



## Convention on Biological Diversity

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### INFORMAL CONSULTATION ON THE DEVELOPMENT OF A STRATEGY FOR RESOURCE MOBILIZATION IN SUPPORT OF THE ACHIEVEMENT OF THE CONVENTION'S OBJECTIVES

Second meeting

Geneva, Switzerland, 20 January 2008

Item 5 of the provisional agenda\*

### **DRAFT OF A MESSAGE ON FINANCE AND BIOLOGICAL DIVERSITY TO THE FOLLOW- UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSENSUS**

*Note by the Executive Secretary*

#### **I. INTRODUCTION**

1. In its recommendation 2/2, paragraph 3, the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention recommended that, at its ninth meeting, the Conference of the Parties mandate its President to transmit a message on biodiversity and financing for development to the International Conference on Financing for Development, and requested the Executive Secretary to undertake informal consultations with Parties to prepare a draft of the message for the consideration of the Conference of the Parties.

2. The present note proposes a Bonn Declaration on Finance and Biological Diversity to facilitate informal consultations with Parties on a draft of the message to the Doha International Conference, which is annexed to the present note. Section II describes background information on the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus. Section III provides relevant elements that could be considered while developing the message on finance and biological diversity. Recommendations are contained in the final section.

#### **II. FOLLOW-UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSENSUS**

3. The International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, adopted the Monterrey Consensus on Financing for Development.

4. In decision VI/16, the Conference of the Parties welcomed the positive outcome of the United Nations International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002 as reflected in the Monterrey Consensus, which represents a crucial step towards achieving the goals of poverty eradication, sustained economic growth and promotion of sustainable development.

5. In decision VII/21, paragraph 3, the Conference of the Parties urged Parties to fully implement the Monterrey Consensus on financing for development and conclude successfully the Doha Development Negotiation Round process.

6. In its resolution 61/191 on Follow-up to and implementation of the outcome of the International Conference on Financing for Development (A/RES/61/191, 24 January 2007), the General Assembly of the United Nations decided that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus will be held in Doha in the second half of 2008, at a date to be determined by the General Assembly in consultation with the host country, taking into due consideration the regular schedule of meetings of the United Nations. It was reiterated that the review conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned, and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues.

7. According to the draft resolution on Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, dated 6 December 2007 (A/C.2/62/L.59), the General Assembly of the United Nations would decide that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus:

- (a) Will be held in Doha from 29 November to 2 December 2008;
- (b) Will be held at the highest possible political level, including the participation of Heads of State or Government, ministers, special representatives and other representatives, as appropriate;
- (c) Will include plenary meetings and six interactive multi-stakeholder round tables on the themes based on the six major thematic areas of the Monterrey Consensus;
- (d) Will result in an intergovernmentally agreed outcome;
- (e) Will also result in summaries of the plenary meetings and of the roundtable discussions, to be included in the report of the conference

8. The six major thematic areas of the Monterrey Consensus include:

- (i) Mobilizing domestic financial resources for development;
- (ii) Mobilizing international resources for development – foreign direct investment and other private flows;
- (iii) International trade as an engine for development;
- (iv) Increasing international financial and technical cooperation for development;
- (v) External debt;
- (vi) Addressing systemic issues – enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

9. The draft resolution reiterated that the Review Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues.

10. The draft resolution requested the President of the General Assembly at its sixty-second session to continue direct intergovernmental consultations of the whole with the participation of all States and the major institutional stakeholders involved in the financing for development process on all issues related to the Review Conference, and decided that these consultations must be scheduled in advance and must be open, inclusive and transparent.

11. The draft resolution also requested the President of the General Assembly to provide a programme of work, from within existing resources, taking into account relevant meetings scheduled for 2008 and their outcomes, including six substantive informal review sessions of the whole on the six thematic areas of the Monterrey Consensus, of a maximum duration of eleven working days plus one working day for informal interactive hearings, with representatives of civil society and the business sector during the period from January to June 2008, to be followed by informal consultations on the contents of the outcome document of the Review Conference, with the view to presenting the first draft outcome document by the end of July 2008, followed by informal consultations and drafting sessions, as required, in the period from September 2008 until the holding of the Review Conference.

12. The draft resolution invited Governments and all relevant stakeholders, including the World Bank, the International Monetary Fund, the World Trade Organization, the United Nations Conference on Trade and Development, the United Nations Development Programme, regional development banks and all other relevant regional bodies, to provide substantive inputs to the preparatory process of the Review Conference.

### **III. FINANCE AND BIOLOGICAL DIVERSITY**

13. At its eighth meeting in May 2006, the Conference of the Parties, by paragraph 4 of decision VIII/13, requested the Executive Secretary, in consultation with Parties, Governments and relevant partners, to explore all options for resource mobilization including innovative financial mechanisms and to develop a draft strategy for resource mobilization in support of the achievement of the objectives of the Convention, taking into account the elements of the in-depth review, and to present a report on these options and the draft strategy to the ninth meeting of the Conference of the Parties through the Ad Hoc Open Ended Working Group on Review of Implementation of the Convention.

14. The second meeting of the Ad Hoc Open Ended Working Group on Review of Implementation of the Convention initiated a process, through an informal consultation, of developing the draft strategy for resource mobilization in support of the achievement of the objectives of the Convention. The development of the draft strategy on resource mobilization provides useful inputs to a message on finance and biological diversity. The following elements identified in the background note for the first informal consultation therefore have relevance.

15. Parties and relevant organizations should take immediate concrete actions to implement the resource mobilization strategy in support of the achievement of the Convention's three objectives, as adopted by the ninth meeting of the Conference of the Parties in Bonn, with a view to achieving a targeted increase in financial resources, through the full range of possible national, regional and international as well as public and private sources of financing, to support the achievement of the objectives of the Convention at the local, national, regional and international levels for an initial period up to 2015, coinciding with the international development planning cycle including the Millennium Development Goals.

16. Parties should determine their own funding priorities for national biodiversity activities in a programmatic manner based on the agreed global commitments, and ensure biodiversity finances firmly embedded in national public finance and national financial systems. A coherent financial programme for national biodiversity management, building on clear accounting of biodiversity-related revenues and expenditures, can be a powerful instrument for developing a common vision of local, national and international stakeholders, identifying their roles in resource mobilization, and assuring an optimal deployment of funds. Equitable, transparent and effective funding governance systems with full participation of biodiversity communities and institutions are essential for both poverty reduction and biodiversity management.

17. The explicit introduction of biodiversity financing in national budgetary systems represents a useful first step, and biodiversity-adaptive budgeting requires a comprehensive budget-wide approach to enhancing biodiversity management. Sector-based resource mobilization must promote understanding of the biodiversity-development linkage, increase capacity and political will to support investments that simultaneously address both biodiversity and development objectives, and improve the voice of biodiversity authorities in development decision making and planning. A tax system that is supportive of the Convention can generate much-needed financial resources and also induce behavioral changes by rewarding biodiversity-friendly practices and deterring environmentally harmful activities. The experience of tax exemptions in national taxation systems for biodiversity-related donations and activities should be widely shared.

18. The banking industry and financial sector, including national development banks and export credit and promotion agencies, have an important role to play in promoting sustainable development and biodiversity management. Parties should promote biodiversity related partnership arrangements with and among funding institutions and other stakeholders, including with banking and business sectors. Environmental funds are viable institutions and complements to national biodiversity capacities, from fund raising and distribution to biodiversity management and policy development. Application and replication of innovative financial mechanisms, such as payments for ecosystem services, environmental insurance, green funds and revenue generation measures, can complement other resource mobilization instruments.

19. The development of the private sector and corporate interests in biodiversity has created an increased potential for partnerships and sponsorship in support of improved biodiversity management. Parties should work to create the necessary domestic and international conditions to facilitate direct investment flows conducive to achieving national biodiversity priorities and linkages with private grant-making foundations, including through technical cooperation with international biodiversity conservation organizations. Innovative partnership with the private sector at both the national and international levels must be tested and replicated to achieve the Convention's objectives in a sustainable and cost-effective manner.

20. Poverty eradication, sustainable development and the achievement of the three objectives of the Convention are closely inter-linked. It is time to adopt a comprehensive approach to integrating biological diversity into sectoral development and assistance programmes, and giving due consideration to biodiversity in development-planning systems, including in poverty reduction strategy papers, where they exist, in order to maximize opportunities for mobilizing financial resources. The international community must support national integration efforts, including through major international development initiatives, such as the Highly Indebted Poor Countries Initiative, Poverty Reduction Strategies, and Comprehensive Development Frameworks.

21. The provision of new and additional financial resources through the Global Environment Facility has made an initial difference in the world's ability to address the loss of biological diversity. The Facility has continued to search for improved operational effectiveness as well as for increased relevance

to the requirements of the Convention. Both donor and recipient Parties should recognize the full potential of the Facility in mobilizing, leveraging and channeling new and additional financial resources and encourage innovative financial products and instruments that can attract new and additional contributions, including supplementary complementary trust funds to better target at priority needs identified by the Conference of the Parties and strengthened linkages with financing for incremental costs of biodiversity projects provided through other than the Facility.

22. Successful mobilization of international financial resources requires appropriate match of interests from both developed and developing countries. The initiatives of developing countries are of critical importance in mobilizing international resources for biological diversity. Developed countries should continue to play a leadership role in the mobilization of international financial resources, including through indicative quantitative targets of allocations, biodiversity policy instruments in international development cooperation, specific assistance programmes and initiatives, sector-wide approaches, direct budget support, environmental impact assessments including biodiversity, and long-term partnerships.

23. The effectiveness of financial cooperation for biodiversity management can help to release resources from inefficient use and also enhance mutual confidence of donors and recipients in mobilizing further resources. To address effectiveness issues and inform further resource mobilization, Parties should strengthen funding ownership, alignment, harmonization, managing for results and mutual accountability through implementation of the 2005 Paris Declaration on Aid Effectiveness.

24. Biodiversity provides the diversified base for sustainable trade, and has supported a main source of external revenues for development in many developing countries. Unsustainable trade contributes to overexploitation of certain biodiversity, and protracts unsustainable consumption and production pattern. Parties should ensure mutual supportiveness between the Agreement on Trade-Related Aspects of Intellectual Property Rights and the Convention on Biological Diversity by giving a balanced consideration of promoting innovation and protecting biodiversity, traditional knowledge and genetic resources. Parties should conclude the negotiation on an international regime on access and benefit-sharing at the earliest possible time before the ten meeting of the Conference of the Parties in 2010.

25. Parties should undertake to remove debt barriers to biodiversity finances by accelerating debt relief and cancellation initiatives and promoting swaps of debt for nature to promote conservation and sustainable use of biodiversity.

26. There are opportunities to mobilize substantial financial resources and increase the effectiveness of their use by enhancing synergies between various global environmental conventions such as on climate change, biodiversity and desertification. Parties should promote international financial governance incorporating global environmental changes and ensure funding synergies in national implementation of the three Rio conventions and other biodiversity-related conventions.

27. The South-South Cooperation enables the flow of development assistance among developing countries, including sharing best practices and providing enhanced technical cooperation, and thus can be an effective means to achieve the objectives of the Convention. It is imperative to integrate biodiversity into South-South Cooperation mechanisms and processes, including through triangular cooperation and implementation of the Bali Strategic Plan for Technology Support and Capacity Building.

28. Interregional, regional and subregional cooperation can provide effective solutions to biodiversity challenges at the regional and subregional levels, in particular for issues that are of a transboundary nature such as cooperation in the management and control of invasive alien species and genetically modified organisms. Parties should strengthen appropriate institutional arrangements, including regional development banks and organizations, to enable regional policy dialogue and consensus-building, development of regional funding mechanisms and joint programmes as well as partnership agreements.

29. International development and financial cooperation system, including the World Bank, the International Monetary Fund, and regional development banks, as well as the United Nations funds, programmes and agencies, provide direct investment and technical assistance in biodiversity projects and exert a considerable impact on biodiversity through other operations. The voice, visibility and budgetary consideration of biodiversity should be enhanced in the governing bodies and coordination mechanisms of international financial institutions and development agencies.

30. There must be a greater awareness of the importance of biodiversity to development, including among development policy makers and cooperation planners. Parties should conduct social-economic assessments of the consequences of the loss of biodiversity as well as of cost-benefits involving biodiversity management. Parties and all other stakeholders should actively participate in and contribute to celebrating the 2010 International Year for Biodiversity as proclaimed by the General Assembly of the United Nations.

31. To effectively mobilize financial resources for biodiversity requires an unremitting effort of all relevant stakeholders of the Convention, locally, nationally, regionally and internationally. Well resourced technical assistance and productive capacity-building and training programmes must be developed to enhance the capacity of Parties in mobilizing adequate financial resources dedicated to biodiversity management.

#### **IV. SUGGESTIONS**

32. Participants are invited to make comments and suggestions on the draft Bonn Declaration on Finance and Biological Diversity as annexed to the present note, in line with the above-mentioned development under the Monterrey Consensus.

## **Annex Bonn Ministerial Declaration on Finance and Biological Diversity**

### **We, the Ministers and other heads of delegation comprising the Ninth Meeting of the Conference of the Parties to the Convention on Biological Diversity:**

*Recalling* that the United Nations Convention on Biological Diversity is the foremost international legal instrument for the conservation and sustainable use of biological diversity as well as for the fair and equitable sharing of the benefits arising out of the utilization of genetic resources;

*Deeply concerned* by the unprecedented rate of loss of biodiversity of our planet and its far-reaching environmental, social, economic and cultural impacts, including on international peace and security of the world, exacerbated by the negative effects of climate change;

*Deeply concerned also* that the consequences of biodiversity loss and ecosystem disruption are harshest for the poor and that biodiversity loss poses a significant barrier to achieving sustainable development and the Millennium Development Goals;

*Recalling* the urgent need to redouble efforts for achieving the biodiversity target aimed at substantially reducing the rate of loss of biodiversity by 2010;

*Emphasizing* that the enhanced phase of implementation of the three objectives of the Convention requires that biodiversity considerations be mainstreamed into national development and poverty reduction plans, policies and strategies, as well as into development cooperation planning;

*Highlighting* the need to integrate financing for biodiversity into the decisions of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus to be held in Doha from 29 November to 2 December 2008

Hereby declare that its elements should include the following,

1. Governments and relevant organizations should substantially increase financial resources for the implementation of their respective national biodiversity strategies and action plans, in particular to achieve the 2010 biodiversity target as part of Goal 7 on environmental sustainability of the Millennium Development Goals, taking into account the strategy on resource mobilization in support of the Convention's three objectives, as adopted by the ninth meeting of the Conference of the Parties, in Bonn, Germany;
2. The international development and financial cooperation system, including the World Bank, the International Monetary Fund, regional development banks and bilateral development agencies, as well as the United Nations funds, programmes and agencies, should provide increased direct investment and technical assistance in biodiversity projects and strive to mainstream biodiversity considerations into their overall programme of work to maximize potential for synergy;
3. Governments and relevant organizations should integrate into their strategies for poverty reduction and development the contribution of biodiversity, including, as appropriate, ecosystem services, to poverty eradication, national development and human well-being, as well as the economic, social, cultural, and other values of biodiversity as emphasized in the Convention on Biological Diversity
4. Governments and relevant organizations should develop and implement effective and innovative mechanisms to ensure the fair and equitable sharing of benefits arising out of the utilisation of genetic

resources, and support the development and adoption of an international regime on access and benefit sharing, by 2010, in the framework of the convention on Biological Diversity

5. Governments and relevant organizations should develop and implement effective and innovative mechanisms, at national and international levels to promote the conservation and sustainable use of biodiversity, taking into account the value of biodiversity and the ecosystem system services it generates, and the contribution of indigenous and local communities in maintaining it.

6. The business community, including the financial services sector, should be invited to fully engage in the implementation of the three objectives of the Convention;

7. South-South Cooperation should be actively encouraged as an effective tool to promote new flows of technical and financial resources to implement the three objectives of the Convention.

The Conference of the Parties *requests* the President of the ninth meeting of the Conference of the Parties to transmit the message on biodiversity and financing for development to the International Review Conference on Financing for Development. It *further requests* the Executive Secretary of the Convention to participate actively in the International Conference and to report thereon to the Conference of the Parties at its tenth meeting.

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