



Secretariat of the Convention on Biological Diversity

22 May 2007
International Day for Biological Diversity



Biodiversity and Climate Change

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1 October 2007

NOTIFICATION

Background note for the informal consultations on the development of the strategy for resource mobilization to support implementation of the Convention

13 October 2007, SCBD Joke Waller-Hunter Conference Room, Montreal, Canada

Dear Madam/Sir,

Pursuant to Recommendation 2/2, paragraph 2(b), of the second meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (WGRI-2), and further to my earlier Notification (2007-090) dated 18 July 2007, I hereby forward to you a background note prepared to facilitate the aforementioned informal consultation. This background note has been built upon WGRI-2 discussions on this matter, as well as documents prepared for that meeting, which includes:

1. Options for Resource Mobilization, Including Innovative Financial Mechanisms, and a Draft Strategy for Resource Mobilization in Support of the Achievement of the Objectives of the Convention (UNEP/CBD/WG-RI/2/4);
2. Review of Implementation of Articles 20 and 21 - Review of the availability of financial resources (UNEP/CBD/WG-RI/2/INF/4);
3. Review of Implementation of Articles 20 and 21: Report of the Expert Group Meeting on Management of Environmental Funds for the Financial Sustainability of Biodiversity Conservation (UNEP/CBD/WG-RI/2/INF/5); and
4. Review of Implementation of Articles 20 and 21: Compilation of Submissions (UNEP/CBD/WG-RI/2/INF/8).

Once again, all delegates attending the ABSWG-5 and/or the WG8J-5 are welcome to attend the informal consultations, which will be held at the Secretariat premises in Montreal, the Joke Waller-Hunter Conference Room, from 10:00 am to 12:30 pm, on Saturday, 13 October 2007. Delegates who wish to participate in the Consultation are kindly requested to inform the Secretariat at their earliest convenience, in order to make the necessary arrangements.

Please accept, Madam/Sir, the assurances of my highest consideration.

Ahmed Djoghlaif
Executive Secretary

Attachment

To: All CBD Focal Points and relevant organizations

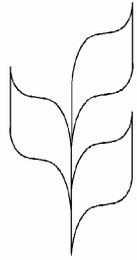


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**CONVENTION ON
BIOLOGICAL
DIVERSITY**

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BACKGROUND NOTE
17 September 2007

ORIGINAL: ENGLISH

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

SCBD *Joke Waller-Hunter* Conference Room
Montreal, Canada
Saturday, 13 October 2007, 10:00 am - 12:30 pm

BACKGROUND NOTE FOR INFORMAL CONSULTATION

“Strategy for Resource Mobilization in Support of the Achievement of the Convention’s Objectives”

An important outcome of the 2006 Conference of the Parties to the Convention on Biological Diversity was the decision of Parties to conduct an in-depth review of the availability of financial resources, including through the financial mechanism, at its ninth meeting and develop a draft strategy for resource mobilization in support of the achievement of the objectives of the Convention. A credible, comprehensive resource mobilization strategy will provide a common platform for guiding funding actions of all Governments and development partners to minimize and halt loss of biological diversity as a contribution to global development agenda.

While preparing for the second meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention in line with relevant provisions of decision VIII/13, the Executive Secretary solicited submissions on options and a draft strategy for resource mobilization, and received inputs from Argentina, Australia, Canada, Germany and the European Commission on behalf of the European Community and its member States, Honduras, Mexico, Myanmar, Switzerland, as well as Greenpeace International and RSPB (the BirdLife Partner in the UK). The submissions were compiled in the information document UNEP/CBD/WG-RI/2/INF/8 (16 April 2007).

The Executive Secretary assessed the information received as well as other materials available at the Secretariat, and prepared the working document entitled “Options for resource mobilization, including innovative financial mechanisms, and a draft strategy for resource mobilization in support of the achievement of the objectives of the Convention” (UNEP/CBD/WG-RI/2/4, 16 May 2007). That note provided an assessment of major potential elements for the resource mobilization strategy, and noted, as also identified by the Global Environment Facility, that the

options for regional and global levels are still limited and necessary consensus on viable options and strategy for resource mobilization will be required.

At the second meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention held in July 2007, nineteen Governments including two on behalf of regional groups as well as two organizations provided their perspectives on basic parameters for a resource mobilization strategy of the Convention. Among others, Governments suggested that the strategy would be based on the financial provisions of the Convention and built upon the existing decisions of the Conference of the Parties, take into account the full range of possible national, regional and international as well as public and private sources of financing, and provide adequate guidance for implementation at the global, regional and national level.

On 18 July 2007, the Executive Secretary circulated the recommendation 2/2 of the second meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention, and requested submissions on a strategy for resource mobilization to support the implementation of the Convention by 15 September 2007. Any submission if available will be compiled for consideration by the informal consultation.

Meanwhile, the Executive Secretary has examined financial elements of all available national biodiversity strategies and action plans, as well as relevant financial strategies of donors, funding institutions and development agencies. Annex I to the note provides an outline of the draft strategy, and annex II compiles relevant elements from existing information sources for consideration at the informal consultation.

Delegates are invited to review the two annexes, with a focus on annex I, and make suggestions on:

- (i) Basic structure of the draft;
- (ii) Key elements of the draft;
- (iii) Addition of possible elements or sub-elements;
- (iv) Removal of certain elements or sub-elements.

If time permits, delegates may wish to consider paragraphs 9, 10 and 11 on the basic parameters for the strategy.

Annex I Draft Strategy for Resource Mobilization in Support of the Achievement of the Convention's Objectives

Outline

- I. Confronting the challenges of financial for biological diversity
 1. Financial challenge to the 2010 target
 2. General financial commitment
 3. GEF
 4. Integration
 5. Monterrey Consensus
 6. New trends in ODA
 7. Effectiveness
 8. Need for a strategy

 - II. Delivering the promise of financing for biological diversity
 9. Purpose
 10. Overall objectives
 11. Political will required for implementation

 - A. Mobilizing domestic financial resources for biological diversity
 12. Article 20.1
 13. Information base for resource mobilization
 14. Financial programme for national biodiversity management
 15. National budgets
 16. Sector-based approach
 17. Local governments
 18. Tax
 19. Environmental funds
 20. Payment for ecosystem services
 21. Banking industry and financial sector
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 23. Revenue generation measures
 24. Governance

 - B. Increasing new and additional financial resources for biological diversity
 25. Article 20.2
 26. Innovating financial products
 27. New and additional resources provided other than GEF
 28. International private sector investment
 29. Innovative sources of financing

 - C. Mobilizing international resources for biological diversity
 30. Efforts by developing countries
 31. Efforts by developed countries
 32. United Nations development system
 33. International financial institutions and development banks
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34. South-South cooperation
35. Regional cooperation
36. International NGOs
37. Financial mechanisms of related intergovernmental processes

D. Strengthening existing financial institutions to support biological diversity

38. Improve effectiveness of resource use
39. Collaborate with OECD
40. Paris Declaration on Aid Effectiveness
41. Funding for different programmes of the Convention

III. Enhancing the global engagement

42. Plans of action by the Global Environment Facility and the Convention Secretariat
43. Review of implementation by the Conference of the Parties

Annex II. Draft Strategy for Resource Mobilization in Support of the Achievement of the Convention's Objectives

I. Confronting the challenges of financing for biological diversity

1. The 2002 World Summit on Sustainable Development endorsed the target to achieve by 2010 a significant reduction in the current rate of loss of biological diversity, and emphasized that achieving this target will require the provision of new and additional financial and technical resources to developing countries. In the 2005 World Summit Outcome, the States Parties further resolved to support the implementation of the Johannesburg commitment for a significant reduction in the rate of loss of biodiversity by 2010. Two years near the target date, progress towards the achievement of the target is still uneven and overall unsatisfactory. Many developing countries are still unable to develop their biodiversity capacities and implement and benefit from the Convention on Biological Diversity.

2. More financial resources and their better use are essential for required unprecedented additional efforts to manage biodiversity. Over the past 15 years, there has been considerable progress made nationally and internationally in the elaboration of national biodiversity strategies and action plans and international programmes of work for the Convention. The prioritized national and international actions identified in these blueprints call for substantial investments, which are currently not available, to conserve and sustainably use biological diversity and equitably share benefits thereof. The effective implementation of the Convention will largely depend on the effective implementation of the provisions of the Convention related to financial resources and transfer of technology.

3. 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 Global Environment Facility has demonstrated the potential of leveraging new and additional financial resources at all levels, including at project, institution, national, regional and global levels, beyond the currently annual commitments to biodiversity focal area in the range of US\$200 million to US\$250 million.

4. The objectives of the Convention have been increasingly integrated into overall national plans and strategies as well as sectoral programmes of both developed and developing countries. The recent mixed trends in financial support to biodiversity as well as priority status attached to it call for renewed efforts to increase biodiversity-related budgetary allocations of both Governments and development cooperation agencies.

5. The Monterrey Consensus - a result from the United Nations International Conference on Financing for Development in March 2002 - represents a crucial step towards achieving the goals of poverty eradication, sustained economic growth and promotion of sustainable development. It has highlighted international trade as an engine of development and stressed the need for enhancing the coherence and consistency of the international monetary, financial and trading system in support of development. Governments are working to conclude successfully the Doha Development Negotiation Round process that can help enhance the capacity of developing countries to address biodiversity challenges.

6. Many developed countries have responded to the Monterrey Consensus with timetables to achieve the target of 0.7 percent of gross national product for official development assistance

by 2015 and to reach at least 0.5 per cent of gross national product for official development assistance by 2010. According to the Organization for Economic Cooperation and Development, official development assistance to all developing countries will increase by around US\$ 50 billion a year by 2010. Official development assistance diminished in 2006 to 0.30 per cent of the gross national income of countries members of the Organization for Economic Cooperation and Development/ Development Cooperation Directorate (OECD/DAC), from 0.33 per cent in 2005 (owing mostly to a large debt-relief write-off in 2005). Overall, the projected levels of official development assistance for 2006-2010 remain far short of the estimated \$150 billion deemed necessary to attain the Millennium Development Goals, including the 2010 biodiversity target.

7. There is growing consensus among donors and recipient Governments regarding the principles established at the Monterrey Conference on how to obtain better development results in terms of aid and mutual accountability. That process has accelerated, in particular as a result of the Rome High-level Forum on Harmonization and the Paris High-level Forum on Joint Progress toward Enhanced Aid Effectiveness. At the 2005 World Summit, world leaders welcomed the Paris Declaration on Aid Effectiveness as part of the effort to enhance the quality of aid and increase its impact. The General Assembly of the United Nations has agreed to hold a Follow-up International Conference on Financing for Development in Doha, Qatar in the second half of 2008. In this respect, the Parties have already highlighted the need for a full integration of biodiversity financing at the International Conference on Financing for Development.

8. There is an urgent need to overcome the financial obstacle that has impeded the achievement of the three objectives of the Convention. The Strategy for Resource Mobilization in support of the achievement of the Convention's objectives will be a valuable opportunity to address gaps and obstacles, review trends and advance coherence in overall international development cooperation.

II. Delivering the promise of financing for biological diversity

9. The Parties of the Convention on Biological Diversity, by its financial provisions, have individually and collectively committed to provide financial resources for conservation and sustainable use of biodiversity at national, regional and international levels. The purpose of the Strategy for Resource Mobilization is to foster a shared vision of ensuring financial support to translating global biodiversity consensus into national and local biodiversity achievements and provide guidance on implementing the financial provisions of the Convention at all levels, drawing on success stories and good practices.

10. The overall objective of the resource mobilization strategy is to seek to mobilize adequate, predictable and timely 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 that coincides with the international development planning cycle including the Millennium Development Goals.

11. The implementation of this resource mobilization strategy requires reinforcing political will and commitment to better recognize the importance of biodiversity in sustainable development, including building capacity to this effect. The 'Potsdam Initiative' on biodiversity, launched by the G8+ 5 environment ministers, offers a significant opportunity to strengthen the economic case for biodiversity conservation and to identify potential new financing mechanisms, including enhanced contributions from the private sector.

A. Mobilizing domestic financial resources for biological diversity

12. In achieving the objectives of the Convention at the national level, a critical challenge is to ensure the necessary internal financial base and capacity for translating global commitments into national action programmes and implementing national biodiversity priorities effectively. The Parties should have a clear understanding of domestic funding status and provide an enabling domestic environment for mobilizing domestic resources, increasing budgetary allocations, encouraging the private sector, and attracting and making effective use of international investment and assistance.

13. National biodiversity accounts of revenues and expenditures can establish an essential information base for supporting resource mobilization and biodiversity planning, implementation and review. Strategies for moving forward include:

- (i) Develop basic statistical standards for national biodiversity accounts of revenues and expenditures;
- (ii) Provide basic institutional and human resource arrangements for national biodiversity accounts;
- (iii) Implement and report on national biodiversity accounts on a biannual basis, taking into account the periodicity of ordinary meetings of the Conference of the Parties;
- (iv) Provide technical support and capacity building for efforts to create and maintain national biodiversity accounts of revenues and expenditures;
- (v) Publish and disseminate widely a biannual global report on national biodiversity accounts of revenues and expenditures;
- (vi) Enable national biodiversity accounts of revenues and expenditures to be used as a decision-making support tool.

14. A clear and coherent financial programme for national biodiversity management is 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. National biodiversity financial programmes should seek to ensure that financial resources for biodiversity management are adequate, and effectively and efficiently used. Such financial programmes may coincide with the funding cycles of major donors, in particular the replenishment cycles of the financial mechanism of the Convention. Strategies for moving forward include:

- (i) Develop guidelines and/or best practice guidance for needs estimation, prioritization, stakeholder involvement and fund raising;
 - (ii) Estimate the costs of inaction on biodiversity loss as well as estimations of costs and benefits related to specific actions contributing to biodiversity management, and conduct economic assessment of the consequences of the loss of biodiversity;
 - (iii) Provide social-economic values of biodiversity in order to effectively promote the objectives of the Convention;
 - (iv) Study the impact of macroeconomic factors arising from international trade, structural adjustment programs, government privatization programs, etc on biological diversity;
 - (v) Develop and adopt national decision-making procedures that incorporate environmental accounting and cost-benefit analysis;
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- (vi) Give 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;
- (vii) Support financially and technically the elaboration of national biodiversity financial programmes;
- (viii) Promote exchange of experience and know-how on developing and implementing national biodiversity financial programmes;
- (ix) Integrate national biodiversity financial programmes into relevant budget documents of involved institutions;
- (x) Identify and explore regional and subregional financial cooperation opportunities arising out of national biodiversity financial programmes;
- (xi) Review, revise and update national biodiversity financial programmes every four years.

15. National budgets are an essential element of domestic funding for biodiversity management. 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. Strategies for moving forward include:

- (i) Bring budget laws and tax laws in line with environmental legislation, to ensure economic mechanisms for biodiversity are promoted;
- (ii) Engage proactively and constructively with Ministry of Finance or other national budgeting authorities to ensure that biodiversity is a key consideration in policy development, budgeting, planning and auditing processes;
- (iii) Obtain and maintain increased national budgetary allocations for biodiversity activities;
- (iv) Review existing expenditure on biodiversity-related activities against identified priorities, and re-align expenditure to address the most urgent and important biodiversity priorities;
- (v) Promote the inclusion of biodiversity in long-term prospective planning, such as national strategies for poverty reduction and macroeconomic policy instruments, five-year planning and all relevant annual plans of economic and social development;
- (vi) Review non-environmental national budgets and examine options for cross-budget schemes to promote the conservation and sustainable use of biodiversity by other national agencies;
- (vii) Develop selective public investment programmes in infrastructure and service to minimize production costs and environmental impacts;
- (viii) Increase the allocation from non-tax revenue in budgets, such as fines and other disincentives, to funding biodiversity management;
- (ix) Ensure that economic values of biodiversity management and realistic biodiversity costs of all harmful activities are recognized and incorporated into national budgets;
- (x) Develop the role of civil society and other institutions in national budgetary planning and ensure public access to information on budgetary planning for biodiversity management and environmental protection;
- (xi) Continue awareness-raising efforts at senior management and political level to build necessary support for successful biodiversity interventions;
- (xii) Facilitate exchange of budgetary know-how and experience to enhance national biodiversity budgeting capacities.

16. Biodiversity management involves a wide range of sectors and their budgetary contributions. 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. Strategies for moving forward include:

- (i) Integrate biodiversity considerations in policy development, budgeting and planning processes in the sectoral ministries and agencies such as trade and industry, minerals and energy, land affairs, housing, transport, public works, and health, water affairs and forestry, agriculture etc.;
- (ii) Promote an increase in sectoral budgetary allocations for biodiversity conservation;
- (iii) Incorporate the costs associated with degradation and depletion of natural resources into decisions of economic sectors, so as to reverse the tendency to treat these resources as free goods, and to pass the costs of degradation to other sections of society, or to future generations;
- (iv) Raising awareness and mobilize political will within sectors of the relevance of biodiversity;
- (v) Promote the involvement of ministries responsible for environment and biodiversity as well as environmental non-governmental organizations in the drafting and review of development and poverty reduction strategies and national strategies for sustainable development;
- (vi) Analyze the changing motivations and opportunities of each sector, and develop sector-specific tools and interventions (such as international codes of conduct or standards);
- (vii) Compile and disseminate a sector-focused global report on mainstreaming of biodiversity into sectoral plans and development strategies.

17. Local governments, communities and institutions are on the front of biodiversity management, and successful biodiversity efforts are often predicated on their budgetary condition designated to biodiversity. Strategies for moving forward include:

- (i) Increase inter-governmental resource transfer from national government to local governments and institutions for staff and project activities for conservation and management of biodiversity;
 - (ii) Integrate biodiversity consideration in policy development, budgeting and planning processes of provincial and local governments;
 - (iii) Include all biodiversity conservation projects of local and regional organizations and operation of local nature reserves in both long-term and short-term plans of socio-economic development of relevant local governmental agencies and departments so that required financing for their implementation be secured appropriately;
 - (iv) Encourage local investment in biodiversity conservation as a complementary measure to external support;
 - (v) Provide clear and stable legal and judicial security to facilitate investment by indigenous peoples in their lands;
 - (vi) Establish, through local communities, private agents and municipalities, mechanisms to generate goods and services in order to obtain resources for managing biodiversity resources;
 - (vii) Establish funding mechanisms for community initiatives in biodiversity conservation to promote conservation donations and assistance, develop
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- negotiation mechanisms for benefit sharing and promote financial benefits of scientific and technical research from the private sector;
- (viii) Allocate and use provincial and public sector budgets more effectively to ensure cost-saving through more efficient budgeting and use of funds and reward good biodiversity management practices.
 - (ix) Promote sustainable rural development using biodiversity as an asset for rural poverty reduction, thus minimising risk, improving food security, nutrition and health;
 - (x) Organise public work programmes and utilize local surplus labour and unemployment to reduce the costs;
 - (xi) Strengthen civil society, in particular local communities and indigenous peoples, in order to build the domestic constituency for the integration of environment and development;
 - (xii) Develop and encourage compensation schemes for local communities whose interests might be negatively impacted by biodiversity management, such as through payment of royalties to landowners and community groups;
 - (xiii) Promote the establishment of community-based development and biodiversity funds;
 - (xiv) Develop programs on micro-credits, farmers in particular, to create additional possibility to fund mini-scale activities concerning both biodiversity conservation and economic development;
 - (xv) Undertake community training and awareness campaigns on sustainable financing mechanisms.

18. A biodiversity-compatible tax system can generate much-needed financial resources and also induce behavioural changes by rewarding biodiversity-friendly practices and deterring environmentally harmful activities. Strategies for moving forward include:

- (i) Develop and implement methodologies for assessing the whole tax system in support of the Convention's objectives;
- (ii) Assess various tax instruments and develop good practice guidance on using an optional mix of all tax instruments to promote biodiversity management;
- (iii) Reinforce tax benefits and other incentives for donations towards biodiversity conservation, and to enterprises and organizations which re-invest profit in conservation and recovery of biodiversity, produce equipment and develop technologies for nature protection, provide ecological services, and practice advertising within an ecological slant;
- (iv) Raise taxes on the use of biological resources and ecologically harmful works, production processes and technologies;
- (v) Ensure target-oriented distribution and use of revenue brought in by taxation of the exploitation of natural resources for the purpose of nature-conservation;

19. Environmental funds are viable institutions and essential complements to national biodiversity capacities, from fund raising and distribution to biodiversity management and policy development. The Latin American and Caribbean Network of Environmental Funds (RedLAC) has demonstrated the potential of regional networks to enhance the efficiency and effectiveness of environmental funds. Strategies for moving forward include:

- (i) Compile every four years a comprehensive global report on environmental funds worldwide, including an assessment of the status and efficiency of environmental funds and impacts of these institutions on biodiversity conservation;

- (ii) Develop guidelines on various aspects of environmental funds, such as recommendations on financial instruments of proven viability;
- (iii) Continue to promote and foster new national and regional environmental funds and strengthen/expand such existing funds;
- (iv) Facilitate assistance in developing proficiency and contacts for further development of cooperation with donors, including the private sector;
- (v) Promote the use of national environmental funds as an instrument for biodiversity conservation, and increase biodiversity finances in the utilization of national environmental funds;
- (vi) Extend tax benefits to include donations for the purpose of biodiversity conservation and for contributions and donations to the Environmental Protection Fund;
- (vii) Continue to encourage knowledge transfer and exchange about environmental funds, through the creation and/or strengthening of national and international learning networks or communities, to share experience, know-how and lessons learned.

20. Payment for ecosystem services offers an option for contributing significantly to improving local, regional and national economies, social well-being and conservation of biodiversity, as well as the implementation of the Millennium Development Goals. Its application at the national, regional and global levels requires further experiment and analysis. Strategies for moving forward include:

- (i) Encourage the World Bank, the United Nations Environment Programme and IUCN as well as other interested institutions to continue to explore the application of payment for ecosystem services at a large scale;
 - (ii) Enhance economic valuation of biodiversity and promote sustainable use of biodiversity through payments for environmental services as an option for conserving and strengthening specific ecosystem services and avoid degradation and meet major demands of those services;
 - (iii) Identify and identify adequate permanent compensation mechanisms/systems to direct benefits to wild areas that generate services, provide remuneration to land owners that generate services, and finance public sector in specific region, ecosystem and sectors;
 - (iv) Determine criteria to allocate priority areas for environmental service payments;
 - (v) Strengthen actions to develop joint implementation projects;
 - (vi) Establish verification and monitoring systems for areas that are subject to different modalities of environmental service payments;
 - (vii) Amplify the spectrum of environmental services subject to payment by establishing integral legal framework and regulating payment for environmental services provided to hydro-electrical generation, water production, irrigation system, erosion control, provision of services related to global climate, protection of costal lines, flooding buffer zones, scenic beauty and conservation of biodiversity;
 - (viii) Provide investment to maintain continuity and quality of environmental services as well as in social development;
 - (ix) Foster development of contracts for providing environmental services, and facilitate forums to exchange information and experiences at local and international levels and promote development of pilot experiences;
 - (x) Develop new mechanisms to internalize the costs of providing environmental services by recognizing environmental services of non-forestal ecosystems,
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developing research to propose mechanisms and valuation parameters according to type of services and ecosystems, and monitoring agreements obtained;

- (xi) Promote awareness-raising and education to beneficiaries and decision-makers;
- (xii) Develop institutional, technical, formulation and negotiation capacity to participate in international carbon emission market, establish pre-investment fund and technical assistance programs in carbon finance to obtain major resources in the future, design and develop bank mechanisms and carbon credit transaction system.

21. The banking industry and financial sector, including national development banks, have an important role to play in promoting sustainable development and biodiversity management.

Strategies for moving forward include:

- (i) Encourage the United Nations Environment Programme, the World Bank and other financial institutions, to promote a more active consideration of biological diversity by the banking and financial sector;
- (ii) Involve the banking and financial sectors in the financing of biodiversity projects through grants and loans;
- (iii) Strengthen the degree to which biodiversity is integrated into the operations of existing financial institutions;
- (iv) Develop schemes of small grants, micro-credits and interest-free loans to promote sustainable use and conservation of biodiversity;
- (v) Use preferential credit for actions on biodiversity conservation;
- (vi) Promote application of environmental assessment and environmental management plan, using the Equator Principles;
- (vii) Compile an inventory of national development banks and other financial institutions and disseminate information on good practices and lessons learned;
- (viii) Target the banking industry and financial sector to identify incentives and opportunities to integrate biodiversity considerations into investment and lending policies;
- (ix) Strengthen cooperation among national development banks and other financial institutions, including cooperation on capacity-building;
- (x) Experiment ecological banks, constituted by ecological taxes and allocations and relevant profits arising out of ecologically clean products, to organize targeted and well-ordered flows of ecological investments required to solve ecological problems;
- (xi) Develop and adopt regulations for voluntary and compulsory ecological insurance by businesses.

22. The development of the private sector and corporate interests in biodiversity has created an increased potential for the development of partnerships and sponsorship for the support of the improved biodiversity management. The Parties should encourage the private sector to contribute to the various conservation and sustainable use programmes. Strategies for moving forward include:

- (i) Explore thoroughly and used creatively sources of funding from the private sector to finance conservation projects;
- (ii) Provide financial incentives and facilitate access to credits to small and medium enterprises in conservation and sustainable use of biodiversity;
- (iii) Promote taxation for private sector businesses that depend on biodiversity;

- (iv) Provide tax breaks to businesses that promote programs to minimize their impact on biodiversity;
- (v) Encourage voluntary donations by private enterprises that are related to the non-consumptive use of biological resources, like tourism;
- (vi) Establish conservation/environment trust funds to attract donations from social organizations, enterprises and individuals;
- (vii) Establish annual award systems to recognize individuals or businesses for their philanthropic or sponsorship to biodiversity actions;
- (viii) Undertake local fund raising drives and seek private-sector funding from conservation linked businesses and industry and in-kind support;
- (ix) Raise incomes from privatization of biodiversity objects;
- (x) Promote the channeling of investments via private sectors;
- (xi) Promote market creation and prices to capture values of major environmental services from biodiversity, and implement tradable permit schemes;
- (xii) Develop and study new initiatives related to environmental business and services;
- (xiii) Encourage the creation of public-private agreements and international cooperation pacts for funding biodiversity conservation;
- (xiv) Assess the possibility that the private sector participate in venture investment, eco-business with clean technology and other ventures;
- (xv) Promote domestic or international investment from the private sector in businesses related to sustainable use and conservation of biodiversity;
- (xvi) Promote private investment of production sector in resource management and technology development for achieving sustainability of productive activities;
- (xvii) Encourage private sector financing and cost-sharing through the dismantling of existing barriers to investment in biodiversity such as appropriate property rights;
- (xviii) Increased devolution of responsibilities and opportunities for biodiversity management and utilization for profit and for non-profit purposes, through private, joint and collaborative management arrangements;
- (xix) Induce responsibility of the private sector for conservation and use of biodiversity through fiscal measures such as contributions, subsidies, tax reduction, etc.;
- (xx) Encourage the involvement of the private sector in biodiversity conservation through developing provisions on differential and preferential taxation, credits, funds, trusts and investments.

23. Revenue generation measures, also known as innovative financial mechanisms, can complement other resource mobilization instruments by seeking payments for the right of utilization, revenues from direct use, payment based on utilization, payment for environmental damage, environmental insurance, payment for environmental services, and revenues from benefit-sharing. Strategies for moving forward include:

- (i) Review and revise possible avenues of developing sustainable revenues and self-financing mechanisms to support biodiversity programmes;
 - (ii) Analyze real potentials of implementation of alternative financial strategies such as debt-for-nature swap, payment for global environmental services, donations, domestic and international investments of the private sector, charges for ecological services, special taxes, bioprospecting fees, fees from academic research, restructuring existing wildlife use, e.g. developing new markets for wildlife products based on non-destructive use (use of extractives, bird watching, trophy spotting), alternatives to wild harvest (e.g.
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farming of species in demand), in situ conservation e.g. significant dedication of user fees in protected areas to *in situ* conservation, ex situ conservation e.g. entry fees at zoos, commerce in genetic material, participation in proceeds from patenting of inventions, eco-tourism, penalties e.g. polluter pays penalties, performance bonds, non-compliance fees, carbon sequestration, service fees, e.g. full cost pricing of water services, special issues of postage stamps and coins;

- (iii) Establish necessary policy, legislative and administrative mechanisms for increasing revenue for biodiversity conservation;
- (iv) Develop and implement system for using profits/taxes and/or revenues from, and fees, taxes and fines for, natural resources use for biodiversity conservation;
- (v) Establish appropriate user fees for biodiversity resource users (for example, hoteliers, fisherfolk, SCUBA operators, tour operators);
- (vi) Implement entrance fees (visit, transit) to national parks as well as bio-prospecting activities at the national level;
- (vii) Design and develop a system for documenting revenues and expenditures on biodiversity related activities;
- (viii) Integrate sustainable income generation into conservation efforts to ensure long-term conservation;
- (ix) Study different possible forms of exploitation concessions and determine the most appropriate type of concession;
- (x) Review and revise the size of fines for illegal use of natural resources (hunting, fishing and logging), for illegal export of prohibited species, for negative impacts on wildlife and ecosystems, related to levels of sustainable use, and for inadequate disposal of wastes harmful or damaging to the environment;
- (xi) Develop policy and management strategy to enhance economic returns (revenues) from biodiversity goods (e.g. logging or fishing fees, royalties from bio-prospecting, etc) and services (e.g. tourism)
- (xii) Mobilize oil revenues for biodiversity given its impact on biological heritage;
- (xiii) Promote monitoring, control and surveillance schemes involving penalties for biodiversity transgressions;
- (xiv) Develop and implement mechanisms for the enforcement of disincentives, including enforcement capacity building.

24. Equitable, transparent and effective governance systems are essential for both poverty reduction and biodiversity management and for ensuring resource mobilization in support of national implementation of the Convention. Strategies for moving forward include:

- (i) Establish a national coordination structure mandated to mobilize resources and facilitate contact between national institutions and potential or actual donors;
- (ii) Organize annual national implementation consultations to develop and implement national biodiversity financial programmes;
- (iii) Improve synergies between multiple development objectives such as conservation and sustainable use of biodiversity, combat of climate change and desertification as well as economic development and poverty reduction, as well as the effectiveness of using resources including through improved cooperation among Conventions at the national level;

- (iv) Strengthen existing national institutions for mobilizing the necessary external funds in the preparation and execution of projects for the implementation of the convention on biodiversity;
- (v) Strengthen capacity of non-governmental organizations and national associations in financial planning;
- (vi) Improve financial coordination to reduce costs and thus decrease required funding;
- (vii) Provide ongoing external support in project development and leverage of funds for biodiversity;
- (viii) Develop the human capacity to ensure the short- and long-term financing and sustainability;
- (ix) Conduct training for key ministry employees, nongovernmental organizations, businessmen and others in project development and grants applications suitable for national and international donors.

B. Increasing new and additional financial resources for biological diversity

25. The Global Environment Facility is one of the leading financial institutions that have mobilized and provided substantial financial resources to support the implementation of the Convention at all levels. It continues to search for improving its operational effectiveness as well as for increasing its relevance to the requirements of the Convention. The Parties should seek to tap, to the maximum extent possible, the potential of the Global Environment Facility in mobilizing, leveraging and channeling new and additional financial resources for purposes of the Convention.

26. The Parties of the Convention have demonstrated a willingness to contribute new and additional financial resources in addition to regular negotiated replenishments for the Global Environment Facility Trust Fund. The Global Environment Facility has experiences in administering focused funds, such as the Least Developed Countries Fund, the Special Climate Change Fund and the Adaptation Fund, which have been developed under the United Nations Framework Convention on Climate Change. Strategies for moving forward include:

- (i) Study and assess structural gaps in funding for biodiversity and options to address them;
- (ii) Introduce, implement and brand innovative financial products and instruments that can attract new and additional contributions;
- (iii) Develop, establish and operate supplementary complementary trust funds to better target at priority needs identified by the Conference of the Parties.

27. Financial resources provided through co-financing and other modes of financing for incremental costs of biodiversity projects of the Global Environment Facility and other channels are in nature equivalent to those contributions to various trust funds of the Global Environment Facility, and should be recognized as new and additional financial resources made available by the developed country Parties under Article 20, paragraph 2 of the Convention. Strategies for moving forward include:

- (i) Review and compile information on financing for incremental costs of biodiversity projects provided through other than the Global Environment Facility;
 - (ii) Make available information on new and additional financial resources from all channels through the Clearing-house Mechanism and to the Conference of
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- the Parties and the Council of the Global Environment Facility at their regular meetings;
- (iii) Encourage development cooperation agencies and partners to support, through co-financing and other modes of financing, biodiversity projects of the Global Environment Facility and other channels, and to communicate existing and planned such resources in a standardized format;
 - (iv) Examine and advise on operational standards and practices of incremental costs financing of various agencies to promote their coherence, collaboration and cooperation;
 - (v) Consider the effectiveness of all institutional arrangements for mobilizing new and additional financial resources.

28. The mobilization of international private sector investment in biodiversity management remains a challenge. Innovative partnership with the private sector must be tested and replicated to achieve the Convention's objectives in a sustainable and cost-effective manner. Strategies for moving forward include:

- (i) Create the necessary domestic and international conditions to facilitate direct investment flows conducive to achieving national biodiversity priorities;
- (ii) Pilot public private partnerships in areas that a sustained stream of revenues can be expected, such as from marketable ecosystem services;
- (iii) Strengthen resourced technical assistance and productive capacity-building programmes;
- (iv) Examine the constraints to, opportunities for and implications of private sector support for the implementation of the Convention;
- (v) Provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies;
- (vi) Encourage public/private initiatives to strengthen capacities for risk assessment.

29. New and innovative sources of international development finance can help to deliver and bring forward genuine new and additional financial resources for achieving the Convention's objectives. There are already concrete proposals for pilot projects geared to generating additional, and ensuring a more effective deployment of, resources for development. Strategies for moving forward include:

- (i) Establish or raise existing airport taxes and charges to generate revenues to scale up biodiversity management through an appropriate new funding mechanism;
- (ii) Develop, through the International Finance Facility, capital markets on official development assistance promises in order to generate a substantial immediate increase in development and biodiversity spending, timed to achieve the Millennium Development Goals by 2015, including the 2010 biodiversity target;
- (iii) Coordinate an international migrant remittances programme to allow tax benefits to international remittances designated for biodiversity management from both the remitting and recipient countries through recognized institutional arrangements;

- (iv) Explore potential opportunities from the proposals to use special drawing rights of the International Monetary Fund, a global lottery, a global premium bond, a global tax on carbon use or a currency transaction tax;
- (v) Establish global funds to focus the attention of large private donors, encourage payroll giving, explore new forms of corporate giving and Internet giving, and provide more generous tax incentives and donor education programmes.

C. Mobilizing international resources for biological diversity

30. 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. Strategies for developing countries to move forward include:

- (i) Establish and regularly update a database of all potential donor assistance programmes, activities and locations to identify areas of possible donor interest, and make it available to all relevant biodiversity institutions, including through the Clearing House Mechanism that enables exchange and sharing of information on international cooperation at the international, national, regional and local levels;
 - (ii) Conduct a review of potential external donors and investors for biodiversity conservation, prepare a framework to optimize participation, and develop inter-ministerial co-ordination to prevent conflicting externally supported development activities;
 - (iii) Actively cooperate, through agreements of bilateral and multilateral cooperation on biodiversity, such as protection of migratory fish, birds and terrestrial animals, with neighboring countries and relevant countries, and seek to be included in regional and global projects financed by international organizations;
 - (iv) Develop long term financial plans for undertaking sustainable biodiversity management and conservation programs, and promote long-term cooperation including the sharing of information and exchange of experiences;
 - (v) Elaborate materials for major donors to disseminate national biodiversity priorities and plans, and how these actions can contribute to generating global benefits within the framework of the Convention;
 - (vi) Identify components, actions or projects in the context of national biodiversity plans that are suitable for bilateral and/or multilateral support, in particular the Global Environment Facility;
 - (vii) Prepare detailed proposals for external funding considering carefully the global benefits of maintaining ecosystems and biodiversity, and follow up to cooperation and financial assistance proposals;
 - (viii) Consider links between biodiversity conservation and sustainable development in preparing an application for international loans, and reflect these in proper legal agreements;
 - (ix) Develop a visionary and clear negotiating platform for encouraging donor investment in biodiversity management, and use it as a basis for developing a spectrum of creative and innovative project documents for priority activities;
 - (x) Convene meetings with financial and technical assistance agencies for matching their interests with priority projects, such as roundtable meetings with country based representatives, follow up meetings with individual
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- agencies, international roundtable meetings in parallel with meetings of the Convention, in particular the Conference of the Parties;
- (xi) Establish an informal working group of aid agencies and donors on biodiversity conservation and management;
 - (xii) Actively explore possibilities for developing new instruments such as debt for nature swaps, biodiversity offsets, transferable development rights, biodiversity sales, payment for environmental goods and services, and trust funds with present and potential donors;
 - (xiii) Coordinate through a centralized structure donor activities to maximize conservation efforts and resources, and build required capacity and adequate political support;
 - (xiv) Improve capacity to access international funds available for conservation and sustainable use of biodiversity, as well as capacity in management, formulation and evaluation of international cooperation projects;
 - (xv) Provide training in project design and developing grant proposals acceptable by international donors;

31. The Convention provides a negotiated platform to promote desired flows of financial resources from developed countries to enable developing countries to meet their obligations. Developed countries are expected to continue to play a leadership role in the mobilization of international financial resources. Strategies for developed countries to move forward include:

- (i) Give explicit consideration to biodiversity in official development assistance policies and programmes, preferably with indicative quantitative targets of allocations;
- (ii) Participate in national biodiversity planning and related processes of developing countries, and make full use of national biodiversity plans and programmes in identifying areas that they can be of assistance on a bilateral, regional and multilateral basis;
- (iii) Promote priority biodiversity activities in regions where they already have development programmes;
- (iv) Enhance public awareness including development policy makers and cooperation planners of the global biodiversity commitments to stimulate the demand for cooperation agencies to address biodiversity challenges, and obtain support for actual performance of these commitments;
- (v) Develop and publish clear biodiversity policy instruments in international development cooperation, making biodiversity a specific objective of official development assistance;
- (vi) Enhance the integration of biological diversity into sectoral development cooperation and assistance programmes, paying particular attention to agriculture, forestry, fisheries sectors, rural development and sustainable resource management;
- (vii) Continue to develop specific assistance programmes and initiatives targeted at the environment in general and biodiversity in particular, such as special sectoral programmes on biodiversity or other sector-wide approaches;
- (viii) Increase projects relating to biological diversity in environmental support programmes and other aid programmes;
- (ix) Develop biodiversity requirements in providing direct budget support;
- (x) Collaborate to provide co-financing arrangements for biodiversity projects of other development agencies, in particular the Global Environment Facility, promote strategic complementarities among various sources of funding, and foster partnerships based on comparative advantages;

- (xi) 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;
- (xii) Assess all climate change, biodiversity and desertification cooperation projects to ensure that they are mutually supportive;
- (xiii) Implement vigorously environmental impact assessments including biodiversity in all assistance strategies, programmes and projects, incorporating biodiversity management into the criteria for choosing, designing and evaluating development assistance projects;
- (xiv) Support the establishment of long-term partnerships aiming at protecting biodiversity, and develop sustainable, beyond-projects sources of funding for biodiversity;
- (xv) Make widely available relevant funding information including funding policies, programmes, access procedures, project cycles, success stories and best practices, including through appropriate websites and the Clearing House Mechanism;
- (xvi) Participate in international efforts to coordinate and enhance activities related to the conservation and sustainable use of biological diversity;
- (xvii) Monitor biodiversity-related assistance and provide regular reports on financial support to the objectives of the Convention.

32. The knowledge, skills and resources made available to developing countries by some 40 funds, programmes, agencies and other entities of the United Nations development system are of unparalleled breadth and depth. The objectives of the Convention must be effectively integrated into the United Nations development system, including those of direct relevance to biodiversity. Strategies for moving forward include:

- (i) Make budgetary allocations to biodiversity visible in United Nations development assistance frameworks and other planning instruments of operational activities of the United Nations system;
 - (ii) Consider biodiversity in the “One UN” pilot initiative of the United Nations Secretary General that offers a new opportunity to enhance the programmatic focus on biological diversity within a UN development system that delivers more and better;
 - (iii) Regard biodiversity as a key element in the joint Poverty and Environment Facility established by the United Nations Development Programme and the United Nations Environment Programme in February 2007 to enhance the interrelationship between fighting poverty and protecting the environment;
 - (iv) Participate actively as a member in the United Nations interdepartmental and/or inter-agency bodies, including the Chief Executive Board for Coordination (CEB), the United Nations Development Group (UNDG), the United Nations Environmental Management Group (UNEMG), and the United Nations Evaluation Group to advocate a United Nations system-wide effort on biodiversity;
 - (v) Conduct a biodiversity study as part of the triennial comprehensive policy review of operational activities of the United Nations development system;
 - (vi) Advocate biodiversity in the Development Cooperation Forum convened by the Economic and Social Council of the United Nations and other related forums;
 - (vii) Strengthen the role of the United Nations system in enhancing capacities of developing countries to achieve the objectives of the Convention;
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- (viii) Give due regard to biodiversity needs in the support of the United Nations system to transition from relief to development.

33. International financial institutions and development banks, in particular the World Bank, the International Monetary Fund, and regional development banks, provide direct investment in biodiversity projects and exert a considerable impact on biodiversity through other investment operations. Strategies for moving forward include:

- (i) Enhance the voice and visibility of biodiversity in the governing bodies of international financial institutions and development banks, including establishing an observer status and participate actively in the annual meetings of the Boards of Governors of the International Monetary Fund (Fund) and World Bank Group;
- (ii) Increase financial services and investment in support of the objectives of the Convention, including by advocating new initiatives and programmes;
- (iii) Provide strategic policy advice and coordination services on the provision of biodiversity goods and services to mainstream biodiversity into national and global policy frameworks, institutions, production sectors and markets;
- (iv) Augment knowledge services through research activities and mobilization of expert services to generate, disseminate and adopt best practices in biodiversity;
- (v) Support policy dialogues, regional meetings and donor conferences to facilitate planning, financing and implementing biodiversity measures;
- (vi) Consider biodiversity in the Policy Support Instrument and other advice activities on public expenditure management;
- (vii) Promote biodiversity consideration in the Multilateral Debt Relief Initiative, the Heavily Indebted Poor Countries Debt Initiative and other debt relief initiatives as well as the Debt Sustainability Framework.

34. The South-South Cooperation enables the flow of development assistance among developing countries, including through investments, grants, concessional loans and debt cancellation and complements North-South Cooperation as a means of sharing best practices and providing enhanced technical cooperation. The Parties should identify and intensify South-South Cooperation as a means to achieve the objectives of the Convention. Strategies for moving forward include:

- (i) Integrate biodiversity in the Organization of Petroleum Exporting Countries Fund;
- (ii) Consider the potential contribution of the South Fund for Development & Humanitarian Assistance, to biodiversity management in developing countries;
- (iii) Support financially through triangular cooperation the initiatives of technical cooperation among two or more developing countries;
- (iv) Continue to promote biodiversity in the work of the United Nations High-Level Committee on South-South Cooperation, South Summit, the New Asian-African Strategic Partnership and other regional cooperation mechanisms;
- (v) Provide a clearing-house mechanism on South-South Cooperation for biodiversity supported through extra-budgetary funding;
- (vi) Collaborate with and contribute to implementation of the Bali Strategic Plan for Technology Support and Capacity-building.

35. Certain challenges related to the achievement of the objectives of the Convention are of a transboundary nature and can best be addressed through interregional, regional and subregional cooperation, including for the mobilization of technical, technological, human and financial resources. For instance, trans-boundary actions are often required at the bio-geographical level. Strategies for moving forward include:

- (i) Strengthen collaboration with regional and subregional intergovernmental organizations and regional banks to address challenges related to the achievement of the objectives of the Convention, notably those requiring cooperation between countries and organizations at the regional and subregional levels;
- (ii) Identify and develop appropriate institutional arrangements to develop analytical, normative and operational contributions at the regional and subregional levels and to provide a comprehensive regional intergovernmental forum for policy dialogue and consensus-building, including on key policy areas of resource mobilization and effective utilization;
- (iii) Further strengthen cooperation and coordination among funding partners at the regional and subregional levels, through regional roundtables on biodiversity;
- (iv) Tap fully the potential of regional development banks and organizations for facilitating regional resources;
- (v) Identify external cooperation requirements, establish regional funding mechanisms, and develop regional and subregional programmes or projects for financial support by bilateral and multilateral agencies, in particular the GEF;
- (vi) Foster joint programmes for the conservation and sustainable use of transboundary biodiversity through bilateral and multilateral mechanisms, as appropriate, and cooperation in the management and control of invasive alien species and genetically modified organisms;
- (vii) Develop partnership agreements at subregional and regional level, including for capacity building, education and public awareness activities, scientific and technical cooperation networks, and sub-regional and regional information systems;
- (viii) Promote exchange of funding information, experience, knowledge and know-how at regional and subregional level.

36. The voluntary and private sectors are an important additional source of funding, particularly through their involvement with local biodiversity partnerships. In particular, non-governmental organizations have traditionally been a driving force in international biodiversity movement, and play an important role in financing for biodiversity. Strategies for moving forward include:

- (i) Create favorable conditions to establish and conduct technical cooperation with international biodiversity conservation organizations
 - (ii) Establish legal instruments for governing privately owned or administered biological resources, for guaranteeing ownership rights on land and of biological resources on it, and for benefit-sharing;
 - (iii) Enhance tax deductibility required for private initiatives, and provide financial incentive for exchange of private lands important for forest conservation;
 - (iv) Facilitate access to direct funding of biological diversity activities from international non-governmental organizations and other private entities;
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- (v) Develop and maintain linkages to regional and international donor organizations, including private foundations and non-governmental organizations to provide financial assistance for sustainable biodiversity management and conservation;
- (vi) Design and carry out different types of technical cooperation and exchange programs on biodiversity conservation that fit with all nongovernmental organizations, academic institutions, scientific foundations, and individuals;
- (vii) Promote information dissemination to encourage sponsorship of environmental protection and nature conservation measures;
- (viii) Encourage innovative financing such as biodiversity lotteries and green funds to attract private resources;
- (ix) Support initiatives such as the Conservation Finance Alliance involving non-governmental organizations, bilateral and multilateral agencies.

37. Financial innovations under related intergovernmental forums, for instance for climate change mitigation and adaptation, have demonstrated great potential of mobilizing substantial financial resources, and considerable double dividends for the global environment can be gained by coupling biological diversity and those forums in those innovations. The Parties and Governments should promote funding synergies in the national implementation of the three Rio conventions and other biodiversity-related conventions. Strategies for moving forward:

- (i) Integrate contributions and benefits of biodiversity in developing and implementing innovative climate financing instruments, including the Special Climate Change Fund, the Least Developed Countries Fund, the Adaptation Fund, Clean Development Mechanism, Joint Implementation and emission trade;
- (ii) Promote biodiversity consideration in the Global Mechanism of the United Nations Convention to Combat Desertification, including through its Facilitation Committee;
- (iii) Support financially the Ramsar Small Grants Fund for Wetland Conservation and Wise Use, the Wetlands for the Future initiative and the Swiss Grant Fund for Africa;
- (iv) Collaborate with the Convention on International Trade in Endangered Species of Wild Fauna and Flora in facilitating financial assistance by promoting matchmaking;
- (v) Promote financially the World Heritage Fund and funds-in-trust of the World Heritage Convention;
- (vi) Implement proactively the funding strategy of the International Treaty on Plant Genetic Resources for Food and Agriculture, and support the Global Crop Diversity Trust;
- (vii) Contribute to the development of financial mechanisms under the United Nations Forest Forum;
- (viii) Consider biological diversity in the Digital Solidarity Fund of the World Summit on the Information Society and other relevant funding mechanisms and institutions;
- (ix) Organize an inter-agency technical task force, composed of all biodiversity-related intergovernmental funding mechanisms, to enhance synergies and share experiences and lessons learned.

D. Strengthening existing financial institutions to support
biological diversity

38. The effectiveness of existing 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. Resource mobilization efforts must have a focus on the continuing improvement of resource utilization for the conservation and sustainable use of biodiversity. Strategies for moving forward include:

- (i) Ensure effective consultation with and agreement of relevant local stakeholders in all natural resource-related development efforts and international assistance;
- (ii) Maximize the impact of resources by bringing projects that have the same objectives together to coordinate and synchronize their activities and objectives;
- (iii) Reduce costs through reduction of duplication, streamlining activities, and strategic actions to ensure maximum mileage from minimum investment;
- (iv) Consolidate existing strategies for obtaining financial and technical resources;
- (v) Design national biodiversity activities in a way to minimize costs so as to be financially efficient in their operations;
- (vi) Eliminate investment waste by requiring environment impact assessments;
- (vii) Improve coherence between biodiversity policies and economic partnership agreements in relation to environment and development, trade, agriculture, fisheries, tourism, transport, and infrastructure;
- (viii) Increase complementarities and added values between various sources of funding, and increase exchange of information, knowledge and experience;
- (ix) Monitor and evaluate biodiversity projects under implementation and their effectiveness.

39. The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) is the principal body through which bilateral donors and other donors deal with issues related to co-operation with developing countries. Its Rio markers targeted at the objectives of the Convention has informed the Parties of the status concerning and trends in bilateral official assistance for biodiversity, and further benefits can be gained from widening the scope of the current collaboration between the Convention and OECD. Strategies for moving forward include:

- (i) Support OECD to build, maintain and improve a comprehensive statistical system for development assistance targeted at the objectives of the Convention;
 - (ii) Conduct a regular analysis of the status concerning and trends in biodiversity finance using aids targeted the objectives of the Convention;
 - (iii) Promote policy dialogue with aid agencies on effective assistance to biodiversity through obtaining an observer status, and participating actively, in OECD/DAC;
 - (iv) Follow up on aid effectiveness initiatives that have an impact on financing for biodiversity;
 - (v) Promote exchange of information and experience for biodiversity through The OECD/DAC Network on Environment and Development Co-operation and the Poverty-Environment Partnership Network;
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- (vi) Monitor relevant results, and conduct a comprehensive assessment focusing on biodiversity, of the OECD/DAC peer reviews that monitor its individual members' policies and efforts in the area of development co-operation.

40. The 2005 Paris Declaration on Aid Effectiveness represents a milestone in setting out basic principles and launching a process around which stakeholders can rally to address effectiveness issues. The international biodiversity community must strive to stay ahead of the five principal tenets of ownership, alignment, harmonization, managing for results and mutual accountability in order to inform further resource mobilization. Strategies for moving forward include:

- (i) Strengthen biodiversity institutions and other stakeholders to play the leadership role;
- (ii) Promote alignment of international financial support to national development strategies, sector-wide approaches or programmes that incorporate biodiversity priorities;
- (iii) Share and harmonize tools and indicators for the monitoring and assessment of trends in biodiversity and related programmes and policies;
- (iv) Monitor and evaluate on a regular basis the effectiveness of official development assistance allocated to biological diversity;
- (v) Implement partnership activities with defined accountability in a planned and transparent manner;
- (vi) Prepare on a biannual basis an in-depth global analysis of national experiences in resource mobilization and utilization, drawing upon at least two countries per region.

41. Different programmes of work or plans of the Convention often involves distinct disciplines, stakeholders, sources of funding and channels of delivery, and thus require particular focus of resource mobilization. Resource mobilization must be tailored to consider unique characteristics of biodiversity subject areas. The Parties should strive to augment financial cooperation targeted at priorities and needs that have already been identified, through an optimal mix of comparative advantages of different stakeholders, sources of funding and channels of delivery. Strategies for moving forward include:

- (i) Develop donor information sheets and good practice guidance on subject areas of the Convention that have been identified for financial support;
- (ii) Simplify administrative procedures of funding to expedite access to the financial resources needed to assist the implementation of required urgent actions;
- (iii) Involve all funding partners in the review and revision of the programmes of work, guidelines, strategies and action plans of the Convention;
- (iv) Assess funding status, trends, gaps and options in the subject areas under review by the Conference of the Parties;
- (v) Provide resourced technical assistance and effective capacity building programmes including project development seminars to promote resource mobilization targeted at identified needs;
- (vi) Promote harmonized priority setting frameworks to guide international resource flows to biodiversity;
- (vii) Explore innovative funding modalities that can better address specific needs of the subject areas of the Convention;
- (viii) Support financially the special fund for the Global Taxonomy Initiative and the voluntary fund for the roster of experts on biosafety, and assess their efficiency and effectiveness;

- (ix) Ensure that the Ad Hoc Open-ended Working Group on Protected Areas will effectively address financial sustainability of protected areas and national and regional systems of protected areas;
- (x) Provide sufficient voluntary contributions to the voluntary funding mechanism to facilitate the participation of indigenous and local communities in meetings under the Convention, and encourage the Ad Hoc Open-ended Inter-Sessional Working Group on Article 8(j) and Related Provisions to continue to explore various funding options and assess their implementation;
- (xi) Develop innovative financial mechanisms to promote access and benefit-sharing related to genetic resources.

III. Enhancing the global engagement

42. To effectively mobilize financial resources for biodiversity requires an unremitting effort of all relevant stakeholders of the Convention, locally, nationally, regionally and internationally. The Convention Secretariat and the Global Environment Facility that operates the Convention's financial mechanism are positioned to facilitate the implementation of this strategy for resource mobilization to support the achievement of the Convention's objectives through a centrally coordinated Global Enhancement Mechanism. They must develop well resourced plans of action for implementing the strategy to assist the Parties in mobilizing sufficient financial resources dedicated to biodiversity management.

43. The Conference of the Parties will review the implementation of the strategy for resource mobilization at its regular meetings and promote exchange of experience and good practice in financing for biodiversity. The tenth meeting of the Conference of the Parties will also examine the need to update the current framework for resource mobilization in the light of a new strategic vision of the Convention that might be adopted.