

6 August 2014

**Submission by the EU and its Member States
in reply to CBD Notification 2014-093
concerning the revised Financial Reporting Framework**

The EU and its Member States thank the Secretariat for the revision of the preliminary Financial Reporting Framework and for the opportunity to comment on it. An adequate Reporting Framework is important for helping prepare the appropriate policy responses as well as for ensuring efficiency in the process of reporting.

In this context, our submission of 9 April 2014 of the financial reports pursuant to Notification 2014-050 raised in section 3 a number of suggestions. For your convenience, please find this section reproduced in the Annex to the present comments.

The revised reporting framework touches upon important issues, notably: a) the targets for international and domestic financing to be confirmed and agreed at COP 12; b) the reporting on financial flows from the private sector; and c) the identification of funding needs, estimated available resources and the gap between them. Addressing these issues appropriately in the reporting framework requires careful consideration and coordination. Unfortunately, there has not been sufficient time for this and therefore the EU and its Member States are currently not in the position to express views on the revised framework.

Annex

Section 3 of the submission of the Financial reports

3. Experiences in applying the preliminary reporting framework

Successes and barriers in reporting and monitoring are referred to in the introduction to section 1.

The new excel sheet format of the preliminary reporting framework is welcome. It could however be improved, for example through including a synthetic table which allows the comparison over different years, and the comparison with a 2006-2010 baseline. There are a number of technical difficulties which would need to be solved (e.g. difficult to enter free text, justifying figures, rounding figures, printing options). In some places (e.g. question 3), the notes could be clearer to help distinguishing amongst categories. The definition of the 'others' category could also be improved; at present there is no way of reporting on household flows. The description of direct and indirect flows could also be improved, with a clearer explanation, and better connection to existing processes, e.g. OECD Rio markers, but also other statistical processes (e.g. UNSD SEEA). It is worth noting that the cell formats should not always be numbers – for example the reform of harmful subsidies do not always generate net additional resources, but may provide better incentives.

The explanatory text should make it clearer when there is a risk of double counting.

Finally, it would be useful if the explanatory text for the different categories made an explicit reference to the relevant goals of the Resource Mobilisation Strategy (e.g. goal 7 on ABS is about raising awareness, and promoting exchange of good practices).
