

Resource Mobilization and Financial Reporting under the CBD

Introduction and international flows

Sub-regional workshop on financial reporting and resource mobilization for East and Southern Africa
Entebbe, Uganda, 24-25 November 2015

Csoban Somodi
Secretariat of the Convention on Biological Diversity



COP12 / MOP7 / MOP1
PYEONGCHANG KOREA 2014





Overview

- Background on methodological work for reporting
- Reporting international funding streams





Background

Webinar:

- **Why** financial reporting?
- Global context and mandate: COP-12 targets for resource mobilization
- Structure of the reporting framework

Workshop:

- **How** to undertake financial reporting: methodologies and tools



Global expert workshop on methodologies

- Mexico City, 5 – 7 May 2015
- Decision XII/3, para 32(c): to provide voluntary guidance for Parties, with a view to facilitating:
 - financial reporting on domestic expenditures
 - and the development of national finance plans.

“...considering the lack of clarity and difficulties in estimating ‘funding need’ and ‘funding gap’ it appears that much more thought and deliberations would be required, so as to develop further guidance...”

(submission from India commenting on the draft financial reporting framework)



Global expert workshop on methodologies

- Work on several cross-cutting themes:
 - Conceptualizing/defining the term “biodiversity-related” investment
 - Coefficients - attributing the percentage of financial resources to “indirect” biodiversity activities (<100% attributable)
 - Private sector – including NGOs and businesses
 - Sub-national level – expenditures by provincial and local governments
 - Biodiversity-harmful expenditures
 - Assessing impacts in a finance context
- “Options for methodological convergence”
 - It is a dynamic field
 - Needed built-in flexibility in national implementation of the Strategic Plan



Recap from webinar

- Article 20 of the Convention
- COP-10: Strategic Plan for Biodiversity 2011-2020 including 20 Aichi Targets
- Aichi Target 20 on resource mobilization
- Targets for resource mobilization adopted by COP-12
- Financial Reporting Framework also adopted by COP-12
- Two 'rounds' of reporting:
 - Parties and other Governments to report on baseline and progress until 2015, by 31 December 2015...
 - ...and to report further progress in conjunction with sixth national reports



Targets for resource mobilization

Decision XII/3 (resource mobilization): adoption of financial targets, under Aichi Target 20: (paragraph 1)

- Doubling international biodiversity-related funding flows to developing countries by 2015...
- Inclusion of biodiversity in national priorities or development plans by 2015...
- Reporting domestic biodiversity expenditures, as well as funding needs, gaps and priorities, by 2015
- Preparation of national financial plans for biodiversity by 2015 and assessment and/or evaluation of the values of biodiversity
- Mobilize domestic financial resources from all sources to reduce the gap between identified needs and available resources at domestic level

Financial Reporting Framework

1. International financial resource flows
2. Biodiversity in national priorities/plans
3. Assessment of values of biodiversity
4. Domestic expenditures
5. Funding needs, gaps and priorities
6. National financial plans
7. Measures to encourage 'other' contributions
8. Availability of financial resources for financial reporting



Summary on international flows

(from webinar)



Relevance for developing countries

- Reporting official 'South-South cooperation' (under the 'OOF' column)
- Reporting activities by private sector, foundations, academia (under 'other flows')
- **OECD database as a source of data and information**
- Horizontal methodological issues (i.e., **biodiversity concepts and assigning coefficients**)

International Financial Resource Flows

2006-2010 baseline

Including South-south
Cooperation

Private sector, NGO,
Academia, Foundation

Year	ODA ⁱ	OOF ⁱ	Other flows ⁱ	Total
<input type="text" value="v"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0"/>
Average (baseline)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

Methodological information:

ODA includes: ⁱ

- ☐ - Bilateral
- ☐ - Multilateral

ODA/OOF includes: ⁱ

- ☐ - Commitments
- ☐ - Disbursements

ODA/OOF includes: ⁱ

- ☐ - Directly related
- ☐ - Indirectly related

Other flows include:

- ☐ - Directly related
- ☐ - Indirectly related

Other methodological observations/comments, including sources of data: ⁱ

As applicable, methodology used to identify official resource flows: ⁱ

As applicable, coefficient used for resource flows indirectly related to biodiversity, when calculating total numbers: ⁱ

%

Average confidence levels: ⁱ

ODA:

OOF:

Other flows:

OECD Creditor Reporting System (CRS) and ‘Rio Markers’

- Biodiversity-related development finance is tracked within the CRS using the biodiversity “Rio marker” (since 1998, mandatory from 2006)
- Rio markers track policy objectives
 - i.e. activities targeting biodiversity as a *principal* objective, a *significant* objective, or not at all
- Marking guided by: Definition, eligibility criteria, typical examples and guidance
- Data allow for an approximate quantification of finance flows to biodiversity & track mainstreaming

OECD Creditor Reporting System (CRS) and ‘Rio Markers’

CURRENT BIODIVERSITY DEFINITION:

- *It promotes at least one of the three objectives of the Convention: the conservation of bio-diversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.*

CURRENT CRITERIA FOR ELIGIBILITY:

The activity contributes to

- a) *protection or enhancing ecosystems, species or genetic resources through insitu or ex-situ conservation, or remedying existing environmental damage; or*
- b) *integration of bio-diversity and ecosystem services concerns within recipient countries’ development objectives and economic decision making, through institution building, capacity development, strengthening the regulatory and policy framework, or research; or*
- c) *developing countries’ efforts to meet their obligations under the Convention*

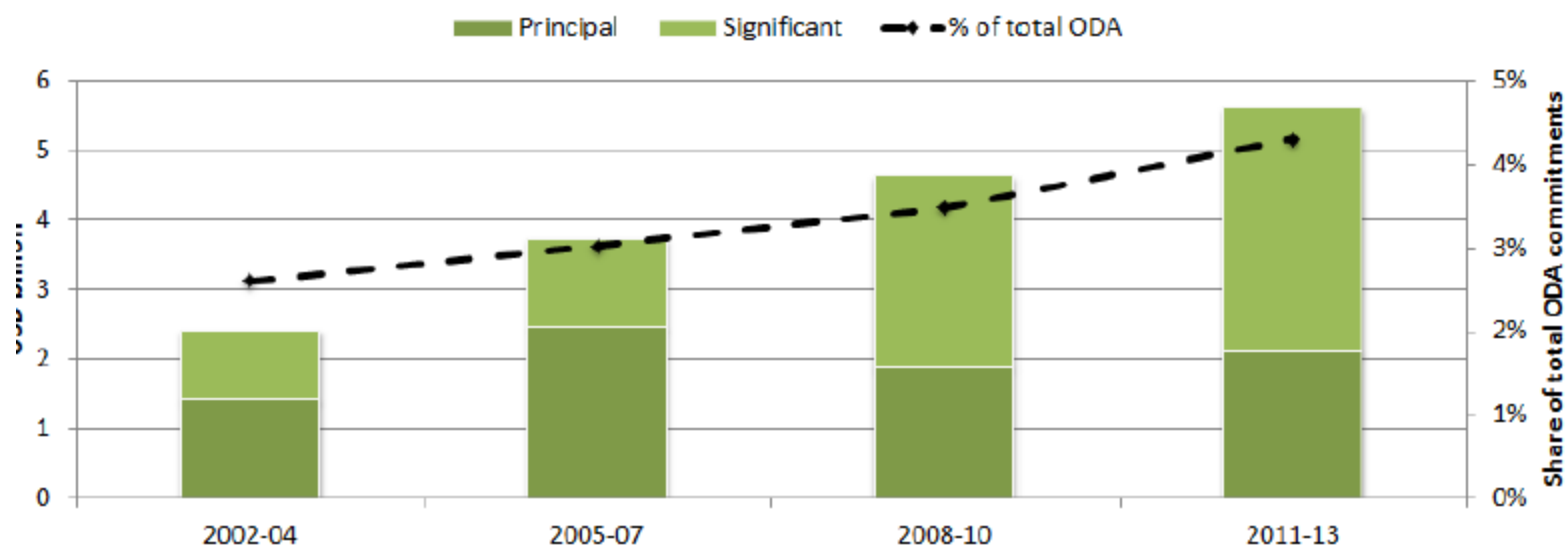
The activity will score “principal objective” if it directly and explicitly aims to achieve one or more of the above three criteria.

Work currently ongoing in the OECD to fine tune Rio marker definitions:

- Headline definitions considered relevant & internationally recognised
- Modernise descriptive language and check consistency with conventions
- Improved guidance - sub-sector level examples and rational
- Working towards common definitions
- Open and engaging to seek recipient perspectives

Bilateral biodiversity-related ODA commitments by OECD DAC members

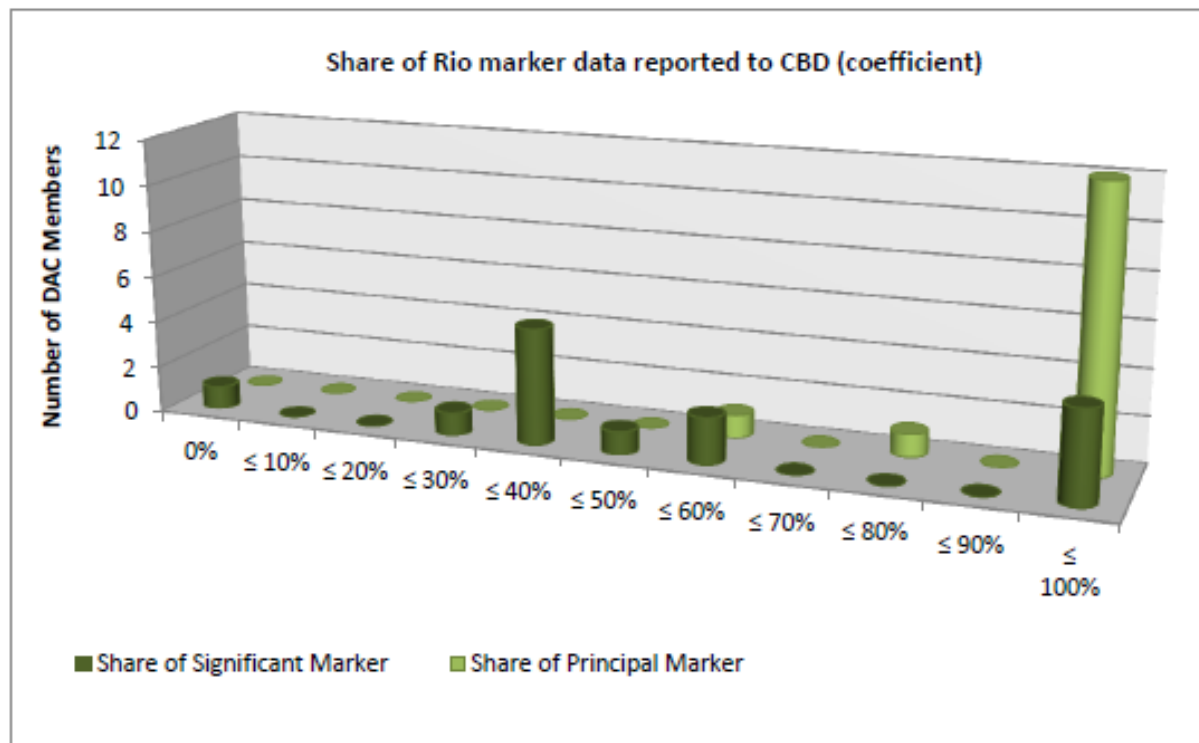
Trends in biodiversity-related development finance, three-year averages
2002-2013, bilateral commitments, USD billion, constant 2013 prices



- Most increase in ODA targeting biodiversity as a “significant” objective (63% av. 2011-13)
- Donors increasingly targeting multiple environmental objectives:
 - 76% biodiversity-related development finance also targets climate change objectives (2011-13).

Use of Rio marker data for Reporting to the CBD:

- Large number of members draw on Rio markers to provide the basis for their reporting to the CBD on bilateral ODA.
 - Most report 100% *principal*
 - Varied treatment of *significant*
- Awareness that Rio marker methodology allows for an approximate quantification of financial flows - many members applying coefficients to adjust the share of finance



- Different approaches and coefficients may relate to the nature of different member portfolios, and how the marker is applied.
- Comparability and the need for harmonisation are pressing concerns

Use of Rio marker data for reporting international flows: coefficients

- **Different rationales, different approaches...**
 - Recognition that *significant* < *principal*, ranges and approximations
 - Identify biodiversity component
- **Range of views on the reporting of components:**
 - not logical, costs cannot be separated
 - Feasibility challenging, resource intensive and complex
- **Use of coefficients prevalent but limited evidence to inform these**
- More sophisticated approaches exist, need to remain comparable
- **Transparency first step for improvement** – revised CDB reporting framework supports this

How to access data?

<http://stats.oecd.org/>



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ORGANISATION
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CO-OPERATION
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Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

Recipient	Africa, Total
Sector	1000: Total All Sectors
Marker	Biodiversity
Amount type	Current Prices
Year	2013
Unit	US Dollar, millions

Score	Principal	Significant	Screened, not targeted	Not screened
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Donor

DAC Members, Total 525.30 1 917.49 33 988.32 5 131

DAC Members, Total Australia 0.72 19.92 281.31 13

Austria 3.47 22.79 28.46 84

Belgium 12.50 98.04 510.65

Canada 1.02 46.21 1 336.86 0

Czech Republic 0.01 0.38 6.96

Denmark .. 83.43 395.47 123

Finland 0.33 3.04 282.46

France 14.99 120.20 2 443.59 1 861

Germany 176.05 182.97 3 114.62 602

Greece 2.26

Iceland .. 2.05 12.98 0

Ireland 0.15 39.08 227.99 85

How to access data ?



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- Development**
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 - Flows by Provider and Recipient
 - Flows based on individual projects (CRS)**
 - Creditor Reporting System (CRS)
 - Aid activities targeting Global Environmental Objectives**
 - Aid projects targeting gender equality and womens empowerment (CRS)
 - Members' total use of the multilateral system
 - Paris Declaration on Aid Effectiveness
 - African Economic Outlook
- Economic Projections
- Education and Training
- Environment
- Finance
- Globalisation
- Health
- Industry and Services
- International Trade and Balance of Payments
- Labour

Aid activities targeting Global Environmental Objectives ⁱ

Customise Export Draw chart My Queries

Recipient		Tanzania			
Sector		1000: Total All Sectors			
Marker		Biodiversity			
Amount type		Current Prices			
Year		2013			
Unit		US Dollar, millions			
Score		Principal	Significant	Screened, not targeted	Not screened
		▲ ▼	▲ ▼	▲ ▼	▲ ▼
Donor					
DAC Members, Total		44.11	87.05	1 604.43	257.81
DAC Members, Total	Australia	..	0.09	10.30	1.71
	Austria	0.05	..	..	1.88
	Belgium	0.78	2.28	11.45	..
	Canada	..	0.01	40.72	..
	Czech Republic	..	..	0.03	..
	Denmark	..	..	118.56	4.13
	Finland	0.07	0.06	11.41	..
	France	1.13	..	0.15	2.87
	Germany	31.68	..	110.72	5.04
	Greece
	Iceland
	Ireland	..	7.30	33.63	2.41

How to access data ?



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Development

Flows by Provider

Flows by Provider and Recipient

Flows based on individual projects (CRS)

Creditor Reporting System (CRS)

Creditor Reporting System

Aid for Trade

Food aid from DAC donors

Aid activities targeting Global Environmental Objectives

Aid projects targeting gender equality and womens empowerment (CRS)

Members' total use of the multilateral system

Paris Declaration on Aid Effectiveness

African Economic Outlook

Economic Projections

Education and Training

Environment

Finance

Globalisation

Health

Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

		Donor	DAC Members, Total			
		Sector	1000: Total All Sectors			
		Marker	Biodiversity			
		Amount type	Current Prices			
		Year	2013			
		Unit	US Dollar, millions			
		Score	Principal	Significant	Screened, not targeted	Not screened
		Recipient				
Africa, Total			525.30	1 917.49	33 988.32	5 131.3
Africa, Total	North of Sahara, Total		2.41	138.37	4 064.75	1 496.9
	North of Sahara, Total	Algeria	0.04	41.59	197.64	28.5
		Egypt	0.54	41.63	647.14	436.0
		Libya	..	..	170.25	6.8
		Morocco	1.24	17.70	1 824.57	755.8
		Tunisia	0.23	36.75	979.83	259.0
		North of Sahara, regional	0.37	0.70	245.33	10.9
	South of Sahara, Total		519.68	1 650.02	28 778.58	3 325.0
	South of Sahara, Total	Angola	1.18	16.54	221.90	7.5
		Benin	16.43	8.81	231.89	85.0
		Botswana	0.83	0.40	98.81	2.9
		Burkina Faso	4.89	32.23	483.74	50.4

How to access data?



For details

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Development

Flows by Recipient

Flows by Period and Recipient

Flows based on individual projects (CRS)

Creditor Reporting System (CRS)

Creditor Reporting System

Aid for Trade

Food aid from DAC donors

Aid activities targeting Global Environmental Objectives

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Members' total use of the multilateral system

Paris Declaration on Aid Effectiveness

African Economic Outlook

Economic Projections

Education and Training

Environment

Finance

Globalisation

Health

Industry and Services

Creditor Reporting System (CRS)

Customise Export Draw chart My Queries

Recipient

Tanzania

Sector

1000: Total All Sectors

Flow

Official Development Assistance

Channel

ALL Channels

Amount type

Current Prices

Flow type

Commitments

Type of aid

All Types, Total

Unit

US Dollar, millions

Year

2005

Donor

All Donors, Total

1 809.958

2 841.209

2 829.610

3 311.297

4 513.334

3 133.506

2 413.123

2 531.741

3 387.696

All Donors, Total

1 031.353

1 801.140

1 780.905

2 203.201

2 439.737

1 628.425

1 449.829

1 308.455

1 742.665

DAC Countries, Total

Australia

0.634

3.605

0.938

1.037

1.007

3.116

13.584

8.823

12.096

DAC Countries, Total

Austria

1.812

1.014

1.479

1.651

12.626

1.753

0.780

1.276

1.927

DAC Countries, Total

Belgium

10.369

29.141

9.054

23.986

60.839

11.483

13.491

9.208

14.512

DAC Countries, Total

Canada

36.028

24.292

68.134

50.390

165.972

224.039

181.302

52.880

40.736

DAC Countries, Total

Czech Republic

..

..

..

..

..

..

..

0.020

0.025

0.020

DAC Countries, Total

Denmark

103.777

102.055

43.412

138.524

188.500

12.832

183.982

29.199

122.695

288.225

DAC Countries, Total

Finland

33.373

58.708

79.083

55.923

92.263

47.966

68.899

66.857

11.538

19.366

DAC Countries, Total

France

6.765

2.285

15.132

5.251

3.884

43.096

4.658

55.161

4.152

..

DAC Countries, Total

Germany

44.884

46.111

113.734

68.184

82.657

192.608

33.050

113.187

147.445

..

1. Click

2. Right click table and download into excel

3. Sort by biodiversity marker

How to access data?

Exercise

- Find out the amount of 'significant' biodiversity-relevant ODA provided to your country
- Find out the most important projects and sectors