by the governance agencies of the Cook Islands from their oversight and involvement in the development of products derived from the application of traditional knowledge will be applicable to future instances of the utilization of traditional knowledge associated with genetic resources. Secondly, the system of extensive consultation with stakeholders and, particularly, the active involvement of traditional Maori social institutions has already gained the support of local communities and this support may be applied to future instances of the utilisation of traditional knowledge and genetic resources. Thirdly, the successful example of private sector investment in the research and development of products derived from Cook Island resources increases the likelihood of future investment and fourthly, that the improved technical skills of Cook Islanders developed through the training elements of the project will be available for further research and development opportunities.

Moreover, the processing facility established by CIMTECH has the potential to be used for biological commodity trade extraction processes for essential oils and related products. Currently it is being used to infuse active ingredients into coconut oil for skin care cosmetics and will progressively be used to prepare high quality source material for advanced research and development into a therapeutic product. This processing capacity could be replicated for many other ingredients and other natural oils. In addition, high value crops such as vanilla bean (successfully grown in adjacent French Polynesia) could also be processed with the equipment in this facility. Experience gained at the facility would also be easily transferred to the operation of similar processing plants that might be established. In cases where new access to genetic resources and associated traditional knowledge occurs, additional benefit-sharing agreements would be undertaken in light of the experience gained from the development of the this first ground breaking agreement with the *Te Koutu Nui*.

Once an ABS framework has been established in the Cook Islands it should be replicable for a range of applications for permission to conduct R&D in the Cook Islands, as noted above in ‘institutional sustainability’.

With regard to scale-up, these arrangements and experiences can be shared with the Pacific region as ‘lessons learned’ and ‘best practices’ through the anticipated GEF-UNEP-SPREP Project to support early ratification and implementation of the Nagoya Protocol on ABS in Pacific Island Countries[[13]](#footnote-13). The Cook Islands share Maori culture, language and has a common legal system with other Island Countries. This facilitates the Cook Islands support of ‘South - South’ capacity building where practicable (and subject to resourcing). Such activities will be funded outside the terms of this project.

The experiences of the Cook Islands will also be replicable to other nations globally in terms of operationalizing the Nagoya Protocol, but will have a particular regional specificity for other small island states in the Pacific and some Caribbean Island states that share similar biological, geographic, and demographic circumstances and pressures. In addition, the project will build trust regarding the financial opportunity that the use of biological and genetic resources offers, as an economic alternative for small island states.

INCREMENTAL COSTS OF GEF INVESTMENT AND STRATEGIC RESULTS FRAMEWORK

## Incremental Costs Analysis

### Global and national objectives

The example of a successful commercialization of a genetic resource supported by ABS compliant systems and knowledge gained from the establishment of these mechanisms, including capacity building in negotiations at various levels for access to these genetic resources, supports the national policy on conserving biodiversity and securing the fair distribution of benefits from the utilisation of genetic resources complies with the Convention of Biological Diversity and the intent of the Nagoya Protocol. This successful public-private partnership will demonstrate what can be achieved within one small island state with broader implications for other island states and developing countries more broadly. At the same time, the coming to fruition of this research and development initiative will provide a timely example of the importance of traditional knowledge associated with genetic resources. It will encourage ratification of the Nagoya Protocol to facilitate countries to participate in access and benefit sharing.

### Baseline scenario

While the government of the Cook Islands is supportive of both establishing a workable ABS system within its territory its experience is that it has many competing demands on limited resources. Consequently it finds itself with some difficulty in taking any immediate action to prepare to ratify and implement the Protocol without access to external assistance. With this in mind its baseline expenditure would be minimal without such assistance. Similarly, the government of the Cook Islands has shown strong in-principle support to the research and development efforts of Matheson Enterprises and CIMTECH even going so far as to present examples of Te Tike skin care products as official gifts to members of the British Royal Family[[14]](#footnote-14). Nevertheless the government would have difficulty justifying expending limited resources establishing a regulatory and certification framework to support the initial production processes of Cook Islands bioactive and therapeutic compounds without external financial and technical support. It is likely that Matheson Enterprises and CIMTECH would continue with the development of *Te Tika* skin care products and their research and development of the bone healing treatment without project investment, but that this would be significantly slowed and subject to increased commercial risks from ensuing delays, reducing the likelihood that the *Te Kouta Nui* would receive benefits from the partnership.

### NPIF alternative to generate global benefits

The NPIF financial support of US$970,000.00 anticipated for this project will trigger an additional 150% expenditure – both in-kind from government, private and non–government organisations and from actual private sector investment expenditure from the public-private partnership to be established under the project. It should be noted that Matheson Enterprises would contribute US$50,000 while CIMTECH and partners project related financial contribution delivered through Matheson Enterprises is US$579, 535.00, with a total in-kind project contributions amounting to US$970,000.00. In return for NPIF’s investment to the project, the Cook Islands will have ratified the Nagoya Protocol, introduced its own implementing ABS laws, generated community awareness and support for the opportunities created though facilitated access to the Cook Islands rich biodiversity and their associate traditional knowledge. Moreover the example of the success of the Cook Islands project will provide valuable lessons and methodologies for other small island states. This experience will be valuable for other GEF NPIF projects being undertaken in the Pacific region and more broadly. The public-private partnership to support the continued evolution of locally produced *Te* *Tika* bioactive cosmeceuticals and the further development of the bone healing therapeutic product may have global significance in the area of human health. The innovative way the project fosters technology transfer to the local community, creates local employment and value adds to the sustainable production of the precursor compounds for therapeutic products has no like in the Western Pacific.

The NPIF will strengthen the Cook Island state, the commercialization of genetic resources, and the generate benefit-sharing and distribution for local communities, particularly through ra’ui. The resources will allow the development of a final product, the generation of production capacity at a sustainable level, strengthen local producers’ ability to sustainably manage the forests and lands, validate legislation for benefit-sharing, increase the capacity of related institutions regarding administrative procedures, permits and information provision to regarding access to genetic resources and ABS

### Incremental cost summary

Competing policy and expenditure priorities for the Cook Islands preclude non-trivial baseline expenditure on ABS*.* Accordingly the mobilization of in-kind commitments flows from re-directed priorities stimulated by the financial support provided under the Project with significant matching funds mobilised from the private sector.

### Incremental costs matrix

An incremental costs matrix is provided below.

|  | **Partner** | **Baseline** | **Alternative** | **Increment** |
| --- | --- | --- | --- | --- |
| Component 1. Strengthened National Regulatory and Institutional Framework on ABS | **NES** | **12,000** | **379,000** | **97,000** |
| **OPM** | **40,000** |
| **MFEM** | **15,000** |
| **Crown Law Office** | **105,000** |
| **Island Council** | **10,000** |
| **NHT** | **25,000** |
| **Aronga Mana** | **25,000** |
| **MOCD** | **25,000** |
| **TIS** | **25,000** |
| **Subtotal baseline (co-financing)** | **282,000** | **-** | **-** |
| **Subtotal alternative** | **-** | **379,000** | **-** |
| **Subtotal increment (NPIF investment)** | **-** | **-** | **97,000** |
| COMPONENT 2.  Capacity building and awareness raising for the implementation of the National ABS Framework | **NES** | **12,000** | **362,200** | **155,200** |
| **OPM** | **10,000** |
| **Island Council** | **10,000** |
| **NHT** | **25,000** |
| **MOCD** | **20,000** |
| **Crown Law** | **45,000** |
| **MFEM** | **35,000** |
| **Aronga Mana** | **25,000** |
| **TIS** | **25,000** |
| **Subtotal baseline (co-financing)** | **207,000** | **-** | **-** |
| **Subtotal alternative** | **-** | **362,200** | **-** |
| **Subtotal increment (NPIF investment)** | **-** | **-** | **155,200** |
| COMPONENT 3. Bio-discovery and benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration | **Matheson Enterprises** | **100,000** | **1,472,035** | **630,500** |
| **CIMTECH** | **729,535** |
| **NES** | **12,000** |
| **Subtotal baseline (co-financing)** | **841,535** | **-** | **-** |
| **Subtotal alternative** | **-** | **1,472,035** | **-** |
| **Subtotal increment (NPIF investment)** | **-** | **-** | **630,500** |
| PROJECT MANAGEMENT | **NES** | **114,000** | **256,300** | **87,300** |
| **MOCD** | **5,000** |
| **UNDP** | **50,000** |
| **Subtotal baseline (co-financing)** | **169,000** |  |  |
| **Subtotal alternative** |  | **256,300** |  |
| **Subtotal increment (NPIF investment)** |  |  | **87,300** |
|  | **TOTAL** | **1,499,535** | **2,469,535** | **970,000** |

## Project Results Framework

| **PROJECT OBJECTIVE AND OUTCOMES** | **INDICATOR** | **BASELINE** | **END OF PROJECT TARGETS** | | **SOURCE OF INFORMATION** | | **RISKS AND ASSUMPTIONS** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Objective:**  To develop and implement a national Access and Benefit Sharing (ABS) framework, build national capacities and support an ABS Agreement based on Traditional Knowledge and Public-Private Partnership | Number of ABS laws in compliance with the Nagoya Protocol | Earlier draft Act developed in 2005 but is non-compliant with the NP | ABS Act approved by Parliament that incorporates traditional knowledge regulatory framework and is in line with NP | | * Gap analysis on protection of TK in Cook Islands completed. * Adoption of ABS Act | | **Risks:**   * Potential delays in approval of the ABS Act would not delay the development of institutional and personnel capacity * Lack of consensus among the stakeholders during the drafting of ABS Act.   **Assumptions:**   * The Government of Cook Islands is fully committed to the conservation and sustainable use of the country’s biological resources and the introduction of a national framework for ABS. |
| Level of institutional and personnel capacity for implementation of the national ABS framework measured by the UNDP/GEF ABS Capacity Development Score[[15]](#footnote-15) | 43 out of a possible 75 = 57% | Improved institutional and personnel capacity indicated by an increase of at least 15% over the UNDP/GEF ABS Capacity Development Scorecard baseline score | | * Periodic progress report * Project evaluation report * Training reports * Completion of Scorecard at midterm and end of project | |
| **Outcome 1**  Strengthened National Regulatory and Institutional Framework for ABS | **Outputs:**   * 1. Nagoya Protocol ratified by Parliament.   2. Strengthened National Regulatory and Institutional Framework on ABS   3. ABS Rules and Procedures developed.   4. Existing AS Agreements aligned to NP and ABS National Legislation. | | | | | | |
| Nagoya Protocol is ratified | Signatory to Nagoya Protocol | | The Cook Island is a party to the Nagoya Protocol | | Deposit of ratification | **Assumptions:**   * External political circumstances does not prevent appointment * NES and not different agency will ultimately be mandated to carry out the coordination and management of ABS activities |
| Operational national ABS institutional framework indicated by:   * ABS National Focal Point is established * National agency mandated to coordinate ABS activities * An institutional framework, administrative systems, rules and procedures in place to facilitate implementation of the national ABS framework | * Temporary ICNP National Focal Point nominated * OPM coordinates ABS activities * Draft rules and procedures being used in an *ad hoc* manner | | * Permanent ABS National Focal Point nominated to CBD * National Environment Services mandated to coordinate ABS activities * Formalised ABS rules and procedures in place | | * Publication of NFP by CBD through ABS CHM * Parliamentary mandate enacted * Documentation of rules and procedures |
| Percentage of ABS agreements aligned to NP and ABS National Legislation requirements | 0, not yet identified | | 100% ABS Agreements identified and aligned to NP and ABS National Legislation | | * Documentation on existing agreements * Documentation on revised agreements |
| **Outcome 2**  Capacity building and awareness raising for the implementation of the National ABS Framework | **Outputs:**   * 1. Upgraded facilities and staff skills for bio-prospecting and TK documentation   2. Improved technical capacity for implementing ABS activities   3. Increased awareness of ABS and associated national regulatory and institutional framework among a wide range of stakeholders | | | | | | |
| Cook Islands biodiversity database expanded with information regarding traditional uses of plants and other organisms (number of records) | Information held on 4,500 existing species | | Information on traditional uses of plants included in the database | | * Entries into the Cook Islands Biodiversity Database | **Risks:**  - ‘Brain drain’: migration of people from the outer islands to Rarotonga and from Rarotonga abroad  -Lack of practice may lead to los of knowledge  **Assumptions:**   * TK holders give permission to include information in database * Staff turn-over will be low * ABS system is reflected, integrated and acknowledged in associated policies, enhancing ownership of ABS |
| Improved facility and capacity for partners indicated by:   * Number of Government staff with knowledge and facility to monitor bio-prospecting projects and documentation * Streamlined Government decision process to create IRCCs * Number of research institution and private sector people with knowledge on ABS and on responsibility, operation and opportunities regarding ABS | * 30 government staff have knowledge on ABS legislation, rules and procedures. * No streamlined decision process * Less than 5 people from research institutions and private sector have knowledge | | * At least 30 government staff have knowledge and capacity to monitor bio-prospecting projects and documentation * IRCC created * At least 5 people from research institutions and private sector have participated in two workshops | | * Periodic progress reports * Project evaluation reports * Official correspondence/government circulars |
| No. of stakeholders reached by the ABS awareness campaign | 11 stakeholders | | 23 stakeholders reached by the ABS awareness campaign | | * Campaign meetings, television advertisement and promotions. |
| Enhanced understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources for improved policy making and on-the-ground conservation, sustainable use and fair and equitable sharing of benefits. | Limited awareness of stakeholders | | Increased awareness of stakeholders | | * Baseline survey and end of project survey |
| **Outcome 3**  Bio-discovery and benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration | **Outputs:**   * 1. A Stronger CIMTECH and Te Koutu Nui ABS Agreement regarding Cartilage and Bone Regeneration.   2. Application of improved extraction techniques to ‘Au’ (*Hibiscus tiliaceus*) to meet international standards.   3. Scale up production and undertake staff training to ensure analytical and laboratory capacities necessary to ensure consistent quality of the biologically active extract.   4. Sustainable management plan for collection of *Hibiscus tiliaceus* and improved conservation of its waterway habitats | | | | | | |
| Strengthened ABS agreement between CIMTECH and *Te Koutu Nui* | Exiting agreement has not been reviewed with NP compliance in mind | | Revised agreement compliant with NP (e.g. including specifying monetary and non-monetary benefits) | | * New agreement signed | **Assumptions:**   * Revised agreement and conditions can be reached between CIMTECH and *Te Koutu Nui* * Commercial success of the venture * Business plan is implemented * People comply with and respect the accreditation and standardization process in place |
| Monetary and non-monetary benefits received by State and local communities from CIMTECH-*Te Koutu Nui* ABS Agreement | State: $0; non-monetary benefits include increased certification and regulatory skills  Communities: $0; provides some local employment (3 – 4 local people employed) | | To be determined during the first months of project implementation  Will include as a minimum 25% of income to support ra’ui (biodiversity conservation and sustainable use) and increase in employment | | * ABS agreement, payment record |
| Safety protocols for Au extraction and standardization developed | Only basic passive and active safety and quality assurance based on common sense and workplace good design | | Safety protocols created and introduced based on production safety, toxicological and efficacy component assurance studies | | * Study reports * Material Safety Data Sheet used and accepted internationally |
| Accreditation and extract certification achieved | Basic quality monitoring undertaken and current extract non-compliant for certain export objectives | | New quality standards meet Good Laboratory Practice and NP and Industry-compliance certification processes achieved | | * Accreditation and Certification compliance records |
| Volume of *Hibiscus tiliaceus* harvested in a sustainable manner as indicated by a wild harvest management plan | Limited harvesting undertaken | | At least 50 Kg of *Hibiscus* *tiliaceus* plant materials harvested during project period (target (maximum annual harvest) will be determined by the wild harvest management plan) | | * Wild harvest management plan * Site inspection * Environmental assessments for land clearing |

# TOTAL BUDGET AND WORKPLAN

## Budget for GEF / NPIF (AWP years 1-3)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Award ID:** | | 00079046 | | | | | **Project ID:** | | | 00089162 | | | | |
| **Award Title:** | | **Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands** | | | | | | | | | | | | |
| **BUSINESS UNIT** | | WSM10 | | | | | | | | | | | | |
| **PROJECT TITLE** | | **Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands** | | | | | | | | | | | | |
| **PIMS#** | | 5317 | | | | | | | | | | | | |
| **IMPLEMENTING PARTNER (EXECUTING AGENCY)** | | **National Environment Service** | | | | | | | | | | | | |
| **Component/ ATLAS Activity** | **Responsible partner** | **Funds ID** | **Donor** | **ATLAS code** | **ATLAS description** | | **Year 1** | **Year 2** | | **Year 3** | **Total** | **Budget reference to note** |
| **(USD)** | **(USD)** | | **(USD)** | **(USD)** |
| 1. Strengthened National Regulatory and Institutional Framework on ABS | NES | 62190 | GEF | 72100 | Contractual Services - Companies | | 20,000 | 13,450 | | 4,560 | **38,010** | 1 |
| 72200 | Equipment and Furniture | | 9,500 | 5,000 | | 2,000 | **16,500** | 2 |
| 74200 | Audio visual & Print Prod Costs | | 8,504 | 0 | | 0 | **8,504** | 3 |
| 71400 | Contractual Services Individual | | 10,000 | 10,000 | | 10,000 | **30,000** | 4 |
| **Subtotal Component 1** | | | | | | **48,004** | **28,450** | | **16,560** | **93,014** |  |
| 2. Capacity building in negotiating and monitoring ABS contracts, and awareness raising for the implementation of the National ABS Framework | NES | 62190 | GEF | 71300 | Local Consultants | | 5,000 | 23780 | | 0 | **28,780** | 5 |
| 71600 | Travel | | 27,672 | 0 | | 0 | **27,672** | 6 |
| 72100 | Contractual Services - Companies | | 11,000 | 4,790 | | 0 | **15,790** | 7 |
| 71400 | Contractual Services - Individuals | | 6,640 | 9,900 | | 6,640 | **23,180** | 8 |
| 72400 | Communication and audio visual equipment | | 8,600 | 2,000 | | 0 | **10,600** | 9 |
| 74200 | Audio visual costs | | 5,500 | 1,500 | | 0 | **7,000** | 10 |
| 74200 | Audio visual & Print Prod Costs | | 0 | 5,400 | | 0 | **5,400** | 11 |
| 75700 | Training and workshop | | 4,500 | 2,000 | | - | **6,500** | 12 |
| 72400 | Communication and audio visual equipment | | 11,200 | 6,200 | | 6,500 | **23,900** | 13 |
| **Subtotal Component 2** | | | | | | **80,112** | **55,570** | | **13,140** | **148,822** |  |
| 3. Bio-discovery and benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration | NES | 62190 | GEF | 71400 | Contractual Services - Individuals | | 81,640 | 38,220 | | 6,640 | **126,500** | 14 |
| 72100 | Contractual Services - companies | | 98,000 | 10,000 | | 10,000 | **118,000** | 15 |
| 71300 | Local consultants - Technical | | 63,000 | 40,000 | | 0 | **103,000** | 16 |
| 72200 | Equipment and Furniture | | 138,089 | 17,000 | | 17,000 | **172,089** | 17 |
| 72300 | Materials & Goods | | 65,000 | 10,000 | | 10,000 | **85,000** | 18 |
| **Subtotal Component 3** | | | | | | **445,729** | **115,220** | | **43,640** | **604,589** |  |
| 4. Project Management Costs | NES | 62190 |  | 71400 | Contractual Services - Individuals | | 5,820 | 5,820 | | 5,820 | **17,460** | 19 |
| 72500 | Supplies | | 8,737 | 8,737 | | 7,738 | **25,212** | 20 |
| 74100 | Professional Services | | 0 | 0 | | 22,000 | **22,000** | 21 |
| 71200 | International consultant | | 0 | 0 | | 19,040 | **19,040** | 22 |
| **Subtotal Project Management Cost** | | | | | | **14,557** | **14,557** | | **54,598** | **83,712** |  |
| **TOTAL NPIF** | | | | | | | **588,402** | **213,797** | | **127,938** | **930,137** |  |

## Co-financing

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Component** | **Partner** | **Description of contract or acquisition** | **Year 1** | **Year 2** | **Year 3** | **Co-financing** | **Nature** |
| 1 | NES | Provision of advice, project management & admin serv. | 4,000 | 4,000 | 4,000 | 12,000 | In-kind |
| Crown Law | Provision of drafting and legal services | 105,000 | x | x | 105,000 | In-kind |
| MFEM | Provision of financial advice and service | 13,000 | 1,000 | 1,000 | 15,000 | In-kind |
| OPM | Provision of policy and research advice | 30,000 | 5,000 | 5,000 | 40,000 | In-kind |
| NHT | Provision of biodiversity data | 7,000 | 8,000 | 10,000 | 25,000 | In-kind |
| IC | Provision of island specific arrangements and information | 5,000 | 2,500 | 2,500 | 10,000 | In-kind |
| ARONGA MANA | Provision of information/services for raui activities | 10,000 | 8,000 | 7,000 | 25,000 | In-kind |
| MCD | Provision of cultural advice | 15,000 | 5,000 | 5,000 | 25,000 | In-kind |
| TIS | Provision of conservation advice | 10,000 | 8,000 | 7,000 | 25,000 | In-kind |
| SUBTOTAL COMPONENT 1 | | | 199,000 | 41,500 | 41,500 | 282,000 |  |
| 2 | NES | Provision of best practices for awareness raising initiatives | 4,000 | 4,000 | 4,000 | 12,000 | In-kind |
| Crown Law | Provision of legal advice | 15,000 | 15,000 | 15,000 | 45,000 | In-kind |
| MFEM | Provision of financial advice | 11,667 | 11,667 | 11,666 | 35,000 | In-kind |
| OPM | Provision of policy advice on National Framework | 8,000 | 1,000 | 1,000 | 10,000 | In-kind |
| NHT | Provide data to support awareness raising | 10,000 | 8,000 | 7,000 | 25,000 | In-kind |
| IC | Support awareness raising on their islands | 4,000 | 3,000 | 3,000 | 10,000 | In-kind |
| ARONGA MANA | Support project by assisting with awareness raising at community level | 10,000 | 8,000 | 7,000 | 25,000 | In-kind |
| MCD | Provision of cultural advice | 7,000 | 6,500 | 6,500 | 20,000 | In-kind |
| TIS | Support awareness raising of ABS framework and process | 10,000 | 8,000 | 7,000 | 25,000 | In-kind |
| SUBTOTAL COMPONENT 2 | | | 79,667 | 65,167 | 62,166 | 207,000 |  |
| 3 | CIMTECH | Management and Production Supervision | 50,000 | 50,000 | 50,000 | 150,000 | In-kind |
| CIMTECH | Management and Production Supervision | 100,000 | 400,000 | 79,000 | [[16]](#footnote-16)579,000 | Cash |
| MATHESONS | Management and Production Supervision | 20,000 | 20,000 | 10,000 | 50,000 | In-kind |
| MATHESONS | Management and Production Supervision | 20,000 | 20,000 | 10,000 | 50,000 | Cash |
| NES | Collaboration, Advice and training | 4,000 | 4,000 | 4,000 | 12,000 | In-kind |
| SUBTOTAL COMPONENT 3 | | | 194,000 | 494,000 | 153,000 | 841,000 |  |
| Project Management | NES | Office rent and utilities | 5,614 | 5,614 | 5,614 | 16,842 | In-kind |
| MCD | Provision of database support | 2,000 | 1,500 | 1,500 | 5,000 | In-kind |
| UNDP | UNDP staff support | 15,000 | 15,000 | 20,000 | 50,000 | In-kind |
| NES | NES staff contributing to project (.5 FTE) | 32,386 | 32,386 | 32,386 | 97,158 | In-kind |
| SUBTOTAL PROJECT MANAGEMENT | | | 55,000 | 54,500 | 59,500 | 169,000 |  |
| **TOTAL CO-FINANCING** | | | **527,667** | **655,167** | **316,166** | **1,499,000** |  |

## Notes to budget

| **Component** | **Note** | **Notes to budget** |
| --- | --- | --- |
| 1 | 1 | Contractual company for 35 weeks for the review and redrafting of legislation and redrafting of other associated legislations. |
| Consultancy for the development of supporting regulations (20 weeks) |
| 2 | Equipment like 2 x sturdy laptops, 1 x printer, 1 x camera, 1 x modem, 1 x mobile phone, 1 x landline, 1 x desk, 1 x chair for the Project Co-ordinator and replacement of these equipment in the event of loss and damage. |
| 3 | Translation cost of draft bill and supporting regulations into 7 Cook Islands dialects for consultation |
| 4 | Contractual services for this component are for 30% of the salary, tax and superannuation cost of the Project Co-ordinator. It is expected the PC will spend a little bit more of her time with this component hence allocation being a little bit more than the other components. |
| 2 | 5 | Individual consultant to develop learning materials and deliver workshop to train staff on negotiation skills and operating ABS systems. It is anticipated that a period of 10 days for the development of training materials and an extra 5 days delivery and preparation for delivery. |
| 6 | Travel for consultations on the review and development of ABS legislation. Consultation on awareness raising to the northern and southern group islands. Travel is for 2 people to 5 southern group islands and at least one northern group islands. Due to isolation, travel to all islands except one island in the northern group is by charter only, resulting in travel being expensive. This cost includes airfare, accommodation, transport and meal allowance only. |
| 7 | Consultant company to be contracted for 20 working days to develop project monitoring and evaluation system for ABS and integrate them in key government agencies and develop national framework for ABS (10 days) with information collected from previous consultation meetings. |
| 8 | Contractual services for various local individuals who speak different Cook Islands dialects to feature in audio visual promotion materials for the development of training materials on ABS. Included in this cost is about 24% of the Project co-ordinator’s salary for this component. |
| 9 | Communication and audio visual equipment include 1 x video camera, 1 x overhead projector and supporting software for editing audio visual materials, maintenance materials for those equipment, |
| 10 | Contractual Services for telemedia and awareness raising through television and newspaper advertisement. Payment for time slots to regularly promote ABS system on television and in print media in the outer islands (8 islands) and on Rarotonga |
| 11 | Translation of promotion and awareness raising materials for audio visual and print materials. |
| 12 | Presentation and promotion of awareness raising of legislation and promotion materials to key stakeholders. This workshop is for Rarotonga stakeholders only. It is anticipated this workshop will take two whole days. |
| 13 | Communication services include the cost to communicate to the outer islands by telephone, fax, and other types of medium with mainly the Island Council and Aronga Mana and other individuals that may help in the development and promotion of ABS materials. This also includes the printing and distribution of print materials. It is anticipated that the cost in the first year of development, testing and delivery will be higher than the other two years. |
|  |  |
| 3 | 14 | Contractual Services – individuals. Two experts will be contracted for a period of 50 days over one year to develop standards, carry out testing of extracts, develop efficacy standards for the extraction and processing of the product. They will also be expected to develop training and learning materials for staff involved in the extraction process. Training is expected to be on the job and over the first 2 years of the project. It is expected that this work will start from mid point of the first year and flowing through into mid point of the second year or when the equipment has been shipped, installed and tested.  This also includes about 24% of the Project Co-ordinator’s salary, tax and superannuation for this component of the project. |
| 15 | Contractual Services – companies. This includes the Refrigeration, temperature control, ventilation, dangerous goods, and storage of dangerous goods, levy and duty of dangerous goods disposal and controlled power sources estimated to be $50,000. This cost also includes shipping and handling of $35,000 in the first year and $10,000 in the two succeeding years; a one-off payment to a company to install, test and train staff to maintain equipment at a one-off cost of $13,000. |
| 16 | Contractual Services – local consultants. Three local consultants will be required to:   1. Carry out a review of the current conservation practices outlined in policy, legislation, regulations and traditional practices in the Cook Islands and develop sustainable harvesting guidelines for the ‘Au plant. It is anticipated that this is will be a complex task and will require the services of a consultant for 40 days over 4 months to carry out desk review, consult and develop the guidelines. At the rate of $850 per day plus other consulting, travel, communication, printing, publishing and distribution costs, a maximum amount of $40,000 will be required; 2. A review of the Agreement between Te Koutu Nui and the Matheson’s will need to be reviewed and re-established to ensure fair distribution of benefits are reflected and best practice in ABS agreement are used as much as possible. This requires one local person to develop this Agreement in partnership with the two parties. It is expected this work will take 20 days over 3 months plus other costs will total a maximum of $23,000; 3. Following on from the development of guidelines and the redevelopment of the agreement between Te Koutu Nui and the Matheson’s, one local person will be required to: 4. Establish Trust Fund for conservation and conditions of that fund; 5. Realign existing institutional legal and policy frameworks to reflect the spirit and practice of the conservation guidelines and trust fund.   This work is expected to take 40 days over 4 months plus other associated cost will be a maximum of $40,000. |
| 17 | Equipment and Furniture. This is the cost to purchase the extraction and processing equipment called the Liquid Chromotographer – Mass Spectrometer. It is expected this equipment will cost $100,000. Also included in this cost are the Accessory samplers, pumps, columns, heating filaments and other components costing $40,000. This equipment will be imported separately and installed on site in various stages. No other equipment is expected to be purchased after the first year. Facilities and administration costs are included in this costs of $15,000 per year, this category also includes 5% overheads, customs duty and import costs of dangerous goods like dangerous goods fees, import tax of 15% of total equipment cost, import duty and levy cost, freight and insurance. |
| 18 | Reagent chemicals including control standards and rinses chemicals are required to be mixed with the extracted agents from the hibiscus plant. These reagents will cost $15,000. Included in this cost are the efficacy and in-vitro analysis reagents for biochemical and genetic assays costing $50,000. It is expected that $10,000 worth of extra reagents per year may be required in the succeeding two years after the project starts due to trial and testings. |
| 4 | 19 | Project Co-ordinator salary for the Project Management component. This cost includes salary, tax and superannuation. |
| 20 | Stationery and other office supplies like Computer software (Microsoft office and MYOB), stationeries, cartridges, filing cabinets, folders, binders, field binders, papers, clips, and consumables, etc for all components. |
| 21 | The Cook Islands Government Audit cost for special projects at end points of project. This is a requirement under the Cook Islands Government Financial Management Policy that such projects be audited. |
| 22 | End point project evaluation to be carried out by an International consultant at the recommendation of UNDP. |

## 

## Workplan

1. An indicative workplan is provided below.

| **Outcome in Progress** | **Semester** | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** | **6** |
| 1. Component 1.Strengthened National Regulatory and Institutional Framework on ABS | | | | | | |
| 1.1 Enact the National ABS legislation and develop supporting regulations | x | x | x | x |  |  |
| 1.2 Establish and operate National Competent Authority | x | x | x | x | x | x |
| 1.3 ABS contract models, processes and related forms | x | x | x |  |  |  |
| 1.4 ABS National Focal Point  1.5 Establish and operate inter-agency ABS systems  1.6 Sign Protocol | x | x | x | x | x | x |
| 2. Capacity building and awareness raising for the implementation of the National ABS Framework | | | | | | |
| 2.1 Develop and distribute awareness raising materials explaining the Act |  | x | x |  |  |  |
| 2.2 Model arrangements and best practices for the Cook Islands |  | x | x | x | x | x |
| 2.3 Establish and operate Cook Islands Biodiversity Database | x | x | x | x | x | x |
| 2.4 On-line process for ABS Agreements  2.5 Establish and operate Raui Network Trust Fund | x | x | x | x | x | x |
|
| 2.6 30 people trained on national ABS systems. 2 per habited island, 3 for Aitutaki and 5 for Rarotonga |  | x | x | x | x | x |
| 2.7 5 people trained in agreement negotiation and monitoring |  | x | x | x | x |  |
| 3. Bio-discovery and benefit-sharing based on the Traditional Knowledge on Bone and Cartilage Regeneration | | | | | | | |
|  | **1** | **2** | **3** | **4** | **5** | **6** | |
| **3.1 Semester 1**  **Stage 1 - 4 months** ($60,000)  Maintenance and management of the Cook Islands program including all documentation, utilities and insurances   * Annualised cost $25,000 * Testing and preparation of the extraction equipment, trouble-shooting, correction of instrumental errors. * 1-2 months repeated activity (total of 30 days)   + $10,000 * Establishment of the extraction process and protocols in conjunction with partner groups.   + 1 week on top of the testing process.   + Place order for import of appropriate extraction solvents     - About $20,000     - Estimate of $4000 per barrel, x 4 barrels and import costs, shipping and dangerous goods handling.   + Preliminary plant extraction process and analysis     - Collection of 20kg raw material, hand picked, hand cleaned and presented for assessment       * $10/kg = $200     - Processing and preparation for extraction protocol       * 1 day     - Installation of material into system, adjustment of parameters to meet requirements       * 1 day     - Run extraction process until maximal extraction       * 1 day     - Extract, separate and analyze the extracted product       * 1 day * Repeat process and compare the output from each extraction * Repeat process with shortened extraction period of 4 hours and compare results.   + Total cost is about $400/day for 2 operators for a week per batch, plus energy costs, oncosts, VAT and equipment costs, approximately $ $2500/week of processing.   + $10,000 allowing for repeat batch for data corrections/verification   + Standardize process with partners and develop standard operating procedure for the initial stage of extraction   + Formulate plant collection and delivery program * Develop stage 2 extraction processes with partners   + - 4 weeks | x |  |  |  |  |  | |
| **3.2. Semester 2 Stage 2 – 4 Months ($30,000)-**  Implement standard operating procedures developed in stage 1 to extract 100kg of plant material   * + (4 weeks) * Process stage 2 extraction using stage 1 extracted material   + liquid – liquid extraction, separate and standardize the resulting output.     - Load and manage the input liquids and the separating solvents     - Run the separation process     - Separate the liquids     - Analyse the separated liquids     - Store and label the extracted liquids       * 1 week     - Repeat for 5 Liquid-liquid extraction protocols       * 3 weeks * Repeat stage 1 flowing directly into stage 2 without storage delay   + Standardize and compare results and store outputs     - 1 month |  | x |  |  |  |  | |
| **3.3 Semester 3 Stage 3 – 4 months ($30,000)**   * Concentrate and separate the extracts further * Label and standardize the extracts * Coordinate further analysis of extracts with partners * Organize appropriate technology for further evaluation of the material * Develop year 2 plans in cooperation with partners depending on results of analytical and efficacy studies. |  |  | x |  |  |  | |
| **3.4 Semesters 3 and 4 Year 2 –$700,000**   * Import, install and train staff on the use of the analytical equipment   + Gas Chromatography/ Mass Spectrometry ($100,000)   + Training and installation of equipment ($50,000) * Collect and extract product from plant material as per partners   + - $25,000 * Manage extraction processes and standardize extracted products   + - $100,000 * Send extracts for formal chemical analysis   + $25,000 * Send extracts for comprehensive biological safety testing   + $200,000 * Send extracts for standardized efficacy testing   + $100,000 * Develop efficacy co-marker for standardization.   + - $100,000 * Develop export regulatory process and export regulation |  |  | x | x |  |  | |
| **3.5 Semesters 5 and 6 Year 3 - $100,00**   * Extract and export material for partners programs pusuant the methods an dstanards established in years 1 and 2.   It |  |  |  |  | x | x | |
| It should be noted that CIMTECH partners will require the extraction and refining of approximately 50kg of each of an additional 3 plants covered under the CIMTECH/*Te Koutu Nui* Access and Benefit sharing technology, totaling approximately $50-$100,000 over the next 2-3 years |  |  |  |  |  |  | |

MANAGEMENT ARRANGEMENTS

## Project Steering Committee, Board and Structure

The project will be implemented over a period of 36 months. UNDP is the GEF Agency for the project and accountable to the GEF for the use of funds. The project will be administered by UNDP using the national implementation modality (NIM), in line with United Nations Development Assistance Framework (UNDAF) Action Plan and Cook Islands Country Matrix for 2013-2017. Under the NIM modality, the Cook Islands National Environmental Service (NES) is the designated government institution responsible for the project towards the timely and verifiable attainment of project objectives and outcomes. The NES will manage implementation of all project activities. This is an integrated arrangement which the NES will designate a personnel as a Project Manager and hire a full-time Project Coordinator. The Project Manager and Project Coordinator will carry out the day to day running of the project. Arrangements will run as funds are received in-country, this is directly received by the Ministry of Finance and Economic Management – DCD Division as funded projects do. The project Coordinator then makes the request to DCD to make payments on NES behalf directly to the service providers bank account. The Manager checks paper before submitting to DCD. The Project coordinator role is further clarified in the terms of reference in Annex 7.5. The NES will chair the Project Board and Project Steering Committee and will be responsible for providing government oversight and guidance to the project implementation. Project team will receive technical backstopping provided from UNDP/GEF Regional Technical Advisor responsible for the project and the UNDP Environmental Focal Point at the UNDP MCO and the Regional Office.

In the applicable descriptions in Annex 7.5 a Project Board (PB) is proposed to serve as the project’s coordination and decision-making body, as per guidance in UNDP’s Programme and Operations Policies and Procedures (POPP). The following will be the composition of the PB for the project:

* National Environment Service
* Ministry of Finance and Economic Management-DCD
* Office of the Prime Minister
* Ministry of Cultural Development
* Cook Islands Natural Heritage Trust
* House of Ariki
* *Te Koutu Nui*
* Te Ipukarea Society
* Ministry of Agriculture
* Ministry of Marine Resources
* UNDP MCO

Until the PB has met and has deliberated, the following are the proposed TOR for the Board:

* Approve the ToR of Project Coordinator
* Appraise the overall project work plan
* Provide policy and strategic oversight and support to the implementation of the project, in particular to the process of updating the ABS, developing the country’s ABS CHM.
* Review and approve project’s annual workplans, as well as other project planning and implementation instruments.
* Provide inputs to the projects’ APR/PIR.
* Support project evaluations, if applicable
* Deliberate on the TOR and membership for other committees and working groups that are expected contribute to the implementation of project activities and the achievement of its outcomes.
* Any other relevant task as applicable.

Besides the roles and responsibilities of different stakeholders outlined in this PRODOC and in the approved proposal in Annex 7.5, the following project diagram represents the expected key relationships governing the project:

**Project Board**

**Senior Beneficiary:**

House of Ariki; Koutu Nui;

**Executive:**

National Environment Service

**Senior Supplier:** MFEM-DCD/UNDP MCO

**Project Assurance**

UNDP MCO

(an assigned Programme Officer/Manager)

**Project Manager**

(designated NES staff)

**Project Coordinator**

**Project Organization Structure**

**Project Steering Committee**

**Short term Consultants**

As needed

**PROJECT MANAGEMENT UNIT**

**Project Board** is responsible for making management decisions for a project in particular when guidance is required by the Project Manager. The Project Board plays a critical role in project monitoring and evaluations by quality assuring these processes and products, and using evaluations for performance improvement, accountability and learning. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems with external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities. Based on the approved Annual Work Plan, the Project Board can also consider and approve the quarterly plans (if applicable) and also approve any essential deviations from the original plans. For efficiency, the project board will be constituted of the members of the existing project steering committee.

In order to ensure UNDP’s ultimate accountability for the project results, Project Board decisions will be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case consensus cannot be reached within the Board, the final decision shall rest with the UNDP Project Manager.

1. **An Executive**: individual representing the project ownership to chair the group.
   * *A Representative of the National Environment Service*
2. **Senior Supplier**: individual or group representing the interests of the parties concerned which provide funding for specific cost sharing projects and/or technical expertise to the project. The Senior Supplier’s primary function within the Board is to provide guidance regarding the technical feasibility of the project. 
   * *e.g. UNDP, Ministry of Finance and Economic Management(MFEM)-DCD, Ministry of Marine Resources, Ministry of Agriculture, Ministry of Cultural Development, Ministry of Education, NHT (Natural Heritage Trust), OPM, Research (Cook Islands Research Association or National Research Committee)*
3. **Senior Beneficiary**: individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary’s primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.
   * *e.g. NGOs, Islands Councils, Ariki, Te Koutu Nui*
4. The **Project Assurance** role supports the Project Board Executive by carrying out objective and independent project oversight and monitoring functions. The Project Manager and Project Assurance roles should never be held by the same individual for the same project.
   * *e.g. UNDP MCO supported by MFEM-DCD*

**Project Management Unit:** The project will be managed directly by the Project Mnager and Project Co-ordinator whose responsibility is to expedite the facilitation of approved activities and outputs as specified in the project document. The Project Manager and Project Co-ordinator together with consultants and CBD, UNFCCC and UNCCD focal points will formulate the Project Management Unit. During implementation phase, daily operations and management of work especially arranging and coordinating with consultant’s work will be carried out by the Project Manager and Project Co-ordinator. Reporting on the progress of the project will be conducted by the PMU in the Steering Committee forum.

## Monitoring and Evaluation Plan and Budget

### Monitoring and reporting

At the initial stage of the project, the project Monitoring and Evaluation system, composed of following components will be developed:

1. Monitoring plan, with defined benchmarks, indicators and targets, based on results and resources framework to be developed by the PM/coordinator in consultation with relevant UNDP programme staff;
2. Risk, issues and quality logs to be created by the PM and relevant program officer;
3. Quarterly project planning (with detailed activities and budget) and reporting to be conducted by the PMU;
4. Quarterly project reporting and monitoring, conducted by the PMU and the Project Board (also to include risk and issues monitoring and development of lessons learned reports);
5. Annual project planning (with general activities and budget) and reporting to be conducted by the PMU;
6. Annual project review to be conducted by the Executive Board on the basis of monitoring reports and products prepared by the project (also to include proposal for eventual changes to the project strategy or even project revision).

All main reports will be complied by the PMU and endorsed by the Project Board. Regular financial reports will be submitted to UNDP according to the UNDP financial rules and regulations. The M&E System should include standardized formats (aligned with UNDP procedures and formats) for the following documents:

* Quarterly action plan
* Quarterly progress report, including financial report, and risk monitoring report (if applicable)
* Annual action plan
* Annual report, including financial report
* Annual Project Review / Project Implementation Report (APR/PIR)
* Terminal report, including lessons learned.

### 

### Description of the Budgeted M&E Plan:

| **Type of M&E activity** | **Responsible Parties** | **Budget US$**  *Excluding project team staff time* | **Time frame** |
| --- | --- | --- | --- |
| Inception Meeting/Workshop | Project Coordinator  UNDP MCO  UNDP GEF | $2,000 | Within first two months of project start up |
| Inception Report | Project Team  UNDP MCO | None | Immediately following IW |
| Measurement of Means of Verification for Project Purpose Indicators, Project Progress and Performance (measured on an annual basis) | Oversight by Project Coordinator  Project team | To be finalized during the inception phase and determined as part of the Annual Work Plan's preparation. | Annually prior to ARR/PIR and to the definition of annual work plans |
| Annual Project Review / Project Implementation Report (APR/PIR) | Project Team  UNDP-MCO  UNDP-GEF | None | Annually |
| Quarterly progress reports, including narrative and FACE Financial Reports | Project team/National Project Manager | None | Quarterly |
| Final Evaluation | Project Coordinator and team, UNDP MCO  UNDP RCU  External Consultants (i.e. evaluation team) | Indicative cost: $19,040 | At least three months before the end of project implementation |
| Terminal Report (Lessons learned report) | Project team/National Project Manager  UNDP-MCO | Printing costs only, if any. | At least one month before the end of the project (refer to the final evaluation report) |
| Audit | UNDP-MCO  Project team  Cook Islands Audit Office | $22,000 | Yearly, cumulative expenses since inception reach $300,000 |
| Field visit | UNDP MCO  UNDP RCU, Strategic Partner (as appropriate)  Government representatives | GEF IA fees and TRAC | Yearly |
| TOTAL indicative COST  *Excluding project team staff time and UNDP staff and travel expenses* | | US$43,040 |  |

### Communications and visibility requirements

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 needs 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: [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>.

Full compliance is also required with the GEF’s Communication and Visibility Guidelines (the “GEF Guidelines”). The GEF Guidelines can be accessed at: <[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.

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

1. The project audit will be conducted in accordance with UNDP Financial Regulations and Rules and applicable audit policies on UNDP Projects.

**LEGAL CONTEXT AND PROJECT GOVERNANCE**

This document together with the Sub-Regional Programme Document (SRPD) signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the [Supplemental Provisions](http://intra.undp.org/bdp/archive-programming-manual/docs/reference-centre/chapter6/sbaa.pdf) to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP’s property in the implementing partner’s custody, rests with the implementing partner.

The implementing partner shall:

1. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
2. assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.

## Project Implementation Arrangement:

The project will be implemented over a period of 36 months. UNDP is the GEF Agency for the project and accountable to the GEF for the use of funds. The project will be administered by UNDP using the national implementation modality (NIM) project, in line the United Nations Development Assistance Framework (UNDAF) Action Plan and Cook Islands Country Matrix for 2013-2017. Under the NIM modality, the Cook Islands National Environment Service (NES) is the designated government institution responsible for the project towards the timely and verifiable attainment of project objectives and outcomes. The NES will manage implementation of all project activities.

The NESwill chair the Project Board (PB) and Project Steering Committee (PSC) and will be responsible for providing government oversight and guidance to the project implementation. Project technical team will receive technical backstopping provided from the UNDP/GEF Regional Technical Advisor responsible for the project and the UNDP Environment Focal Point at the Regional Office.

In working closely with stakeholders, the National Environment Servicewill be responsible for providing project oversight and assurance services for project implementation including (i) recruitment of project staff and contracting of consultants and service providers; (ii) overseeing financial expenditures, in partnership with MFEM - DCD, against project budgets approved by Project Board; and (iii) ensuring that all activities including procurement and financial services are carried out in strict compliance with Government and/or UNDP/GEF procedures. An NES staff member will be assigned with the responsibility for overseeing the day-to-day management and control over project finance and activities. A UNDP staff member will be assigned with the responsibility of project assurance activities and will be the point of contact between the project and UNDP.

The Project Board will be established to provide high-level guidance and oversight to the project. Members will consist of the members of the Project Steering Committee and UNDP. The board meeting will be chaired by the NES and held annually to review and approve annual work plans and budgets. The responsibilities of the PB 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; and (2) Review and approve the Annual Work Plan (AWP) and the consolidated financial and progress reports. The PB will be responsible for management decision in accordance to standards that ensure efficiency, cost-effectiveness, transparency, effective institutional coordination, and harmony with overall development policies and priorities of the Government of Cook Islands and UNDP. The *National Project Steering Committee* (PSC)which will be convened by the National Environment Service, and will serve as the project’s coordination and technical advisory body. The PSC will include representation of all the key project stakeholders. It will meet according the necessity, but not less than once in 6 months, to review project progress and advice on technical matters concerning the project.

The Project Steering Committee (PSC) will also provide technical advice. The PSC may meet more frequently to discuss issues of technical nature and make recommendations that would be forwarded to the Project Board for final decision making. The following will be the composition of the PSC for the project (tentative):

* National Environment Service
* Ministry of Finance and Economic Management-DCD
* Office of the Prime Minister
* Ministry of Cultural Development
* Cook Islands Natural Heritage Trust
* House of Ariki
* *Te Koutu Nui*
* Te Ipukarea Society
* Ministry of Agriculture
* Ministry of Marine Resources

The Project Steering Committee may be an existing or previously formed Steering Committee. This committee may comprise of smaller thematic working groups. The thematic area groups may meet quarterly or on an ad hoc basic when need arises. The steering committee however meets at least twice per year to review and monitor the performance of the project. The PSC may include other key government Ministries and departments.

The day-to-day administration of the project will be carried out by a *Project Implementation Unit* (PIU), comprising of a Project Coordinator and supported by NES staff, who will be located within National and/or sub-national executing offices. The project coordinator will be recruited using standard Government recruitment procedures. The Project Coordinator will manage the administrative implementation of all project activities and will ensure that all reporting is submitted according to pre-agreed deadlines. The Project Coordinator will also be technically supported by contracted national and international consultants and service providers.

## Comparative advantage of UNDP in Cook Islands with respect to this project:

The Government of the Cook Islands has requested UNDP assistance in designing and implementing this project. UNDP has experience managing projects in the Cook Islands with well-developed working relationships with the key stakeholders of the project. Moreover, the project will benefit from the support of a UNDP/GEF Regional Technical Advisor dedicated to Biodiversity in Regional Service Centre Bangkok. UNDP also has extensive experience in integrated policy development, human resources development, institutional strengthening, and non-governmental and community participation.

## Project’s alignment with UNDP’s programme for Cook Islands:

The project is in line with the endorsed UNDP Sub Regional Program Document for Pacific Island Countries 2013 – 2017, the United Nations Development Assistance Framework (UNDAF) 2013 – 2017 and the endorsed UNDAF Action Plan and Country Results Matrix of the Cook Islands. In particular, the project contributes to UNDAF Outcome 1 “By 2017 the most vulnerable communities across the PIC’s are more resilient and select government agencies, civil society and communities have enhanced capacity to apply integrated approaches to environmental management, climate change adaptation, mitigations and disaster risk reduction”.

## Stakeholder involvement in the implementation of the project:

The stakeholder involvement element is embedded in the description of several activities within this proposal which will have a consultative and participatory character. A full stakeholder involvement plan will be developed in connection with the preparation of the UNDP Project Document that will operationalize this proposal at the level of UNDP, allowing Cook Islands to access the funding. This plan will depart from the following indicative and non-exhaustive list:

* National Environment Service
* Ministry of Marine Resources
* Ministry of Agriculture
* Ministry of Cultural Development
* Ministry of Education
* Office of the Prime Minister
* Ministry of Finance and Economic Management - DCD
* Cook Islands Natural Heritage Trust
* Cook Islands Tourism Corporation
* National Research Committee
* Cook Islands Research Association
* Island Councils

**The participation of NGOs and CSOs stakeholders** NGOs and CSOs will play a key role in the implementation of this project. These organizations play an important advocacy role with respect to biodiversity. Many of them count on extensive networks of stakeholders and have produced research data that can help enrich the products that this project will be concerned with. These advantages will be explored in full during project implementation. A sample of key groups includes:

* House of Ariki
* *Te Koutu Nui*
* Te Ipukarea Society
* Cook Islands National Council of Women
* Te Vaka Taunga – Te Rito O Te Vairakau Maori
* Pacific Island Conservation Initiative (PICI)

**The participation of indigenous and traditional groups** in the project will be ensured through locally based CSOs. The project coordination will ensure that the voice of indigenous and traditional groups will be duly heard and taken into consideration in the preparation of the new ABS Act and Traditional Knowledge regulatory framework, and NBSAP. Specific COP guidance on the matter, linked to implementation of the Convention’s Article 8(j), will be followed.[[17]](#footnote-17)

# ANNEXES

## Co-financing letters

*[See separate file]*

## Evidence of consultation with community

*[See separate file]*

## UNDP/GEF ABS Capacity Development Scorecard

| **Strategic Area of Support** | **Issue** | **Scorecard** | **Initial Evaluation** | **Evaluative Comments** |
| --- | --- | --- | --- | --- |
| **1. Capacity to conceptualize and formulate policies, laws, strategies and programmes** | The Access and Benefit-Sharing (ABS) agenda is being effectively championed / driven forward | 0 -- There is essentially no ABS agenda;  1 -- There are some persons or institutions actively pursuing an ABS agenda but they have little effect or influence;  2 -- There are a number of ABS champions that drive the ABS agenda, but more is needed;  3 -- There are an adequate number of able "champions" and "leaders" effectively driving forwards an ABS agenda | 2 | The NES has had an ABS agenda for several years as evidenced by their drafting of an ABS Bill several years ago. Staff also attend and contribute to ABS Capacity Development Initiative regional meetings. The OPM has had a research policy and permit process. The Ministry of Cultural Development has developed a TK Law. CIMTECH and KN have an existing ABS agreement. Each of these organisations has its champions and leaders, but greater coherence is needed between the different organisations and a clearer regulatory framework for ABS. |
| There is a legally designated institution(s) responsible for ABS with the capacity to develop a national ABS framework (i.e., laws, policies and/or regulations) | 0 -- There is no institution(s) responsible for ABS;  1 – The institution(s) has financial resources but has limited personnel and expertise;  2 – The institution(s) has financial resources and personnel but limited expertise;  3 – The institution(s) has sufficient financial resources, personal and expertise. | 1 | The institutions have limited financial resources and limited personnel for developing a national ABS framework. They also have limited legal expertise for drafting ABS regulations. The Crown Law office may assist with drafting but this comes at a cost. The OPM will provide policy support for the framework. |
| There is a legally designated institution(s) responsible for ABS and able to update the ABS national framework | 0 – The institution(s) does not have the financial resources, personal, and expertise;  1 – The institution(s) has financial resources but has limited personal and expertise;  2 – The institution(s) has financial resources and personal but limited expertise;  3 – The institution(s) has sufficient financial resources, personal and expertise. | 0 | To date there is not a legally designated institution, however the NES and OPM have taken lead roles in drafting ABS regulations and controlling permits respectively. There is limited budget for ABS/permits. |
| **2. Capacity to implement policies, legislation, strategies and programmes** | There is a legally designated ABS institution(s) responsible for ABS that can facilitate the implementation of the national ABS framework. | 0 – The institution(s) does not have the financial resources, personal, and planning/management skills;  1 – The institution(s) has financial resources but has limited personal and planning/management skills;  2 – The institution(s) has financial resources and personal but limited planning/management skills;  3 – The institution(s) has sufficient financial resources, personal and planning/management skills. | 0 | As above |
| The ABS institution (s) is effectively led | 0 – The ABS institution(s) has a total lack of leadership;  1 – The ABS institution(s) has weak leadership and provides little guidance;  2 – The ABS institution(s) has a reasonably strong leadership but there is still need for improvement;  3 – The ABS institution(s) is effectively led | 2 | NES and OPM have some leadership on ABS but have limited time, personnel and finance to commit to it. |
| Human resources for ABS management are well qualified and motivated | 0 -- Human resources are poorly qualified and unmotivated;  1 -- Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated;  2 – Human Resources in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified;  3 -- Human resources are well qualified and motivated. | 2 | In general NES and OPM human resources are well qualified. The main issue is that they are unable to commit the required time to address ABS processes due to a large workload. |
| The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate | 0 – The ABS institution(s) is severely underfunded and has no capacity to mobilize sufficient resources;  1 – The ABS institution(s) has some funding and is able to mobilize some human and material resources but not enough to effectively implement its mandate;  2 – The ABS institution(s) has reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate;  3 – The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement its mandate | 1 | The NES with the support of OPM are willing to contribute to this project through the provision of human resources, however all funding available to the agencies are already committed to other outputs. |
| The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect | 0 -- While the ABS institution(s) exists it has no management;  1 -- Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal;  2 -- The ABS institution(s) is reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way;  3 -- The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect | 2 | Time constraints and limited staff affect this capacity. |
| The ABS institution(s) is audited and publicly accountable | 0 – The ABS institution(s) is not being held accountable and not audited;  1 – The ABS institution(s) is occasionally audited without being held publicly accountable;  2 – The ABS institution(s) is regularly audited and there is a fair degree of public accountability but the system is not fully transparent;  3 – The ABS institution(s) is highly fully audited, and publicly accountable | 3 | The Cook Islands Government has stringent rules and regulations that govern the operations of all its agencies, making them fully responsible and accountable for the spending of public funds. |
| Enforcement of ABS regulations | 0 -- No enforcement of regulations is taking place;  1 -- Some enforcement of regulations but largely ineffective;  2 -- ABS regulations are regularly enforced but are not fully effective;  3 -- ABS regulations are highly effectively enforced | 1 | There is willingness from the government to develop and enforce ABS regulations, however there are no regulations yet and not many cases to date. Research permits are enforced but there is limited capacity to do this. |
| Individuals are able to advance and develop professionally | 0 -- No career tracks are developed and no training opportunities are provided;  1 -- Career tracks are weak and training possibilities are few and not managed transparently;  2 -- Clear career tracks developed and training available; HR management however has inadequate performance measurement system;  3 -- Individuals are able to advance and develop professionally | 2 | There is a career track, but personnel sometimes in hired under consultancy and provisional contracts. Also, opportunities to grow in the organizations are limited. Only one person in the Genetic Resources group is on career track. |
| Individuals are appropriately skilled for their jobs | 0 -- Skills of individuals do not match job requirements;  1 -- Individuals have some or poor skills for their jobs;  2 -- Individuals are reasonably skilled but could further improve for optimum match with job requirement;  3 -- Individuals are appropriately skilled for their jobs | 2 | Individuals in various agencies have the relevant skills to perform their jobs to the best of their ability however, an area like ABS demands other specialist skills. |
| Individuals are highly motivated | 0 -- No motivation at all;  1 -- Motivation uneven, some are but most are not;  2 -- Many individuals are motivated but not all;  3 -- Individuals are highly motivated | 2 | Many individuals in government agencies are imbued with the spirit of service. |
| There are appropriate mechanisms of training, mentoring, and learning in place to maintain a continuous flow of new staff | 0 -- No mechanisms exist;  1 -- Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed;  2 -- Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required;  3 -- There are mechanisms for developing adequate numbers of the full range of highly skilled ABS professionals | 2 | Small population in Cook Islands affects flow of new staff |
| **3. Capacity to engage and build consensus among all stakeholders** | ABS has the political commitment | 0 -- There is no political will at all, or worse, the prevailing political will runs counter to the interests of ABS;  1 -- Some political will exists, but is not strong enough to make a difference;  2 -- Reasonable political will exists, but is not always strong enough to fully support ABS;  3 -- There are very high levels of political will to support ABS | 3 | Strong interest has been shown in recent years. The recent TK Law was passed through parliament suggesting continued support and interest for ABS. |
| Degree of public support on ABS issues | 0 -- The public has little interest in ABS and there is no significant lobby for ABS;  1 -- There is limited support for ABS;  2 -- There is general public support for ABS and there are various lobby groups strongly pushing them;  3 -- There is tremendous public support in the country for ABS | 1 | There is interest and support from some quarters – people in government and the Aronga Mana. However there is probably little general knowledge of ABS except for the CIMTECH case. Support and media interest in this case seems high on Rarotonga but may be different on other islands. |
| The ABS institution(s) is mission oriented | 0 -- Institutional mission is not defined;  1 -- Institutional mission is poorly defined and generally not known and internalized at all levels;  2 -- Institutional mission well defined and internalized but not fully embraced;  3 – Institutional mission is fully internalized and embraced | 3 | The NES is required under its governance structure to be mission oriented. NES has embraced this and so has their stakeholders. |
| The ABS institution(s) can facilitate the partnerships needed to achieve its objectives | 0 – The ABS institution(s) operate in isolation;  1 – The ABS institution(s) has facilitated some partnerships but significant gaps and existing partnerships achieve little;  2 – The ABS institution(s) has facilitated many partnerships with a wide range of national and local agencies, private sector and NGOs but there are some gaps and partnerships, are not always effective and do not always enable efficient achievement of ABS objectives;  3 – The ABS institution(s) has facilitated effective partnerships with national and local agencies, private sector and NGOs to enable achievement of ABS objectives in an efficient and effective manner | 2 | NES has been successful in facilitating partnerships across sectors for support of its projects. There has been unwavering support from stakeholders due to the impact environment projects have on the lives of people and their communities. There is willingness from key stakeholders to work with NES to ensure ABS objectives are achieved. |
| **4. Capacity to mobilize information and knowledge** | The ABS institution(s) has the information it needs to enforce the national legal/policy ABS framework and to facilitate ABS deals | 0 -- Information is virtually lacking;  1 – The ABS institution(s) has access to some information, but is of poor quality, is of limited usefulness, or is very difficult to access;  2 – The ABS institution(s) has access to a lot of information which is mostly of good quality, but there remain some gaps in quality, coverage and availability;  3 – The ABS institution(s) has the information it needs to enforce the national legal/policy framework and facilitate ABS deals. | 2 | NES will work with Crown Law office and OPM to develop the types of information required to enforce and implement the ABS legislation and framework, but may need training to broker deals on ABS agreements. |
| Individuals from the ABS institution(s) work effectively together as a team | 0 -- Individuals work in isolation and don't interact;  1 -- Individuals interact in limited way and sometimes in teams but this is rarely effective and functional;  2 -- Individuals interact regularly and form teams, but this is not always fully effective or functional;  3 -- Individuals interact effectively and form functional teams | 3 | NES has excellent working relationship with its key stakeholders and partners. |
| **5. Capacity to monitor, evaluate, report and learn** | ABS policy or law is continually reviewed and updated | 0 -- There is no policy or law or it is old and not reviewed regularly;  1 -- Policy or law is only reviewed at irregular intervals;  2 – Policy or law is reviewed regularly but not annually;  3 -- Policy or law is reviewed annually | 0 | ABS law is in development. However a research permit system is in place and there is an ABS agreement via contract (CIMTECH-KN) |
| Society monitors ABS projects | 0 -- There is no dialogue at all;  1 -- There is some dialogue going on, but not in the wider public and restricted to specialized circles;  2 -- There is a reasonably open public dialogue going on but certain issues remain taboo;  3 -- There is an open and transparent public dialogue about the state of the ABS projects | 1 | ABS is generally only discussed by communities when it is associated to a certain project (e.g. CIMTECH). Knowledge from some sectors of the community probably higher than others. Those on Rarotonga may be better informed than those on outer islands. |
| Institutions are highly adaptive, responding effectively and immediately to change | 0 -- Institutions resist change;  1 -- Institutions do change but only very slowly;  2 -- Institutions tend to adapt in response to change but not always very effectively or with some delay;  3 -- Institutions are highly adaptive, responding effectively and immediately to change. | 2 | Any change has its own transformation and adaptation period. NES and its ABS partners are no different. |
| The ABS institution(s) has effective internal mechanisms for monitoring, evaluation, reporting and learning on ABS projects | 0 -- There are no mechanisms for monitoring, evaluation, reporting or learning;  1 -- There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak;  2 -- Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be;  3 -- Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning. | 1 | Limited monitoring of research permits by OPM. This is currently under review with a view to improving monitoring mechanisms. NES will also be required to establish, as part of the framework monitoring mechanisms specifically for ABS. |
| Individuals from ABS institutions are adaptive and continue to learn | 0 -- There is no measurement of performance or adaptive feedback;  1 -- Performance is irregularly and poorly measured and there is little use of feedback;  2 -- There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be;  3 -- Performance is effectively measured and adaptive feedback utilized | 2 | All government agencies, as part of good governance principles are required to carry out comprehensive performance assessments. This assessment process is always hampered by the lack of ability of agencies to reward good performance. |

## Environmental and Social Screening Survey

ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY

Name of Proposed Project: **Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in the Cook Islands**

A. Environmental and Social Screening Outcome

☐Category 1. No further action is needed

☒Category 2. Further review and management is needed. There are possible environmental and social benefits, impacts, and/or risks associated with the project (or specific project component), but these are predominantly indirect or very long-term and so extremely difficult or impossible to directly identify and assess.

☒Category 3. Further review and management is needed, and it is possible to identify these with a reasonable degree of certainty. If Category 3, select one or more of the following sub-categories:

☒Category 3a: Impacts and risks are limited in scale and can be identified with a reasonable degree of certainty and can often be handled through application of standard best practice, but require some minimal or targeted further review and assessment to identify and evaluate whether there is a need for a full environmental and social assessment (in which case the project would move to Category 3b). See Section 3 of the Review and Management Guidance.

☐Category 3b: Impacts and risks may well be significant, and so full environmental and social assessment is required. In these cases, a scoping exercise will need to be conducted to identify the level and approach of assessment that is most appropriate. See Section 3 of Review and Management Guidance.

**B. Environmental and Social Issues** (for projects requiring further environmental and social review and management)

*Upstream activities that could have potential social and environmental impacts*: the project will support the elaboration or revision of national-level strategies, plans and programmes through the output “Legal framework for ABS and traditional knowledge strengthened with a national ABS Act legislated with rules and regulations, consistent with PIC, MAT and Benefit sharing provisions”.

*Social Impacts:* The strengthening of the national ABS legal framework can potentially have both negative and positive social impacts. However the rules and regulations underpinning the national ABS Act will be developed for the exact purposes to ensure the impacts are only positive. The ABS framework will be designed to ensure that the local communities are equitably compensated for the use of traditional knowledge in the use of genetic resources in Cook Islands. This will in a broad sense therefore translate into positive social impacts. However at a community scale, it is important to identify the real knowledge holders, ensure that they are not marginalized in the process and that the ABS framework does not lead to elite capture in the community structures. The positive impacts, if supported by strong legal rules and regulations, will be the potential that the genetic resources will generate tangible local and national economic benefits. The benefits will be in the form of business, employment and capacity building opportunities, through the discovery of new medicines.

*Environmental Impacts:* These impacts are considered positive. Again, it largely depends on the details of the rules and regulations. For example, the sustainable utilization and conservation of species that will provide the commercial genetic resources should be ensured. If not, the species will be overharvested and eventually lead to loss of the species. The positive impacts, if supported by strong legal rules and regulations, will be the potential that the genetic resources will generate tangible local and national economic benefits. The benefits will be in the form of business, employment and capacity building opportunities, through the discovery of new medicines, thereby providing a rationale for the preservation of the biological resources that contain the genetic material.

*Site-level implementation activities that could have social or environmental impacts*: The project could result in the conversion or degradation of natural habitat, development activities can take place in legally protected areas and the project could have specific human rights implications for vulnerable groups.

*Social Impacts:* The social impacts are considered positive. The *Tuanga* (traditional leaders/healers) have for centuries developed the knowledge of using natural plants for medicinal purposes. The project is designed to ensure that these traditional groups receive equitable share of the benefits that derive from the commercialization of such traditional knowledge. The commercialization of the traditional medicine should be based on Prior Informed Consent from the traditional group (in the case of the project the *Kuotu Nui* represents this group) and Mutually Agreed Terms (between CIMTECH (user) and *Kuotu Nui* (provider)).

*Environmental Impacts:* These impacts are considered positive. It should be noted that the taking of DNA samples of genetic resources from *in situ* conditions for research and development generally has a minimal environmental impact. There is a possibility that *Hibiscus tiliaceus* can be overharvested but this species is one of the most prevalent species on the Cook Islands and proliferate very easily. The project will however develop guidelines and provide oversight of the collection and cultivation of Hibiscus tiliaceus. The natural habitat[[18]](#footnote-18) of *Hibiscus tiliaceus* will also be conserved through traditional conservation and sustainable extraction practices. The awareness of the traditional conservation practice of *ra’ui* (currently mostly marine/coastal areas) will be increased due to the monetary and non-monetary support from the implementation of the project to the *Koutu Nui*. This will result in more general public support and adherence to the closed area and period and the conservation of fish, cucumber and other species that were diminishing in the closed areas. The possible set-up of a *Ra’ui* Network Trust Fund to be capitalised by revenues from ABS benefit sharing will result in increased long-term sustainable financing to the *ra’ui* system in the Cook Islands.

*Other uses of Hibiscus Tiliaceus:* the bark of the younger Hibiscus Tiliaceus plant is used to make the traditional dance costumes (hula skirts for men and women and other accessories). Dancing is one of the main avenues Cook Islands people use to display their culture in the tourism industry, in schools, to celebrate special national events like the constitution celebration held every year. Since the substitute for alternative materials to make hula skirts are not as viable, the harvesting of hibiscus continues. It is also used to plait shoes, make baskets, ropes, traditional clothing which fortunately for this project, alternatives from China are currently being favoured by Cook Islands people.

**C. Next Steps** (for projects requiring further environmental and social review and management):

The project aims to assist the Cook Islands to ratify the Nagoya Protocol and put in place a national framework for ABS that implements the provisions of the Nagoya Protocol under the Convention of Biological Diversity (CBD).  The Nagoya Protocol provides a detailed, transparent legal framework for the effective implementation of one of the three objectives of the CBD: the fair and equitable sharing of benefits arising out of the utilization of genetic resources. The development of this system in the Cook Islands is matched by comprehensive awareness raising with the community and, in particular, with those cultural bodies associated with the retention, protection and transmission of traditional knowledge and traditional biodiversity management. As such, the project is designed to have an overall positive long-term impact on the Cook Islands natural environment and biological resources, adding value to the sustainable management of its terrestrial and aquatic ecosystems and bolstering the intergenerational valuing of traditional knowledge. Therefore envisaged environmental and social impacts of the proposed project are largely positive. In addition, this project will establish a legal framework that provides the legal certainty necessary for the subsequent utilisation of Cook Island genetic resources in other Nagoya Protocol implementing countries - while ensuring that the protections, rights and responsibilities enumerated within the Protocol apply fully within Cook Island sovereign territory for the benefit of its people and the conservation and sustainable use of its biodiversity.

Moreover the project will provide ABS implementation experience to be shared with other Pacific Island states in the region.

The project will also support the further development of an ABS agreement between a private company and a significant cultural body, the *Te Koutu Nui*, within the context of a public- private partnership investing in research and development based on the application of traditional knowledge to the use of genetic resources. This investment will provide local employment, contribute to the economy and, through its part ownership of the company, the *Te Koutu Nui* are entitled to a verified portion of dividends. The *Te Koutu Nui* will direct the bulk, and certainly more than a minimum of 25%, of income thus received on traditional biodiversity conservation management (*Ra’ui).* The Cook Islands will also take their experience and lessons learned through this project and anticipate sharing it with other Pacific island countries, albeit supported outside the TOR for this project.

The impact of the implementation of the strengthened ABS legal framework (including a national ABS Act) will only be known in the long term. However, the project is supporting the development of this legislation and there is a need to nest environmental and social safeguards in the legislation.

*Social Impacts*

The project will demonstrate that the mechanism for the provision of PIC considers the rights of traditional knowledge holders and creators to full information about the use and further development of their knowledge.

It will ensure the use of the Register of Traditional Knowledge holders and creators held by the Ministry of Culture is accessed to get accurate information of the true holder and creator of the knowledge. This has been identified as a key outcome and output from the project. It will be necessary to maintain communication with *Te Koutu Nui* and other cultural organisations to ensure that any concerns about the utilization of traditional knowledge held by holders of the knowledge are carefully considered and addressed. At this stage, there are no known negative impacts that would result from the implementation of this national ABS legislation. However, it is believed that the project will result mostly in improved social status of the communities involved in the project. Any risk of misperception about the legal framework to be developed and adopted will be reduced through the continuing inclusive consultation with all stakeholders.

The general rule within the Cook Islands for TK is that benefit sharing is with the knowledge holder. If in the event the holder cannot be identified and the knowledge general, then the benefits can be shared amongst community members.

The best mitigation strategy is to train local champions negotiation skills so they are able to help other community members to enter into negotiation and eventually have an agreement that is mutually beneficial for both parties. NES in implementing the project should ensure that training provided is proportionate to the likelihood that researchers will be approaching TK holders to enter into ABS agreements for the use of their traditional knowledge. Care must be taken to avoid the development of unrealistic expectations. The project will review the existing primary mechanism for equitable sharing of benefits among community members. This is the agreement by the *Koutu Nui* to use funds derived from its financial interest in the commercialisation of Cook Islands genetic resources by CIMTECH to support customary biodiversity conservation and sustainable use.

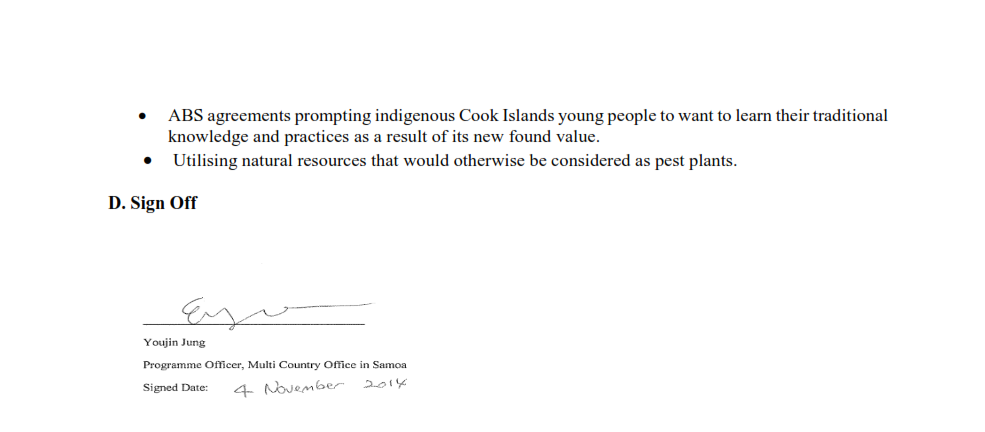
The project’s social impacts may be summarized in point form as follows:

* Raising community awareness of the value of Cook Islands biodiversity and its conservation,
* Validating the importance of traditional knowledge and increase its value amongst the indigenous Cook Islands population.
* Validating the importance of customary biodiversity conservation and sustainable-use practices
* Providing employment for local people
* Raising tourist potential of the Cook Islands as being environmentally responsible
* Improving revenues to the Cook Islands government
* Improving income to the traditional owners and managers of biodiversity
* Establishing a cash flow to farmers
* Establishing practices of environmentally sound and sustainable harvesting
* Attracting new research investment
* Establishing low-cost, efficient ABS PIC and MAT practices within government creating an attractive research environment, and
* Contributing to development of a regionally consistent NP implementation by Pacific island states as an early adopter.

*Environmental Impacts*: Bioprospecting is based on minimal sampling, taking only sufficient amounts to examine an organism’s genetic composition and as such is a ‘light touch’ activity. The later collection of material for advanced research and development of a commercial product can however produce an environmentally harmful outcome. For example the development of the Drug Taxol based on the Pacific Yew led to its depletion in many countries. This project manages this possible risk through the development of wild harvesting controls and CIMTECH’s Hibiscus bark purchase agreements that will first seek supply from already environmentally approved land clearing and building areas and only then seek material from sustainable production. With this site-level risk minimized, the remaining environmental impacts of the collection of *Hibiscus tiliaceus* bark are positive.

They involve or may involve:

* Adoption of improved pest management and soil conservation for sustained bark production.
* Valuation and improved respect by the community for the role of traditional conservation practices (*Ra’ui*).
* Other nations in the Pacific seeing *Ra’ui* as a culturally appropriate best practice for conservation and adopting *Ra’ui* in their own countries, or rediscovering the merits of their own form of *Ra’ui* .
* *Ra’ui* may attract financial support for customary biodiversity conservation and sustainable use (the practice of *ra’ui*) improves cultural enforcement of such practices.
* ABS agreements sending a message to traditional knowledge holders that their biodiversity knowledge is a valuable part of modern research development processes and hence to be valued
* ABS and other agreements generating a trusting environment between the knowledge holder and the other party, encouraging knowledge holders to share their knowledge.



ENVIRONMENTAL AND SOCIAL SCREENING CHECKLIST

Name of Proposed Project: Strengthening the Implementation of the Nagoya Protocol on Access to Genetic Resources and Benefit s

**QUESTION 1**

|  |
| --- |
| Has a combined environmental and social assessment/review that covers the proposed project already been completed by implementing partners or donor(s)?  **Answer to Question 1:**. . . . . . . .No |

**QUESTION 2**

|  |
| --- |
| Do ALL outputs and activities described ONLY fall in the Project Document fall within the following categories?  1. Procurement (in which case UNDP’s Procurement Ethics and Environmental Procurement Guide need to be complied with)  2. Report preparation  3. Training  4. Event/workshop/meeting/conference (refer to Green Meeting Guide)  5. Communication and dissemination of results  **Answer to Question 2:** . . . . . . No |

**QUESTION 3**

|  |
| --- |
| Does the proposed project include activities and outputs that support upstream planning processes that potentially pose environmental and social impacts or are vulnerable to environmental and social change (refer to Table 3.1 for examples)? (Note that upstream planning processes can occur at global, regional, national, local and sectoral levels)  **Evaluation Result of Checklist Table 3.1:**. . . . . . . .Yes |

|  |  |
| --- | --- |
| TABLE 3.1 EXAMPLES OF UPSTREAM PLANNING PROCESSES WITH POTENTIAL DOWNSTREAM ENVIRONMENTAL AND SOCIAL IMPACTS | |
| 1. Support for the elaboration or revision of global- level strategies, policies, plans, and programmes. For example, capacity development and support related to international negotiations and agreements. Other examples might include a global water governance project or a global MDG project. | No |
| 2. Support for the elaboration or revision of regional-level strategies, policies and plans, and programmes. For example, capacity development and support related to transboundary programmes and planning (river basin management, migration, international waters, energy development and access, climate change adaptation etc.). | No |
| 3. Support for the elaboration or revision of national-level strategies, policies, plans and programmes. For example, capacity development and support related to national development policies, plans, strategies and budgets, MDG-based plans and strategies (e.g. PRS/PRSPs, NAMAs), sector plans. | Yes |
| 4. Support for the elaboration or revision of sub-national/local-level strategies, polices, plans and programmes. For example, capacity development and support for district and local level development plans and regulatory frameworks, urban plans, land use development plans, sector plans, provincial development plans, provision of services, investment funds, technical guidelines and methods, stakeholder engagement. | No |

**QUESTION 4**

|  |
| --- |
| Does the proposed project include the implementation of downstream activities that potentially pose environmental and social impacts or are vulnerable to environmental and social change?  **Evaluation Result of Checklist Table 4.1:**. . . . . . . .Yes |

|  |  |
| --- | --- |
| TABLE 4.1 ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT | |
| 1. Biodiversity and Natural Resources | |
| 1.1 Would the proposed project result in the conversion or degradation of modified habitat, natural habitat or critical habitat? | Yes |
| 1.2 Are any development activities proposed within a legally protected area (e.g. natural reserve, national park) for the protection or conservation of biodiversity? | Yes |
| 1.3 Would the proposed project pose a risk of introducing invasive alien species? | No |
| 1.4 Would the proposed project pose a risk of introducing invasive alien species? | No |
| 1.5 Does the project involve the production and harvesting of fish populations or other aquatic species without an accepted system of independent certification to ensure sustainability (e.g. the Marine Stewardship Council certification system, or certifications, standards, or processes established or accepted by the relevant National Environmental Authority)? | No |
| 1.6 Does the project involve significant extraction, diversion or containment of surface or ground water? For example, construction of dams, reservoirs, river basin developments, groundwater extraction. | No |
| 1.7 Does the project pose a risk of degrading soils? | No |
| 2. Pollution | |
| 2.1 Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts? | No |
| 2.2 Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner? | No |
| 2.3 Will the propose project involve the manufacture, trade, release, and/or use of chemicals and hazardous materials subject to international action bans or phase-outs? For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Convention on Persistent Organic Pollutants, or the Montreal Protocol. | No |
| 2.4 Is there a potential for the release, in the environment, of hazardous materials resulting from their production, transportation, handling, storage and use for project activities? | No |
| 2.5 Will the proposed project involve the application of pesticides that have a known negative effect on the environment or human health? | No |
| 3. Climate Change | |
| 3.1 Will the proposed project result in significant greenhouse gas emissions? The Environment and Social Screening Procedure Guidance provides additional guidance for answering this question. | No |
| 3.2 Is the proposed project likely to directly or indirectly increase environmental and social vulnerability to climate change now or in the future (also known as maladaptive practices)? You can refer to the Environment and Social Screening Procedure Guidance to help you answer this question. For example, a project that would involve indirectly removing mangroves from coastal zones or encouraging land use plans that would suggest building houses on floodplains could increase the surrounding population's vulnerability to climate change, specifically flooding. | No |
| 4. Social Equity and Equality | |
| 4.1 Would the proposed project have environmental and social impacts that could negatively affect indigenous people or other vulnerable groups? | No |
| 4.2 Is the project likely to significantly impact gender equality and women’s empowerment ? | No |
| 4.3 Is the proposed project likely to directly or indirectly increase social inequalities now or in the future? | No |
| 4.4 Will the proposed project have variable impacts on women and men, different ethnic groups, social classes? | No |
| 4.5 Have there been challenges in engaging women and other certain key groups of stakeholders in the project design process? | No |
| 4.6 Will the project have specific human rights implications for vulnerable groups? | Yes |
| 5. Demographics | |
| 5.1 Is the project likely to result in a substantial influx of people into the affected community(ies)? | No |
| 5.2 Would the proposed project result in substantial voluntary or involuntary resettlement of populations? For example, projects with environmental and social benefits (e.g. protected areas, climate change adaptation) that impact human settlements, and certain disadvantaged groups within these settlements in particular. | No |
| 5.3 Would the proposed project lead to significant population density increase which could affect the environmental and social sustainability of the project? For example, a project aiming at financing tourism infrastructure in a specific area (e.g. coastal zone, mountain) could lead to significant population density increase which could have serious environmental and social impacts (e.g. destruction of the area’s ecology, noise pollution, waste management problems, greater work burden on women). | No |
| 6. Culture | |
| 6.1 Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles? | No |
| 6.2 Will the proposed project result in physical interventions (during construction or implementation) that would affect areas that have known physical or cultural significance to indigenous groups and other communities with settled recognized cultural claims? | No |
| 6.3 Would the proposed project produce a physical “splintering” of a community? For example, through the construction of a road, powerline, or dam that divides a community. | No |
| 7. Health and Safety | |
| 7.1 Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions? For example, development projects located within a floodplain or landslide prone area. | No |
| 7.2 Will the project result in increased health risks as a result of a change in living and working conditions? In particular, will it have the potential to lead to an increase in HIV/AIDS infection? | No |
| 7.3 Will the proposed project require additional health services including testing? | No |
| 8. Socio-Economics | |
| 8.1 Is the proposed project likely to have impacts that could affect women’s and men’s ability to use, develop and protect natural resources and other natural capital assets? For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their development, livelihoods, and well-being? | No |
| 8.2 Is the proposed project likely to significantly affect land tenure arrangements and/or traditional cultural ownership patterns? | No |
| 8.3 Is the proposed project likely to negatively affect the income levels or employment opportunities of vulnerable groups? | No |
| 9. Cumulative and/or Secondary Impacts | |
| 9.1 Is the proposed project location subject to currently approved land use plans (e.g. roads, settlements) which could affect the environmental and social sustainability of the project? For example, future plans for urban growth, industrial development, transportation infrastructure, etc. | No |
| 9.2 Would the proposed project result in secondary or consequential development which could lead to environmental and social effects, or would it have potential to generate cumulative impacts with other known existing or planned activities in the area? For example, a new road through forested land will generate direct environmental and social impacts through the cutting of forest and earthworks associated with construction and potential relocation of inhabitants. These are direct impacts. In addition, however, the new road would likely also bring new commercial and domestic development (houses, shops, businesses). In turn, these will generate indirect impacts. (Sometimes these are termed “secondary” or “consequential” impacts). Or if there are similar developments planned in the same forested area then cumulative impacts need to be considered. | No |

## Project Team Terms of Reference

The following are the Terms of Reference suggested for the personnel of the Project Implementation Unit. The Unit will be led by a half time Project Manager, who will have the support of a full-time Project Coordinator. In accordance with the Monitoring and Evaluation system and the roles of the Project Steering Committee, the terms of reference for these positions must be approved by the Project Steering Committee and can be discussed and adjusted during the initial set-up project meetings.

**PROJECT MANAGER**

1. MISSION

Provide guidance, oversee and monitor the co-ordination and management of the project on Access to Genetic Resources and Benefit Sharing in the Cook Islands

1. OBLIGATIONS OF THE PROJECT MANAGER
2. Generally supervise the project and manage the achievement of the expected outcomes within the planned budget and timeline.
3. Coordinate the activities under the responsibility of the project's different partner/consulting entities and ensure feedback from its different components.
4. Be the link between the project and the Project Board and the professional Project Assurance within the United Nations Development Program, and arrange for the meetings and materials necessary for doing so, in accordance with the provisions of the project documents.
5. Develop TORs for consultants, technical experts and specifications of materials as required by the project in consultation with the Project Steering Committee.
6. Develop and sign on the Memorandum of Agreement with CIMTECH and/or Matheson with clear responsibilities and monitor its activities and financial expenditure
7. Facilitate, guide and monitor the work of consultants and technical experts and approve their deliverables in association with the Project Steering Committee.
8. Contribute to stakeholder meetings where required.
9. Track the project and create reports using the different Monitoring and Evaluation instruments of the Global Environment Fund and the United Nations Development Program, in accordance with the project documents, agreements, compacts and any other documents that define the project.
10. Develop a review standards of outputs against which the delivery of each output will be assessed.
11. Facilitate the presentation to the public of compliance with benefit distribution agreements.
12. Oversee and monitor the creation and implementation of a benefit distribution tracking system.
13. Facilitate the adaptive planning of the project through analyses and recommendations of modifications to its budget and timeline, and submit adjusted budgets to the Project Board and the UNDP.
14. In coordination with partner organizations, organize the hiring of consultants, other entities and experts for the project, including preparation of terms of reference for necessary technical assistance, and supervise their work.
15. Promote, establish and maintain relationships with other national projects and national and international programs.
16. In coordination with the partner entities of the project, organize any workshops, consultations or meetings required, including those necessary to ensure the participation of communities and their knowledge of the execution of the project.
17. Track financial resources and manage disbursements, funds advancements, direct payments or reimbursement requests to UNDP, ensuring the accuracy and reliability of the financial statements.
18. Manage the transfer of products, documents, archives, equipment and materials to national beneficiaries.
19. Any other tasks related to the project necessary for achieving its objectives.
20. PRODUCTS
21. Documents for the technical and financial monitoring and evaluation of the project, in accordance with the standards of the Global Environment Fund and the United Nations Development Program, as established the project documents, agreements, compacts and any other documents that define the project.
22. Guidelines for quality standards for outputs delivery;
23. System to track the distribution of benefits to beneficiaries.
24. Minutes of Project Board meetings.
25. TOR for Individual and Company Contractors.
26. Terms of reference, goods orders and any other documents needed to hire or purchase goods and services for the project.
27. A final report summarizing the work executed by consultants and actors during the project period as well as the status of the project outcomes at the end of the project.
28. MINIMUM REQUIREMENTS FOR APPLICANTS

As this person is already a member of NES staff, minimum requirements and Selection Criteria will not apply in this case. The position will not be funded through the project.

**PROJECT CO-ORDINATOR**

1. MISSION

Carry out the co-ordination and administrative management of the activities, contracts and reports associated with the project.

1. OBLIGATIONS OF THE PROJECT CO-ORDINATOR

The Project Coordinator will be responsible forensuring the project objective, outcomes, outputs and activities are implemented in accordance to standards expected by the Project Manager and the Project Board/Steering Committee and within a timely and appropriate manner.

1. Provide advice to the Project Manager in the administration and financial, contractual and documental management of the project.
2. Provide advice to the Project Manager on the activities and financial status of the responsible party (CIMTECH and/or Matheson)
3. Keep updated information on contracts, purchases and financial accounts.
4. Provide support in preparing the reports and plans defined in the Monitoring and Evaluation strategy, in accordance with the GEF and UNDP guidelines.
5. Ensure the responsible and efficient use of the project's resources.
6. Establish document control procedures for the project, including compiling, copying and distributing all project reports.
7. Provide assistance to associated organizations participating in pilot programs, undertake and generally monitor the financial and administrative aspects of pilot programs to ensure compliance with the budget and alignment with UNDP procedures and policies.
8. Provide logistical support for the execution of the activities of the Project Implementation Unit and the Project Board.
9. Create and maintain a database of contacts, providers, personnel and documents.
10. Provide technical assistance for ABS legal framework and awareness raising
11. Perform other related administrative and financial requirements of the project, including those related to the management of the project and its funding:
    * + 1. Develop detailed workplans and budgets (including activity descriptions and chronogram) and submit these to the Project Manager for approval;
        2. Organise and assist in project related activities, where required. These may include planning with the Project Manager meetings with stakeholders that will realize the best result for the development and implementation of the ABS project.
        3. Establish and maintain linkages with national and international organizations and person which can be of assistance to the objectives of the Project.
        4. Provide timely progress reports of project status as required by the Project Steering Committee and UNDP.
        5. Maintain records of Project Board and Project Steering Committee meetings, decision, actions, etc
        6. Co-ordinate with other ministries whose initiatives and programs are consistent with the outcomes and spirit of the ABS project.
        7. Be responsible for the day-to-day administrative and financial support for project activities and procurements of goods and services for the project including effective accounting of the project funds and financial reporting in line with government and UNDP requirements and procedures.
12. PRODUCTS

* Monthly reports on financial statements, outputs delivery and contracts
* Accounting and administrative information for drawing up the reports and plans defined in the project's technical and financial monitoring and evaluation scheme, in accordance with the standards of the Cook Islands Government and the United Nations Development Program, as established the project documents, agreements, compacts and any other documents that define the project.
* Project Steering Committee meeting minutes
* Inventory Schedule for the project
* Records of all other activities outlined above required in the achievement of the ABS project objectives.

1. MINIMUM REQUIREMENTS FOR APPLICANTS

Applicants must be natural persons who meet the following requirements: should have a Bachelor’s degree in management, administration, environmental management or related field with a minimum of 5 years management experience at a senior level, or an advanced degree with 3 years management experience. Knowledge and understanding of the relevant UN Convention, environmental issues in Cook Islands, good leadership, coordination, communication, and facilitation skills are essential. The ability to communicate effectively orally and in writing, in the English and Cook Islands Maori languages.

1. SELECTION CRITERIA

Applicants will be scored in the following manner:

1. Management experience: five points will be awarded for each additional year beyond three years of professional experience administering cooperation projects, up to a maximum of 40 points
2. Topical Experience: five points will be awarded for each year of specific experience in: 1) projects financed by the GEF, through any of its Implementing Agencies, 2) projects financed by the UNDP, regardless of the original fund of the resources, up to a maximum of 60 points

The Executing Entity will evaluate the three candidates with the highest score and make the final selection.

## Cook Islands Consultation Program in working towards the Ratification of the Nagoya Protocol

*Week 1: Rarotonga consultation only*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date/Time** | **Purpose** | **Participant** | **Venue** | **Agenda** |
| Monday |  |  |  |  |
| 9-10 am | Courtesy call | House of Ariki  Te Koutu Nui | House of Ariki, Atupare, Arorangi | Briefly outline and explain the proposed outputs and outcomes of project. Ask for Ui Ariki blessing on project and outer island consultation. |
| 9-10 am | Courtesy call | Minister of the Environment | Office of the Minister | Briefly outline the project |
| 10-11 am | Courtesy call | Ministry of Foreign Affairs and Immigration  Myra Patai – HOM  Josh Mitchell – Treaties officer | Ministry of Foreign Affairs and Immigration | Progress on ratification of the Nagoya Protocol |
| 11-12.30 pm | Group meeting | National Biodiversity Steering committee | OPSC conference room | Outline project and discuss project fit with each agency existing work |
| 2-4 pm | One on one meetings | Louisa Karika  Elizabeth Munro  National Environment Service | NES office | NES role in assisting the project |
|  | Tuesday |  |  |  |
| 9-10 am | One on one meetings | Elizabeth Koteka  Other designated staff members | Office of the Prime Minister | Legislative frameworks of the Marine Park;  National Research Council process |
| 10-12 pm | One on one meetings | Otheniel Tangianau, Director of Pa Enua Governance | Office of the Prime Minister | Role of Island Governance in the management of ABS |
| 2-3 pm | One on one meetings | Ana Tiraa, Director of Climate Change and other staff | Office of the Prime Minister | The impact of Climate change on the project. |
| 3-5 pm | One on one meetings | Sonny Williams, HOM, Ministry of Cultural Development | Ministry of Cultural Development | TK process for ABS |
| Wednesday |  |  |  |  |
| 9-10 am | One on one meetings | Te Koutu Nui | NES Conference Room | Agreement with CIMTECH?? |
| 10-12 pm | One on one meetings | Ben Ponia  Ministry of Marine Resources | Ministry of Marine Resources | The role of the new Marine Bill on the project?? |
| 2-3 pm | One on one meetings | Cheryl King & co  Crown Law Office | Crown Law Office | Redrafting the ABS bill and process for enactment |
| 3-4 pm | One on one meetings | Business Trade and Investment Board | Business Trade and Investment Board | Raise awareness of project;  Foreign investment policy and role of ABS compliant law |
| Thursday |  |  |  |  |
| 9-10 am | One on one meetings | Mat Purea & Co, Ministry of Agriculture | Ministry of Agriculture | How ratifying ABS law can help MOA. |
| 10-12 pm | One on one meetings | Paul Lynch & co,  Sea Bed Minerals Authority | SBMA conference room | The effects of ocean mining of nodules on the marine ecosystems |
| 2-4 pm | One on one meeting | Kevin Iro  Marae Moana Information Hub | Marae Moana Information Hub | The allocation activity hubs in the marine park area and impact on project |
| Friday |  |  |  |  |
| 9-10 am | One on one meeting | Gerald McGormic  National Heritage Trust | National Heritage Trust Office |  |
| 10-11 am | One on one meeting | Kelvin Passfield,  Te Ipukarea Society | Te Ipukarea Society office |  |
| 11am -1 pm | One on one meetings | Ken Matheson | tba | Support required from Mathesons and CIMTECH this project. |
| 2-3 pm | One on one meeting | Minister of Environment | Minister of Environment Office | Way forward for ABS law and process and support from Government |
| 3-5 pm | One on one | Biodiversity Unit, Island Futures Division of the National Environment Service | National Environment Service Office | Way forward for the project; plan for Pa Enua Consultation;  Future plan process to ratification of Nagoya Protocol |
| End of week 1 |  |  |  |  |

*Pa Enua consultation:*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Day | Purpose | Participant | Venue | Agenda |
| Monday - Aitutaki |  |  |  |  |
| Am | One on one meeting | Aitutaki Island council | Island Council Chambers | Role of the Island government in supporting ABS legislation and process |
| pm | One on one meeting | Aitutaki Aronga Mana | Island Council Chambers | Role of the Aronga Mana in supporting ABS legislation and process |
| Tuesday – Atiu |  |  |  |  |
| pm | One on one meetings | Atiu Island Council | Island Council Chambers | Role of the Island government in supporting ABS legislation and process |
| Wednesday - Atiu |  |  |  |  |
| am | One on one meeting | Atiu Aronga Mana | Island Council Chambers | Role of the Aronga Mana in supporting ABS legislation and process |
| Wednesday pm Rarotonga transit Mauke Thursday |  |  |  |  |
| Am | One on one meeting | Mauke Island Council | Island Council Chambers | Role of the Island government in supporting ABS legislation and process |
| pm | One on one meeting | Mauke Aronga Mana | Island Council Chambers | Role of the Aronga Mana in supporting ABS legislation and process |
| Saturday back to Rarotonga. Monday Mitiaro | Week 3 |  |  |  |
| am | One on one meeting | Mitiaro Island Council | Island Council Chambers | Role of the Island government in supporting ABS legislation and process |
| pm | One on one meeting | Mitiaro Aronga Mana | Island Council Chambers | Role of the Aronga Mana in supporting ABS legislation and process |
| Wednesday - Mangaia |  |  |  |  |
| am | One on one meeting | Mangaia Island Council | Island Council Chambers | Role of the Island government in supporting ABS legislation and process |
| pm | One on one meeting | Mangaia Aronga Mana | Island Council Chambers | Role of the Aronga Mana in supporting ABS legislation and process |

*End of Week 3.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Date/Time** | **Purpose** | **Participant** | **Agenda** |
| Monday |  |  |  |
| 9-10 am | Group meeting | Consultant  NES  Crown Law Office | Discuss information paper for Cabinet on proposal to ratify Nagoya Protocol. |
| 10-11am | One on one meeting | Ministry of Finance and Economic Development | Discuss issues of finance and get their clearance |
| 11-12 pm | One on one meeting | Office of the Public Service Commission (PSC) | Discuss how the implementation of the Nagoya Protocol fits with existing structures of the PSC |
| pm | Working meeting between NES and national consultant | NES and national consultant | NES and national consultant further refine the Information Paper to Cabinet. |
|  |  |  | Submit Information Paper to Cabinet through Minister of Environment. |
| Further ongoing work: | Actions required | Responsible Agencies | Timeline |
| Work further with Crown law to review and redraft ABS bill and submit to Parliament. | Contract drafter; | NES  Crown Law  MFAI | 1 month |
|  | Provide information for drafting; | NES  Crown Law  MFAI | 3 months |
|  | Consult on new draft Bill with key stakeholders | NES  Crown Law  MFAI | 2 months |
|  | Submit to Government for enactment through Parliament | NES  Crown Law  MFAI | 3 months |
| Work with MFAI to prepare Cabinet Submission for national ratification of Nagoya protocol. | Request for Government endorsement of Nagoya Protocol | NES  Crown Law  MFAI | 1 month |
| MFAI to advise appropriate international agency about protocol ratification | MFAI advise UNDP of Government endorsement | MFAI | 1 week |

## Stakeholder Identification & Involvement Plan

| **Component** | **Outputs** | **Stakeholders** | **Roles** |
| --- | --- | --- | --- |
| 1. Strengthened National Regulatory and Institutional Framework for ABS  &  2. Capacity building and awareness raising for implementation of the National ABS Framework | 1.1 Nagoya Protocol ratified by Parliament.  1.2 Strengthened National Regulatory and Institutional Framework on ABS  1.3 ABS Rules and Procedures developed.  1.4 Existing ABS Agreements aligned to NP and ABS National Legislation. | 1.NES | 1. Operational oversight of the project, co-ordinate and manage consultation on Rarotonga and the outer islands. Co-ordinate and manage all stakeholders involved in the project & chair of the Steering Committee. |
| 2.Crown Law | 2.1. Provide drafting services and legal advice through duration of project.  2.2. Provide legal advice to consultation and project awareness teams. |
| 3. MFEM | 3. Financial advice and financial co-ordination services to comply with best practices. |
| 4. OPM | 4. Policy advice, island government management and Ministerial liaison. |
| 5.NHT | 5. Biodiversity and Heritage advice, & Community liaison. Provide data on genetic resources available and endangered in the Cook Islands and any concerns, if any. Provide strategy to conserve them. |
| 6.Island Council | 6. Convey concerns & Island specific advice. Communicate and support awareness raising on ABS. Support development of strategies for ABS process. Support consultation team on ABS while on island. Integrate ABS in Island By-laws. |
| 7. Te Koutu Nui | 7. Provide advice, enforce *Ra’ ui* and enable communities to enforce on *Ra’ui* (traditional biodiversity conservation). Develop strategies for future conservation practices on specific plant resources. |
| 8. MoCD | 8. Provide advice on culture and legal traditional knowledge protection. Provide support to ABS process development through the provision of information strategies on TK and TK holders. |
| 9. TIS | 9. Provision of science based conservation advice. Monitors the use of genetic resource es and helps with the development of strategies to conserve them. Project Steering Committee member |
| 10. House of Ariki | 10. Advise on community based TK protection, culture and its association and link with cultural protocols. Provision of advice of the use of current cultural practices that can be better reflected in the ABS process. Provision of advice on land issues and land use. Project Steering Committee member |
| 11. Te Rito o te Vairakau Maori | 11. Advise on protection of plant species specifically those used in traditional medicine. Advise on the integration of ABS process on the treatment of traditional medicine |
| 2. Capacity building and awareness raising for the implementation of the National ABS Framework | 2.1 Upgraded facilities and staff skills for bio-prospecting and TK documentation  2.2 Improved technical capacity for implementing ABS activities  2.3 Increased awareness of ABS and associated national regulatory and institutional framework among a wide range of stakeholders | 1.NES | 1. Provision of best practices in awareness raising initiatives. Provision of strategies to best communicate with communities on ABS. Facilitate the development of an ABS Agreement and co-ordinate responses. Refine process and make standard system available to everyone. Facilitate in the training of outer island ABS champions. |
| 2. Crown Law | 2. Provide legal clarification on the ABS process and its legal implications. Provide advice on the best practice on the development of ABS agreements. |
| 3. MFEM | 3. Financial advice on the ABS process and financial implications of not complying with ABS rules. |
| 4. OPM | 4. Explanation of the policy process towards achieving ABS and the policy implications towards various stakeholders including knowledge holders. Policy advice on national frameworks |
| 5.NHT | 5. Data to support and facilitate awareness raising |
| 6.Island Council | 6. Support awareness raising on their respective islands and assist with the identification and training of outer island ABS champions. Assist with identifying the best strategy for communicating with outer islands communities. |
| 7. Aronga Mana | 7. Project support at community level to raise awareness and inform discussions |
| 8. MCD | 8. Explain cultural implications on the ABS framework and its linkage to TK holders and the likely benefits to be accrued. Partner in the development of the standard ABS agreement. Monitor the effectiveness and impact of ABS on TK holders. |
| 9. TIS | 9. Support awareness and value of ABS framework and process. Monitor the effect of ABS on genetic resources. |
| 10. House of Ariki | 10 Conduit for community support and concerns. |
| 11. Kouti Nui | 11.Conduit for community support and identification of community concerns |
| 12. Te Rito o te Vairakau Maori | 12. Represent views of traditional healers. |
| 3. Bio-discovery and benefit-sharing based on the Traditional Knowledge on Bone and Cartilage | 3.1 A Stronger CIMTECH and Te Koutu Nui ABS Agreement regarding Cartilage and Bone Regeneration.  3.2 Application of improved extraction techniques to ‘Au’ (*Hibuscus tiliaceus*) to meet international standards.  3.3 Scale up production and undertake staff training to ensure analytical and laboratory capacities necessary to ensure consistent quality of the biologically active extract.  3.4 Sustainable management plan for collection of *Hibiscus tiliaceus* and improved conservation of its waterway habitats | 1. CIMTECH & Partners | 1.1. Review agreements to identify mutual advantages & opportunities established by the Nagoya Protocol  1.2. Management and production supervision  1.3. Staff skills training  1.4. Conduct research and development with necessary equipment provided by the project.  1.5. Monitor the effectiveness of the ABS process on the production of the bone cartilage medicine.  1.6. Monitor the impact of ABS processes on other associated stakeholders. |
| 2. Te Koutu Nui | 2. Review agreements to identify mutual advantages & opportunities established by the NP |
| 3. Mathesons | 3. Management and production supervision & staff skills training |
| 4. NES | 4.1. Establish management plan for sustainable harvesting of *Hibiscus tiliaceus* with farmers and land holders  4.2. Collaborate with Te Koutu Nui, Mathesons and CIMTECH and partners.  4.3. Monitor the financial, legal and policy compliance of the ABS process and its effectiveness. Note lessons to be learnt and report to local stakeholders and UNDP.  4.4. Develop and operate the ABS agreement and evaluate its effectiveness. |
| 5. Ta’unga Vairakau | 5. Provide advice on the value and use of medicinal plants for research within the ABS framework. |
| 6. MFEM | 6. Monitor the financial compliance of the project between NES and Matheson’s Enterprises. |

1. The identified activities of each the stakeholders, although they may appear to be separate from each other as they represent different areas of ABS, are intrinsically linked at each level and component. It is the intention of the National Environment Service (NES) to consult with each agency at the start of the Project and to further develop its consultation and engagement plan to ensure each agency is clear on the Project expectation on them and their agencies. These expectations will be compiled and documented by the NES and will be used as a monitoring mechanism. The monitoring mechanism will be two-fold. The first being the monitoring of outputs and outcomes for each component which will be used to measure and report against the achievement of each activities and components; and the second being the monitoring of financial outputs and outcomes for each component which will be used to measure the actual expenditure against each of the co-finance contributions outlined in the Project document.
2. The Steering Committee comprising of all stakeholders identified in the table above and more will determine the level and the degree of engagement of each stakeholder. The rationale for this decision will be based on the extent in which those stakeholders are required to participate in the each of the deliveries by component. It is by no means a way to excuse them at any stage, but a means in which their expertise can be best used at the right time and place.
3. Other local stakeholders from outside of this table will also be brought in as required (ex-officio) including the Ministry of Marine Resources and the Ministry of Agriculture where much of the region’s genetic resources are held in a laboratory in Suva, and traditional community organizations that can add value and are able to support the intent of this project. International stakeholders will also be engaged as determined by the Steering group like UNDP, SPREP, SPC, FAO - if their skills and expertise are required and such skills and expertise are not available on island.
4. The participation of indigenous and traditional groups in the project will be ensured through locally based CSOs. The project coordination will ensure that the voice of indigenous and traditional groups will be duly heard and taken into consideration in the preparation of the new NBSAP. The development of ABS system in the Cook Islands is matched by comprehensive awareness-raising with the community and, in particular, with those cultural bodies associated with the retention, protection and transmission of traditional knowledge and traditional biodiversity management. As such, the project is designed to have an overall positive long-term impact on the Cook Islands natural environment and biological resources, adding value to the sustainable management of its terrestrial and aquatic ecosystems and bolstering the intergenerational valuing of traditional knowledge. Specific COP guidance on the matter, linked to implementation of the Convention’s Article 8(j), will be followed.[[19]](#footnote-19)
5. It will be necessary to maintain communication with *Te Koutu Nui* and other cultural organisations to ensure that any concerns about the utilization of traditional knowledge held by holders of the knowledge are carefully considered and addressed. In this regard the project will ensure the use of the Register of Traditional Knowledge holders and creators held by the Ministry of Culture is accessed to get accurate information of the true holder and creator of the knowledge. This has been identified as a key outcome and output from the project.
6. The more specific guidance on priority setting provided by the outcome of the first Meeting of the Parties to the Nagoya Protocol will be evaluated and taken in to account in undertaking consultation and involvement of indigenous and traditional groups. In this regard it is noted that the Constitution of the Cook Islands includes statutory recognition of the existence and the role such groups, in particular, the *House of Ariki* and the T*e Koutu Nui*. This is a reflection of the close-knit and cohesive nature of Cook Islands society where tradition and customary activities are well integrated into a contemporary society. The interest and engagement of the above listed government, non-government and cultural organisations is demonstrated in the comprehensive programme of consultations undertaken during project preparation as annexed to the Project Document and the further project consultation programme, also annexed. The Ministry of Culture and the National Environment Service already undertake regular consultations and the Project will build on these administrative arrangements.
7. The experience and lessons learnt from this project will be made to any other countries who may be thinking of developing their own ABS process and/or making their systems NP compliant. These documentations will be deposited with UNDP and SPREP for access and use by other countries through related UNDP and SPREP development assistance projects and by direct consultation and involvement of Cook Island agencies and organisations.

## Supplemental provisions to the project document

Standard annex to project documents for use in countries which are not parties to the Standard Basic Assistance Agreement (SBAA)

Standard Text:

Supplemental Provisions to the Project Document:

The Legal Context

General responsibilities of the Government, UNDP and the executing agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.

2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.

3. Assistance under this Project Document being provided for the benefit of the Government and the people of the Cook Islands, the Government shall bear all risks of operations in respect of this project.

4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.

5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.

6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.

7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

(a) Participation of the Government

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.

2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.

3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.

4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.

5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.

6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.

7. The Government shall make available to the project - subject to existing security provisions – any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.

8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.

2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager a/ who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.

a/ May also be designated Project Coordinator or Chief Technical Adviser, as appropriate.

5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.

6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.

7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.

8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.

9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.

10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.

2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;

(b) Be immune from national service obligations;

(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;

(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;

(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.

5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;

(b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;

(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.

6. The Government shall ensure:

(a) prompt clearance of experts and other persons performing services in respect of this project; and

(b) the prompt release from customs of:

i. equipment, materials and supplies required in connection with this project; and

ii. property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

Suspension or Termination of Assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.

3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise

1. For UNDP supported GEF funded projects as this includes GEF-specific requirements [↑](#footnote-ref-1)
2. A traditional conservation practice where access to a particular resource or area is forbidden for a given period that is still being practiced in the Cook Islands. The *ra’ui* are promoted and supported by the Koutu Nui (sub-chiefs) and the Koutu Nui is responsible for the establishment of *ra’ui*. *Ra’ui* are locally managed by community members. [↑](#footnote-ref-2)
3. A traditional conservation practice where access to a particular resource or area is forbidden for a given period that is still being practiced in the Cook Islands. The *ra’ui* are promoted and supported by the Koutu Nui (sub-chiefs) and the Koutu Nui is responsible for the establishment of *ra’ui*. *Ra’ui* are locally managed by community members. [↑](#footnote-ref-3)
4. Habitat refers not only to the geographical occurrence of the species, but also to the areas that provide vital ecosystem services e.g. water provision from upstream catchments (as the species grows on river banks). *Hibiscus tiliaceus’s* biogeographic distribution covers the regions of Eastern and Northern Australia, Oceania, Maldives and Southeast Asia, including the Cook Islands. Since the Cook Islands is one of the countries of origin of *H. tiliaceus*, this project is eligible under the mandate of the Nagoya Protocol. In the Cook Islands, the coverage of *H. tiliaceus* is most of the coastal regions of the large islands, and the banks of almost all the rivers. The plant is one of the most prevalent in the Cook Islands. Its conservation status will be secured through sustainable use. [↑](#footnote-ref-4)
5. This is found in Regulation (EU) 511/214 of the European Parliament and of the Council of 16 April 2014 and made into law on by publication on 12 June 2014and to come into operation one year after the coming into force of the Nagoya Protocol. [↑](#footnote-ref-5)
6. CIMTECH advised in late August 2014 that they may in fact spend more than this figure. [↑](#footnote-ref-6)
7. ‘Utilisation of genetic resources’ is defined in the Nagoya Protocol as meaning: “to conduct research and development on the genetic and /or biochemical composition of genetic resources including through the application of biotechnology as defined in Article 2 of the Convention.’ [↑](#footnote-ref-7)
8. http://cookislands.bishopmuseum.org/species.asp?id=6234 [↑](#footnote-ref-8)
9. In the experimental (non-clinical) research arena, the phrase **good laboratory practice** or **GLP** specifically refers to a quality system of management controls for research laboratories and organizations to try to ensure the uniformity, consistency, reliability reproducibility, quality, and integrity of chemical (including pharmaceuticals) non-clinical safety tests; from physio-chemical properties through acute to chronic toxicity tests. [↑](#footnote-ref-9)
10. Whistler, A. (1994) Polynesia Herbal Medicine, [↑](#footnote-ref-10)
11. Cook Islands Biodiversity Database: <http://cookislands.bishopmuseum.org>, accessed, 28/8/14. [↑](#footnote-ref-11)
12. Details of the licensing agreement are commercial-in-confidence. This is usual practice in the development of potential therapeutic products. [↑](#footnote-ref-12)
13. See GEF ID#5634 “Ratification and implementation of the Nagoya Protocol in the countries of the Pacific Region”. [↑](#footnote-ref-13)
14. Queen Elizabeth the Second is the Head of State of the Cook Islands. References to the Royal Family are references to her family. [↑](#footnote-ref-14)
15. See Annex 7.3 for the UNDP/GEF ABS Capacity Development Scorecard [↑](#footnote-ref-15)
16. [↑](#footnote-ref-16)
17. See e.g. [www.cbd.int/traditional](http://www.cbd.int/traditional). [↑](#footnote-ref-17)
18. Habitat refers not only to the geographical occurrence of the species, but also to the areas that provide vital ecosystem services e.g. water provision from upstream catchments (as specie grows on river banks). [↑](#footnote-ref-18)
19. See e.g. [www.cbd.int/traditional](http://www.cbd.int/traditional). [↑](#footnote-ref-19)