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RESOURCE MOBILIZATION

Note by the Executive Secretary

INTRODUCTION

1. In decision [XII/3](#), paragraph 1, the Conference of the Parties adopted targets for resource mobilization under Aichi Biodiversity Target 20 of the Strategic Plan for Biodiversity 2011-2020. At its thirteenth meeting, the Conference of the Parties reviewed progress against the targets, based on an analysis of the information provided by Parties through the financial reporting framework, and, in decision [XIII/20](#), paragraph 9, requested the Executive Secretary to prepare a stocktake and an updated analysis of financial reports received, for consideration by the Subsidiary Body on Implementation at its second meeting, in order to submit recommendations to the Conference of the Parties at its fourteenth meeting. The Conference of the Parties also decided on a series of operational activities, detailed below, to be undertaken by Parties, other Governments, relevant international organizations and initiatives, and the Executive Secretary.

2. The present document provides, in section II, a brief synthesis of the requested stocktake and updated analysis of financial reports received; the full analysis is provided in CBD/SBI/2/7/Add.1. Section III provides a progress report and conclusions resulting from the implementation of the activities included in decision XIII/20. This section includes a summary of the analysis of progress in achieving the milestones for the full implementation of Aichi Biodiversity Target 3, requested in paragraph 25 of decision XIII/20. Section IV provides considerations related to the process for developing the post-2020 global biodiversity framework, in particular its associated elements related to resource mobilization. Section V presents elements of a draft recommendation for consideration by the Subsidiary Body.

I. FINANCIAL REPORTING

3. Aichi Biodiversity Target 20 of the Strategic Plan for Biodiversity 2011-2020 calls for a substantial increase from current levels, by 2020, of financial resource mobilization from all sources. Having resolved to achieve certain preliminary targets adopted at its eleventh meeting,¹ the Conference of the Parties at its twelfth meeting adopted targets for resource mobilization, under Aichi Target 20, and a revised financial reporting framework, intended for use by Parties for providing baseline information and reporting on their contribution to reach these targets.² The financial reporting framework provides for reporting in two rounds: (a) reporting on baseline and progress towards 2015; and (b) reporting on further progress towards 2020. Prior analyses of the information received through the financial reporting frameworks were prepared by the Executive Secretary for consideration by the Subsidiary Body on Implementation at its first

* CBD/SBI/2/1.

¹ See decision [XI/4](#), para. 7.

² See decision [XII/3](#), paras. 1 and 24 and annex II.

meeting³ and the Conference of the Parties at its thirteenth meeting.⁴ The latter was based on the 73 reports which had been received by 15 November 2016.

4. The Conference of the Parties at its thirteenth meeting urged Parties that had not yet done so to provide, in the first round of reporting, the necessary baseline information and report progress against the targets for resource mobilization by 1 July 2017, using the financial reporting framework, and invited Parties to update, as appropriate, their financial reporting frameworks as confirmed/final data for 2015 became available, with a view to improving the robustness of the data. The Conference of the Parties requested the Executive Secretary to make the financial reporting framework for the second round of reporting available online by 1 July 2017, and invited Parties to report, using the online financial reporting framework, on their further contribution to the collective efforts to reach the global targets for resource mobilization by 2020, against the established baseline, in conjunction with their sixth national reports, by 31 December 2018.⁵

5. The Executive Secretary communicated the above to Parties via a notification dated 8 February 2017.⁶ Due to the limited number of new or updated submissions received by 1 July 2017, and pursuant to requests from several Parties, the Executive Secretary sent a notification on 7 July 2017⁷ informing Parties that the financial reporting framework for the first round of financial reporting would remain available through the clearing-house mechanism and extending the deadline for the submission of any new or updated financial information to 1 March 2018, in time for its inclusion in the present document. A reminder notification was sent on 1 February 2018.⁸

6. Between the cut-off date for the latest analysis (15 November 2016) and 1 March 2018, three new submissions were received (from Kuwait, Malta, and Mauritania) reporting on baseline and progress until 2015, while updated information on baselines and progress until 2015 was received from 12 Parties (Austria, Czechia, Denmark, Estonia, Germany, Japan, Luxemburg, Poland, Slovenia, Sweden and Spain, as well as the European Union).⁹ This brings the number of Parties having submitted information through the financial reporting framework to 76. The consolidated list of Parties which submitted information through the financial reporting framework by 1 March 2018 is provided in annex II of the addendum. The still limited number of total reports submitted and the limited reporting progress since 2015 has to be borne in mind in appreciating some of the quantitative and semi-quantitative information provided in the remainder of this section.

7. *Target 1(a) (doubling international flows by 2015 and maintaining this level until 2020)*: A total of 30 Parties (23 out of the 30 DAC members and 7 non-DAC members) provided pertinent information. A total of 26 Parties (22 DAC members and 4 non-DAC members) reported baseline data, and 23 Parties (16 DAC members and the 7 non-DAC members) reported 2015 data, collectively representing 85 per cent of the total reported baseline. These 23 Parties have collectively achieved an increase of 92 per cent against their baseline, excluding exchange rate effects due to the recent appreciation of the United States dollar. Progress measured against the total reported baseline stands at a 62 per cent increase. Using the average exchange rate for 2015, this progress stands at 70 per cent and 44 per cent, respectively.

8. *Target 1(b) (inclusion of biodiversity in national priorities or development plans by 2015)*: Bearing in mind the overall limited number of reports received, reporting Parties seem to be overall on track in achieving this target, as all of them reported at least some progress.

9. *Target 1(c) (reporting by 2015 of domestic biodiversity-related expenditures as well as funding needs, gaps and priorities)*: On a strict interpretation, the target has not been met by 2015, as less than

³ [UNEP/CBD/SBI/1/7/Add.1](#).

⁴ [UNEP/CBD/COP/13/11/Rev.1](#).

⁵ See decision [XIII/20](#), paras. 6 and 8.

⁶ [2017-009](#).

⁷ [2017-061](#).

⁸ [2018-024](#).

⁹ In addition, Austria and Sweden had already reported on further progress until 2020, in the second round of reporting initiated pursuant to paragraph 8 of decision [XIII/20](#).

75 per cent of Parties reported domestic biodiversity-related expenditures as well as funding needs, gaps and priorities. However, among reporting countries, progress in reporting domestic biodiversity-related expenditures is encouraging. The reporting of funding needs, gaps and priorities is seemingly more difficult.

10. *Target 1(d) (preparation by 2015 of national finance plans, and assessment of values)*: Progress is seemingly satisfactory with regard to the element on the assessment of values, but Parties seem to face persistent difficulties in developing and reporting their national finance plans.

11. *Target 1(e) (mobilization of domestic financial resources)*: This target does not have a 2015 timeline, and progress against this target would therefore be assessed during the second reporting round, in conjunction with sixth national reports. The difficulties mentioned above would also affect the eventual gauging of progress against this target.

12. Progress in reporting against the targets for resource mobilization is overall slow. Out of the 30 Parties reporting against target 1(a), a total of 7 Parties, representing 15 per cent of the reported baseline, have yet to report their 2015 data. As regards the other targets, the slow progress is also likely due to the continuing challenges in implementation, in particular with regard to targets 1(c) and 1(d), associated with an overall lack of capacity, in particular for countries that do not participate in the Biodiversity Finance (BIOFIN) initiative of the [United Nations Development Programme](#), which provides capacity-building and technical support for developing countries to measure current biodiversity expenditures, to assess their financial needs, and to develop the national finance plan or resource mobilization strategy.¹⁰ Implementation in the countries directly supported by BIOFIN is progressing but has also faced various technical and methodological challenges.

II. OTHER ELEMENTS OF DECISION XIII/20

A. Capacity-building and technical support

13. In decision XIII/20, paragraph 10, the Conference of the Parties invited relevant organizations and initiatives, including the BIOFIN Initiative, to provide technical support and capacity-building for interested and eligible developing country Parties on the identification of funding needs, gaps and priorities, the development and implementation of national resource mobilization strategies, and of financial reporting. In paragraph 12, the Conference of the Parties welcomed the establishment of CBD-BIOFIN regional nodes as a means to provide technical support for interested Parties which have not been supported by the Biodiversity Finance Initiative, and encouraged the Biodiversity Finance Initiative to take into consideration the conceptual framework of the [Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services](#) (IPBES) on biodiversity and ecosystem services in its future work.

14. An additional 11 countries¹¹ joined the BIOFIN Initiative in 2016, bringing the total number of countries supported to 30. The second phase of the BIOFIN Initiative started in 2018 for a five-year period, with an increased focus on supporting countries with the implementation of biodiversity finance plans and finance solutions. The CBD-BIOFIN regional nodes are now operational in Africa, Asia and the Pacific, Eastern Europe, and Latin America and Caribbean. A team of three regional experts is providing technical support to eligible countries in these regions which have not been supported by the Biodiversity Finance Initiative, to help them learn about and apply the BIOFIN methodology.¹² Services provided include global webinars on the individual steps of the BIOFIN methodology and its linkages to financial reporting under the Convention, a massive open online course on global biodiversity finance to be rolled out in 2018, and regional and global workshops,¹³ as well as in-country missions, support for the development of inventories of existing financing mechanisms, and the provision of tailored guidance to further resources.

¹⁰ <http://www.biodiversityfinance.net/>.

¹¹ Belize, Brazil, Bhutan, Cuba, Georgia, Kyrgyzstan, Mongolia, Mozambique, Rwanda, Sri Lanka, and Viet Nam.

¹² <http://www.biodiversityfinance.net/regional-nodes>

¹³ The Executive Secretary continued to contribute to the delivery of these capacity-building services. See also CBD/SBI/2/INF/6, para. 36.

Eligible countries were invited to submit indications of interest¹⁴ and, by end of March 2018, a total of 39 countries were in various stages of engagement with the BIOFIN regional nodes.

15. The BIOFIN Initiative released Spanish, French and Russian translations of its [2016 BIOFIN Workbook](#). A revised version of the workbook is scheduled for publication in November 2018, which will, in its theoretical framework, be aligned with the IPBES Conceptual Framework,¹⁵ thus responding to the invitation of the Conference of the Parties expressed in decision XIII/20, paragraph 11. Additional guidance will be provided on calculating national finance gaps, institutionalizing the BIOFIN process, working with the private sector and developing communication plans to advocate for biodiversity finance solutions. Finally, an online BIOFIN Catalogue of Finance Solutions has been developed. It presents the breadth of options available for countries to advance financing for biodiversity and inclusion in its finance plan, containing brief explanations of the possible options.¹⁶

B. Strengthening biodiversity finance information systems

16. In decision XIII/20, paragraph 13, the Conference of the Parties took note of the work of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) to refine the Rio marker methodology,¹⁷ and encouraged the Committee to continue and intensify this work.

17. The OECD, in collaboration with members of the Development Assistance Committee (DAC) has since reviewed the Rio marker for biodiversity in an effort to better align reporting of biodiversity-related development finance with recent developments under the Convention process. While no changes will be made to the definition of the marker, the complementary eligibility criteria will be adjusted to reflect relevant Aichi Targets and Sustainable Development Goal 15. The proposed changes will be reviewed by the OECD Working Party on Development Finance Statistics in June 2018 with a view to applying these adjustments to data reported from 2019 onwards. In an effort to facilitate and better harmonize reporting by DAC members, a table with examples on how the marker can be applied to different sectors is also being developed.

18. In decision XIII/20, paragraph 14, the Conference of the Parties took note of the work of multilateral development banks to track and report multilateral biodiversity finance flows, and encouraged them to expedite this work. This work has continued, led by the European Investment Bank, but has not yet led to an agreed methodology.

19. In decision XIII/20, paragraph 17, the Conference of the Parties requested the Executive Secretary to explore, through the [Inter-agency Task Force on Financing for Development](#), the feasibility of linking financial reporting under the Convention with the emerging monitoring process for the follow-up and review of the commitments of the Addis Ababa Action Agenda, which was adopted at the Third International Conference on Financing for Development (Addis Ababa, 13-16 July 2015) and endorsed by the General Assembly in its resolution [69/313](#) of 27 July 2015,¹⁸ and to update, as appropriate, the guidance provided in the report of the International Technical Expert Workshop on Identifying, Accessing, Compiling and Aggregating Domestic and International Biodiversity-related Investments and Impacts (Mexico City, 5-7 May 2015)¹⁹ with any new methodological information. Pursuant to these requests, and further to consultations with the secretariat of Inter-agency Task Force, links to the financial reporting

¹⁴ Notifications 2016/143 of 23 November 2016 and 2017/009 of 8 February 2017.

¹⁵ <https://www.ipbes.net/conceptual-framework>

¹⁶ www.biodiversityfinance.net/finance-solutions

¹⁷ Under the Rio marker methodology, the contribution of bilateral development finance for environmental purposes, including for biodiversity, is monitored by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). There are three possible values (or scores) for the Rio markers, indicating whether the Rio convention themes are (0) not targeted, (1) a significant objective or (2) a principal objective of the action.

¹⁸ The purpose of the Inter-agency Task Force on Financing for Development is (a) to report annually on progress in implementing the financing for development outcomes of the Addis Ababa Action Agenda and the means of implementation of the 2030 Agenda for Sustainable Development, and (b) to advise the intergovernmental follow-up processes on implementation gaps and recommendations for corrective action, while taking into consideration the national and regional dimensions.

¹⁹ For meeting documentation, see <https://www.cbd.int/meetings/RMEM-2015-01>

framework as well as relevant analyses undertaken under the Convention were provided as an input for the preparation of the 2018 annual report of the Inter-agency Task Force.²⁰ This input was included in the section on Sustainable Development Goal 15 of the 2018 report of the Inter-agency Task Force and in the online annex to the report.²¹ The need to update the guidance provided in the methodology report is monitored on an ongoing basis.

C. Collective action of indigenous peoples and local communities, and safeguards in biodiversity financing mechanisms

20. Decision XIII/20 contains²² a number of pertinent invitations to Parties, other Governments, as well as relevant stakeholders' organizations, and related requests to the Executive Secretary. A summary of these operational paragraphs and of actions subsequently undertaken, as well as elements of a draft recommendation, are provided in the notes by the Executive Secretary on elements of methodological guidance for identifying, monitoring, and assessing the contribution of indigenous peoples and local communities (CBD/SBI/2/19) and on taking the voluntary guidelines on safeguards in biodiversity financing mechanisms into account when selecting, designing and implementing biodiversity financing mechanisms and when developing instrument-specific safeguards (CBD/SBI/2/20).

D. Milestones for the full implementation of Aichi Biodiversity Target 3

21. In decision XIII/20, paragraph 23, the Conference of the Parties recalled its invitation to Parties to report progress in achieving the milestones for the full implementation of Aichi Biodiversity Target 3, as well as any additional milestones and timelines established at the national level, and invited Parties to also include information on national analytical studies that identify candidates for elimination, phase-out or reform of incentives, including subsidies, that are harmful for biodiversity, and that identify opportunities to promote the design and implementation of positive incentive measures, such as appropriate recognition and support for indigenous peoples and local communities that conserve territories and areas, and other effective community conservation initiatives. In paragraph 25, the Conference of the Parties requested the Executive Secretary to compile and analyse relevant information, including an analysis of how the implementation of Aichi Biodiversity Target 3 also contributes to the implementation of Aichi Biodiversity Target 20, and to submit the compilation and analysis to the Subsidiary Body on Implementation. This subsection provides a summary of the analysis requested, while the complete analysis and compilation is provided as an information document (CBD/SBI/2/INF/15).

22. The analysis considered fifth national reports received with regard to progress in implementation of Aichi Biodiversity Target 3, also taking into account relevant information reported under Aichi Biodiversity Target 20. As the first milestone calls for Aichi Biodiversity Target 3 being reflected in a national target and associated action items being included in revised national biodiversity strategies and action plans (NBSAPs), the analysis took also into account pertinent information from NBSAPs. Building on this information and relevant recent publications from international organizations, the manner in which Aichi Biodiversity Target 3 contributes to Aichi Biodiversity Target 20 was analysed.

23. *First milestone (a national target reflecting Aichi Biodiversity Target 3 and associated action items are included in revised national biodiversity strategy and action plan (NBSAP))*: A total of 52 NBSAPs, or about 40 per cent, contain a national target, or national targets, which reflect Aichi Biodiversity Target 3 at least to some degree. A total of 24 NBSAPs (almost 20 per cent) contain targets just on positive incentive measures, and only 4 provide a target on harmful incentives, while 25 NBSAP targets addressing both elements of Aichi Biodiversity Target 3. A total of 21 NBSAPs, or slightly over 15 per cent, provided additional subtargets or action items, which could be understood as milestones. A total of 23 countries (almost 20 per cent) provided additional timelines for achieving these, which sometimes diverge from the timelines suggested in the milestones.

²⁰ Inter-agency Task Force on Financing for Development, *Financing for Development: Progress and Prospects 2018* (United Nations publication, Sales No. E.18.I.5).

²¹ <https://developmentfinance.un.org/protecting-ecosystems>

²² See paragraphs 18 to 21 as well as 26 to 28.

24. This first milestone also spells out a couple of action items which could be included in the NBSAP:

(a) *Undertaking national analytical studies that identify candidates for action on harmful incentives including subsidies, and that identify opportunities to promote positive incentive measures:* A total of 7 NBSAPs refer to such reviews and studies;

(b) *Developing policy plans that identify harmful incentives that are candidates for policy action and provide prioritized lists of measures:* A total of 12 countries refer to the preparation of such policies or action plans;

(c) *Foreseeing immediate policy action in cases of known incentives with harmful effects:* Only five NBSAPs foresee such immediate action on specific incentive programmes, presumably because of their harmful effects.

25. *Second milestone (policy or legislative action on incentives, including subsidies, already known to have harmful effects):* Only 5 Parties included this milestone explicitly as an action item in their NBSAP, typically in the form of a reference to particular programmes with likely harmful effects. However, 25 Parties reported on pertinent action already taken in their fifth national reports, either in terms of general references to reform measures or by providing specific examples.

26. *Third milestone (finalization of national analytical studies that identify candidates for action on harmful incentives including subsidies, and that identify opportunities to promote positive incentive measures):* A total of 11 Parties, or less than 10 per cent of reporting Parties, mentioned reviews or assessments that seek to identify incentives, including subsidies, that are harmful for biodiversity, and only 4 indicated that these reviews or assessments had been completed. In addition, 25 Parties, or 15 per cent of reporting Parties, pointed to examples of specific policies or programmes that were identified as, or are suspected of, generating incentives that are harmful for biodiversity.

27. *Fourth milestone (finalization of policy plans that identify candidates for policy action and prioritized lists of measures to be taken):* A total of 10 countries refer to the preparation of such policy or action plans in their NBSAPs, 4 of which had additional timelines.

28. Beyond reporting relevant to the milestones, a significant amount of Parties report on progress already made in implementing Aichi Biodiversity Target 3, with emphasis on the design and implementation of positive incentive measures. As mentioned above, only a little bit more than 10 per cent of reporting Parties refer to the elimination, phase-out or reform of incentives, including subsidies. At total of 20 per cent of reporting Parties refer to the application of fiscal measures, such as green taxes or tax breaks for beneficial activities. More than half of reporting Parties refer to the introduction or strengthening of payments schemes for ecosystem services or the introduction or strengthening of positive incentive measures which may involve similar concepts, for instance agri-environmental payments.

29. In terms of non-monetary incentive measures, such as appropriate recognition and support for indigenous peoples and local communities that conserve territories and areas, and other effective community conservation initiatives, a smaller but still significant 30 per cent of reporting countries referred to community involvement in biodiversity management and to the introduction or strengthening of associated positive incentives, for instance arrangements for sharing tourism revenues, such as in the context of community-based natural resource management, the joint management of protected areas with indigenous peoples or local communities, or the establishment and formal recognition of community protected areas.

Contribution of Aichi Biodiversity Target 3 to achieving Aichi Target 20

30. Earlier language adopted by the Conference of the Parties²³ stated that incentives harmful for biodiversity “are frequently not cost-efficient and/or not effective in meeting social objectives while in some cases use scarce public funds,” and thus already indicated the possible effects on resource mobilization of taking policy action on harmful incentives.

²³ Decision [X/44](#) on incentive measures, para. 9.

31. Firstly, taking policy action on harmful incentives will, all other things being equal, lessen the need to raise financial resources for biodiversity policies. This is most pronounced when such policy action will take the form of an outright elimination or phase-out of the harmful incentive because it will, by definition, remove the harmful effects on biodiversity and thus reduce the need for biodiversity policies to merely “repair” the damage done by the other policy, and associated resource needs.

32. Available information on the extent of this effect on biodiversity is mostly anecdotal and often not quantified. Positive effects are in particular reported in the cases of major reform initiatives, even though it is often difficult to disentangle the genuine effect of subsidy removal from other effects, in particular in the long run.

33. Secondly, a direct revenue effect would result in particular from taking policy action on harmful subsidies, again most pronounced when such policy action will take the form of an outright elimination or phase out of the harmful subsidy, as this would free up scarce public resources, which in principle, even though not necessarily, could be used for funding biodiversity policies. A reform of a harmful subsidy would also lead to a positive revenue effect if the resulting increase in cost-effectiveness leads to net savings, bearing in mind that Governments may also wish to make the reformed policy’s stated objectives more ambitious.

34. Existing global quantitative information on the magnitude of incentives, including subsidies, that are harmful for biodiversity typically consist of one-off estimates and do not provide time-series data that would allow the effects on biodiversity described above to be systematically disentangled or an assessment of overall progress made to be carried out. However, quantitative information illustrating these effects is available on potentially environmentally harmful agricultural subsidies in OECD countries. Based on the OECD methodology for measuring agricultural support, types of agricultural support are classified by OECD by their potential environmental impact. According to recent OECD assessments based on this methodology, the amount of the most potentially environmentally harmful agricultural support has fallen significantly in recent decades, both in absolute numbers (from over US\$ 200 billion in 1990 to slightly over US\$ 100 billion in 2015) and in the relative share of total subsidies (from over 80 per cent in 1990 to about 50 per cent in 2015). This could be interpreted as a significant contribution to the incentive effect described above. The least harmful types of support, such as payments based on non-commodity criteria, including the retirement of land and other practices that support biodiversity, have increased significantly since 1990 and increased from US\$ 3 billion in 2000 to over US\$ 5 billion in 2010, but have stayed essentially flat since then, indicating a more limited revenue effect of recent policy reforms for more biodiversity-friendly policies.

35. Agricultural support classified as potentially more or most environmentally harmful remains at around US\$ 100 billion in OECD countries. This indicates that, despite the progress already made, as described above, there are significant opportunities for further policy action on Aichi Biodiversity Target 3 in this sector in OECD countries. Opportunities for further action also exist globally in other sectors, such as energy (with US\$ 260 billion of annual consumption subsidies according to the International Energy Agency) and fisheries (with US\$ 35 billion annually, of which US\$ 20 billion are harmful according to a recent estimate). Opportunities, possibly in the context of environmental fiscal reforms, exist in developing countries in the energy and water sectors, as has been highlighted by recent studies supported by the United Nations Environment Programme as well as under the BIOFIN initiative.

36. With regard to positive incentive measures, their immediate revenue effect is more ambiguous than in the case of harmful incentives. In the case of public payment programmes or tax breaks which provide direct monetary incentives to producers or consumers, the revenue effect is actually negative: establishing these programmes will require financial resources, through traditional budgetary allocations or by more innovative tools. However, a positive revenue effect will result when the measure itself is funded by private entities, for instance because they wish to encourage beneficiaries to move “beyond regulatory compliance.”

37. In this context, a recent study by the [International Institute for Sustainable Development](#) analysed a broad range of voluntary sustainability standards and associated certification (or “eco-labelling”) schemes for various commodities. The report notes that markets for certified products have been growing

rapidly over the past decade but still only represent a small portion of overall agricultural production; it identifies a number of concrete options that policymakers can take in promoting a more strategic and effective implementation of voluntary standards for biodiversity conservation.

38. In a financing context, the provision of public finance can, under what is called blended finance arrangements, reduce the risk for private finance and thus incentivize or leverage the provision of private finance. The 2018 report of the Inter-Agency Task Force on Financing for Development cautions that the use of private finance is more challenging in areas where equity considerations and large financing gaps reduce profit prospects. The report notes that investments in ecosystems will largely be publicly financed owing to the public-good nature of the sector. While private initiatives sometimes play a role²⁴ and interest in mobilizing private finance is increasing,²⁵ one challenge is to develop enough investment proposals that create cash flows together with measurable conservation impact.²⁶

39. Several contributions underscored that the design of positive measures themselves play an important role for its cost effectiveness. For instance, in payment programmes, more discerning selection procedures, together with differentiated payments, can lead to significant cost savings. However, as such schemes tend to be sophisticated, constraints in design and monitoring capacity by the implementing entity need to be taken into consideration. The Subsidiary Body on Implementation may wish to recommend that the Conference of the Parties to invite Parties and relevant organizations in a position to do so to assist developing country Parties and Parties with economies to develop such capacity.

III. CONSIDERATIONS REGARDING THE RESOURCE MOBILIZATION COMPONENT OF THE POST-2020 BIODIVERSITY FRAMEWORK

40. The current Strategic Plan for Biodiversity 2011-2020 and its 20 Aichi Targets will expire in 2020 and work has been initiated towards a [post-2020 global biodiversity framework](#). The note by the Executive Secretary on preparation of follow-up to the Strategic Plan for Biodiversity 2011-2020 (CBD/SBI/2/17) provides proposed modalities of a process for preparing the post-2020 global biodiversity framework, for consideration by the Subsidiary Body with a view to its adoption by the Conference of the Parties at its fourteenth meeting. The discussion below summarizes pertinent developments in the work on resource mobilization under the Strategic Plan for Biodiversity 2011-2020, and considerations for the post-2020 biodiversity framework.

41. The current Strategic Plan includes a framework for the mobilization of financial resources for its effective implementation. Governed overall by Article 20 of the Convention, this framework includes Aichi Biodiversity Target 20, the targets for resource mobilization adopted in decision XII/3, and the associated financial reporting, as addressed under section I above. In addition, Aichi Biodiversity Target 20 refers to the strategy for resource mobilization, which was adopted by the Conference of the Parties at its ninth meeting, in 2008, and extended until 2020 by the Conference of the Parties at its twelfth meeting, in 2014;²⁷

42. The Conference of the Parties also developed a considerable amount of additional guidance for implementing the resource mobilization framework above, including:

(a) The indicators for resource mobilization adopted by the Conference of the Parties at its tenth meeting, building on the strategy for resource mobilization;²⁸

(b) The proposals for concrete and effective actions to implement the targets for resource mobilization, annexed to decision XII/3, providing a mapping of the individual elements of the resource

²⁴ Through philanthropy or impact investing (private investors who seek to have a positive social or environmental impact alongside their profit).

²⁵ Inter-agency Task Force on Financing for Development, *Financing for Development: Progress and Prospects 2018* (United Nations publication, Sales No. E.18.I.5), p. 16.

²⁶ Ibid., p. 37.

²⁷ Decision IX/11, <https://www.cbd.int/decision/cop/default.shtml?id=11654>.

²⁸ Decision X/3, para. 7; <https://www.cbd.int/decision/cop/default.shtml?id=12269>.

mobilization strategy into the individual targets for resource mobilization, and complementing these with proposed concrete and effective actions;²⁹

- (c) As indicated above, the milestones for Aichi Biodiversity Target 3;³⁰
- (d) The voluntary guidelines on safeguards in biodiversity financing mechanisms;³¹
- (e) The guiding principles on assessing the contribution of collective action by indigenous peoples and local communities.³²

43. Moreover, two reports of the High-level Panel for Resource Mobilization³³ provided assessments of funding needs for the implementation of the Strategic Plan for Biodiversity, prepared, pursuant to the pertinent language in Aichi Target 20, for consideration by the Conference of the Parties at its twelfth and thirteenth meetings.³⁴ Several dialogue workshops were held on scaling up biodiversity finance (in 2012 and 2014), and on collective action (in 2015).³⁵

44. The methodology of the BIOFIN Initiative, developed in several rounds since 2010, mirrors closely, through its individual steps, elements of the targets for resource mobilization, and provides guidance for their implementation at the national level.³⁶

45. Work on the targets for resource mobilization, as an important element of the resource mobilization framework above, was initiated after adoption of the Strategic Plan for Biodiversity 2011-2020 at the tenth meeting of the Conference of the Parties, in 2010. Preliminary targets were agreed at the eleventh meeting of the Conference of the Parties, in 2012, and, as mentioned above, the adoption of the suite of targets took place at the twelfth meeting, in 2014. The targets required significant implementation efforts by Parties within a very short time frame, given that most of the targets have a 2015 timeline. In the light of the challenges in institutional and technical capacities faced by developing country Parties and Parties with economies in transition, their implementation required significant efforts in capacity-building and the provision of technical support. Several conclusions can be drawn.

46. Firstly, the agreement and adoption of the targets in 2012 and 2014, and the corresponding late roll-out of measures to support their implementation, likely impeded their effectiveness in supporting implementation of the Strategic Plan as a whole, in particular during its early years. The slow progress of Parties as reported through the financial reporting framework seems to corroborate this. It may therefore be advisable to initiate consideration of a resource mobilization component of the post-2020 biodiversity framework early on in the process.

47. Secondly, while progress overall has been too slow compared with the degree of ambition of the targets, progress has been achieved since 2010, for instance in terms of actual funding streams, such as the reported increase in international biodiversity-related flows; in terms of methodological progress, such as the increasing maturity of the BIOFIN methodology; and in terms of its advancing implementation in developing countries and countries with economies in transition. It may therefore be advisable, in developing the resource mobilization component of the post-2020 biodiversity framework, to harness and build on the progress already achieved.

²⁹ Decision XII/3, annex IV; <https://www.cbd.int/decision/cop/default.shtml?id=13366>

³⁰ Decision XII/3, para. 21 and annex I.

³¹ Decision XII/3, para. 15 and annex III.

³² Decision XIII/20, para. 18 and annex.

³³ <https://www.cbd.int/financial/hlp/doc/CBD-HLP-FullReport-EN.pdf>

³⁴ <https://www.cbd.int/doc/meetings/fin/hlp-gar-sp-01-official/hlp-gar-sp-01-01-report-en.pdf> and <https://www.cbd.int/financial/hlp/doc/hlp-02-report-en.pdf>

³⁵ <https://www.cbd.int/meetings/DS-FB-01> ; <https://www.cbd.int/meetings/DS-FB-02> ; <https://www.cbd.int/meetings/RMWS-2015-02>

³⁶ Namely (a) institutional and policy review, (b) biodiversity expenditure review, (c) assessment of funding needs and gaps, and (d) development of a national finance plan, building on a broad range of identified biodiversity finance solutions, thus mirroring the elements of target 1(b) to target 1(d).

48. Thirdly, a consideration of the resource mobilization component in a closely synchronized manner with the development of the overall post-2020 framework would contribute to ensuring that the overall ambition of the finance component is commensurate with the ambition of the overall post-2020 biodiversity framework, including in particular the ambition to achieve critical steps in the coming decade towards transformational change of the biodiversity regime by 2050, as spelled out in the addendum (CBD/SBI/2/17/Add.1). It may therefore be advisable to develop the resource mobilization component of the post-2020 biodiversity framework in an integrated manner with the overall preparatory process.

49. Fourthly, the global conceptual thinking on financing for development has evolved since the adoption of the strategy for resource mobilization in 2009. In the overall context of the 2030 Agenda for Sustainable Development,³⁷ this is in particular reflected in the Addis Ababa Action Agenda. It may therefore be advisable, in developing the resource mobilization component of the post-2020 biodiversity framework, to take into account this global financing framework, as well as other relevant international developments.

50. With regard to the preparatory process, the annex to CBD/SBI/2/17 provides an indicative chronology of key activities to be undertaken. In the light of the continuing importance of the resource mobilization agenda, as well as the specific expertise required, there is seemingly merit to consider establishing a dedicated work stream under the overall preparatory process, and an associated activity, or associated activities, related to resource mobilization, bearing in mind issues of cost and coordination with the overall process.

IV. CONCLUSIONS AND ELEMENTS OF A DRAFT RECOMMENDATION

A. Financial reporting

51. In the light of the overall slow progress in financial reporting, the Subsidiary Body may wish to recommend to the Conference of the Parties that it adopt a decision reiterating its invitation to Parties to achieve the targets for resource mobilization and report thereon expeditiously. Given the ongoing capacity challenges in developing countries, the Subsidiary Body may wish to recommend welcoming the work of the BIOFIN initiative and of other relevant organizations and initiatives, and renewing the invitation to continue and further intensify this work. The Subsidiary Body may also wish to foresee intersessional work, further detailed in the draft recommendation below, with a view to providing the most updated information on financial reporting to the Conference of the Parties for consideration at its fourteenth meeting.

B. Modalities for fully implementing Aichi Biodiversity Target 3

52. While some progress is being made towards implementation of Aichi Target 3 and the application of the associated milestones adopted by the Conference of the Parties at its twelfth meeting, the analysis indicates that progress is overall insufficient and that significantly more action could be undertaken by Parties and other Governments, with the support of international organizations and initiatives. In the light of the considerably positive overall impacts for mobilizing resources for biodiversity, such action is in particular needed in form of the elimination, phase out or reform of incentives, in particular subsidies, harmful for biodiversity. Accordingly, the Subsidiary Body may wish to recommend expressing concern with regard to the insufficient implementation of Aichi Biodiversity Target 3 and the milestones, recalling the milestones and the importance of their application, and urging Parties and other governments to take more action. The Subsidiary Body may also wish to recommend recognizing the ongoing supportive work of relevant international organizations and initiatives, inviting them to continue and further intensify this work, and requesting the Executive Secretary to support and facilitate this work.

53. The preparation of national analytical studies on incentives is a milestone because such an assessment is often a critical step in identifying candidates for elimination, phase out or reform, and in building the necessary understanding and political support. However, only a few countries have undertaken such national-level assessments or studies to identify harmful incentives and opportunities for policy action, and the few existing studies vary in the scope and approaches taken to identify environmentally

³⁷ See General Assembly resolution [70/1](#), entitled “Transforming our world: the 2030 Agenda for Sustainable Development”.

harmful support. It could be useful to invite interested organizations, such as OECD, to consider (a) undertaking a systematic compilation; (b) analysing the existing studies in more detail; (c) identifying good-practice methods for identifying harmful incentives and developing appropriate policy responses, in terms of elimination, phase out or reform, and (d) developing a standard or template as voluntary guidance how such an analytical study could look like and how the assessments would be undertaken.

C. Resource mobilization or finance component of the post-2020 biodiversity framework

54. The analysis above pointed to the advantages of initiating consideration of the possible resource mobilization component of the post-2020 biodiversity framework (a) early on; (b) in a manner which would harness, and build on, progress already achieved; and (c) in a manner integrated with the development of the overall post-2020 framework. The Subsidiary Body may therefore wish to consider recommending the establishment of a dedicated work stream on resource mobilization under the overall preparatory process, as proposed in the note by the Executive Secretary on preparation of follow-up to the Strategic Plan for Biodiversity 2011-2020 (CBD/SBI/2/17).

55. As a first step towards consideration of the resource mobilization component, the Subsidiary Body could consider using the intersessional work, prior to the fourteenth meeting of the Conference of the Parties, proposed in CBD/SBI/2/17, section VI, as well as in paragraph 3 of the draft recommendation contained in section D below. Specifically, the Subsidiary Body may wish to request Parties and invite other Governments, as well as relevant international organizations and initiatives, to review their experience in implementing the elements of the resource mobilization framework and in using the additional guidance and, building on this review, to submit views on the possible scope and content of the resource mobilization component of the post-2020 biodiversity framework to the Executive Secretary. The views submitted would become part of the collection and non-prescriptive synthesis, to be prepared by the Executive Secretary, foreseen in paragraph 3 of the draft recommendation contained in CBD/SBI/2/17.

D. Elements of a draft recommendation

56. In the light of the considerations above, the Subsidiary Body on Implementation at its second meeting may wish to consider taking a recommendation along the following lines.

The Subsidiary Body on Implementation,

Recalling decision [XII/3](#), in particular the targets referred to in paragraphs 1(a) to (e) and 2 therein,

Stressing the need for continued efforts for effective mobilization and utilization of resources for biodiversity from all sources,

Noting the limited number of new or updated financial reporting frameworks received in time for consideration by the Subsidiary Body at its second meeting,

Aware of the various ongoing challenges that many Parties face in their financial reporting, in particular in identifying their funding needs, gaps and priorities, and in developing and reporting their national finance plans,

Recalling Article 20 of the Convention,

Emphasizing the ongoing importance of increasing the mobilization of financial resources for the effective implementation, in the years remaining, of the Strategic Plan for Biodiversity 2011-2020, and of the post-2020 global biodiversity framework,

A. Financial reporting

1. *Takes note with appreciation* of the information provided by Parties through the financial reporting framework;

2. *Takes note* of the stocktake and updated analysis of the information provided by Parties through the financial reporting framework, in particular the progress towards the targets adopted in decision XII/3,

3. *Urges* Parties to increase their efforts to achieve the targets, including the doubling of total biodiversity-related international financial resource flows to developing countries, in particular least developed countries and small island developing States as well as countries with economies in transition, and maintaining this level until 2020, as stated in target 1(a), bearing in mind that the targets are considered to be mutually supportive;

4. *Urges* Parties that have not yet done so to provide the necessary baseline information and report initial progress against the targets for resource mobilization up to 2015, by 1 September 2018, using the financial reporting framework, and invites Parties to update, as appropriate, their financial reporting frameworks with confirmed/final data for 2015, with a view to improving the robustness of the data and enabling a comprehensive assessment of progress towards achieving the targets set by the Conference of the Parties at its fourteenth meeting;

5. *Encourages* Parties in a position to do so to submit available data on 2016 and 2017, in the second round of reporting, further to decision XIII/20, paragraph 8;

6. *Urges* Parties that have finalized the revision and updating of their national biodiversity strategies and action plans to identify their funding needs, gaps, and priorities, on the basis, as appropriate, of revised national biodiversity strategies and action plans and other complementary information, and to develop and implement their national finance plans for the effective implementation of revised national biodiversity strategies and action plans, as a matter of priority;

7. *Requests* the Executive Secretary to prepare an updated analysis of financial reports received, including elements for completion of the draft decision contained in paragraph 9 below, for consideration by the Conference of the Parties at its fourteenth meeting;

B. Resource mobilization component of the post-2020 biodiversity framework

8. *Invites* Parties, other Governments, stakeholders and relevant international organizations and initiatives, to review their experiences in implementing Aichi Biodiversity Target 20 as well as the strategy and the targets for resource mobilization, and in using relevant guidance, and, building on this review, to submit their views on scope and content of the resource mobilization component of the post-2020 biodiversity framework, as part of the intersessional work foreseen in the draft decision under agenda item 16;

9. *Recommends* that the Conference of the Parties at its fourteenth meeting adopt a decision along the following lines:

The Conference of the Parties,

A. Financial reporting

1. *Takes note with appreciation* of the information provided by Parties through the financial reporting framework;

2. *Takes note* of the analysis of the information provided by Parties through the financial reporting framework, in particular the progress towards the targets adopted in decision XII/3, as contained in the note by the Executive Secretary on resource mobilization: stocktake and updated analysis of information provided through the financial reporting framework;³⁸

3. *Reiterates* its invitation to Parties to report, using the online financial reporting framework, on their further contribution to the collective efforts to reach the global targets for resource mobilization, against the established baseline, in conjunction with their sixth national reports, by 31 December 2018;

B. Capacity-building and technical support

4. *Welcomes* the work of relevant organizations and initiatives, including the Biodiversity Finance Initiative of the United Nations Development Programme, to provide

³⁸ CBD/SBI/2/7/Add.1.

technical support and capacity-building for interested developing country Parties, in particular the least developed countries and small island developing States, as well as countries with economies in transition, on the identification of funding needs, gaps and priorities, the development and implementation of national resource mobilization strategies, and on financial reporting, and *invites* them to continue and further intensify this work;

5. *Invites* Parties, other Governments and donors in a position to do so to provide financial support to such capacity-building and technical support;

6. *Takes note* of the work undertaken by the Development Assistance Committee of the Organisation for Economic Cooperation and Development to refine the Rio marker methodology,

C. Milestones for the full implementation of Aichi Biodiversity Target 3

7. *Recognizes* the potential contribution of implementing Aichi Biodiversity Target 3 for the mobilization of financial resources;

8. *Notes with concern* the limited progress made in implementing Aichi Biodiversity Target 3 and the milestones for its implementation, in particular on the elimination, phase out, or reform of incentives, including subsidies, that are harmful for biodiversity, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socioeconomic conditions;

9. *Urges* Parties and other Governments to intensify their efforts to implement measures for the full implementation of Aichi Biodiversity Target 3, taking into account, as a flexible framework, the milestones adopted by the Conference of the Parties at its twelfth meeting,³⁹ consistent and in harmony with the Convention and other relevant international obligations, and taking into account national socioeconomic conditions;

10. *Welcomes* the work of relevant organizations and initiatives, including the Biodiversity Finance Initiative of the United Nations Development Programme, the United Nations Environment Programme, the Organization for Economic Cooperation and Development, the International Institute for Sustainable Development, and other partners, to provide analytical and technical support and capacity-building to the implementation of Aichi Biodiversity Target 3, and invites them to continue and further intensify this work;

11. *Notes* the useful role of national studies to identify harmful incentives and opportunities for removal or reform of harmful incentives, including subsidies, and in scoping and identifying the most effective policy action, *invites* interested organizations, such as the organizations and initiatives mentioned in the previous paragraph, to consider undertaking a systematic compilation and analysis of existing studies with a view to identifying good-practice methods for identifying harmful incentives and developing appropriate policy responses, and develop a standard or template for such standards as voluntary guidance;s

12. *Requests* the Executive Secretary, subject to the availability of resources, to support and facilitate the work referred to in paragraphs 4, 10 and 11 above.

³⁹ Decision [XII/3](#).