



## Convention on Biological Diversity

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### Meeting of the Technical Expert Group on Financial Reporting

#### First meeting

Montreal, 27 November–1 December 2023

Item 3 of the provisional agenda\*

#### Consideration of relevant indicators

### Background material to support the work of the Technical Expert Group on Financial Reporting

#### Introduction

1. At its fifteenth meeting, by its decision 15/7, on resource mobilization, the Conference of the Parties to the Convention on Biological Diversity decided to establish a technical expert group, with a time-bound mandate until the sixteenth meeting of the Conference of the Parties, on the financial reporting elements of the monitoring framework of the Kunming-Montreal Global Biodiversity Framework.
2. The Technical Expert Group will contribute to the work of the Ad Hoc Technical Expert Group on Indicators for the Kunming-Montreal Global Biodiversity Framework that was established to advise on the further operationalization of the monitoring framework for the Kunming-Montreal Global Biodiversity Framework, in accordance with paragraph 6 of the terms of reference of that group.<sup>1</sup> Thus, the Technical Expert Group is expected to coordinate closely with the Ad Hoc Technical Expert Group on Indicators for the Kunming-Montreal Global Biodiversity Framework, in order to avoid overlapping mandates and the duplication of work. It would report on its work through the Ad Hoc Technical Expert Group on Indicators to the Subsidiary Body on Implementation and the Subsidiary Body on Scientific, Technical and Technological Advice at meetings held prior to the sixteenth meeting of the Conference of the Parties.
3. The present document provides background information and material to support the Expert Group in its work. Section I provides background information on the monitoring framework and the mandate of the Ad Hoc Technical Expert Group on Indicators. Section II provides a structured summary of the mandate of the Technical Expert Group on Financial Reporting, while its complete terms of reference as contained in annex II to decision 15/7 are reproduced verbatim in annex I to the present document. Annex II provides verbatim reproductions of the headline, component and complementary indicators for Target 18 as well as Goal D and Target 19 of the Kunming-Montreal Global Biodiversity Framework.

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\* CBD/FM/TEG/2023/1/1.

<sup>1</sup> Decision 15/5.

## **I. Background information on the monitoring framework and the mandate of the Ad Hoc Technical Expert Group on Indicators**

4. The monitoring framework for the Kunming-Montreal Global Biodiversity Framework, as adopted by decision 15/5, is composed of:

(a) **Headline indicators.** These indicators represent a minimum set of high-level indicators that capture the overall scope of the goals and targets of the Kunming-Montreal Global Biodiversity Framework and are to be used for planning and monitoring progress, in compliance with decision 15/6. They are nationally, regionally and globally relevant indicators validated by Parties and can also be used for communication purposes;

(b) **Global-level indicators.** These indicators will be collated from “yes/no” responses to binary questions to be included in the national reporting template. They will provide a count of the number of countries that have undertaken specified activities;

(c) **Component indicators.** These indicators are optional indicators which, together with the headline indicators, will cover all components of the goals and targets of the Framework. They may be applicable at the global, regional, national and subnational levels;

(d) **Complementary indicators.** These indicators are optional indicators for a thematic or in-depth analysis of each goal and target. They may be applicable at the global, regional, national and subnational levels.

5. The Conference of the Parties recognized in the monitoring framework that all goals and targets of the Framework would be monitored through headline and/or binary indicators complemented by component and complimentary indicators. However, some of the headline indicators that have been identified are not yet operational, and additional efforts are required to develop them so that they can be used by Parties.

6. In order to operationalize the monitoring framework, the Conference of the Parties established the Ad Hoc Technical Expert Group on Indicators for the Kunming Montreal Global Biodiversity Framework. According to the terms of reference for the Expert Group, as contained in annex II to decision 15/5, the Group has four main tasks:

(a) To provide technical advice on remaining and unresolved issues relating to the monitoring framework, as outlined by the Conference of the Parties at its fifteenth meeting, and to prioritize work on the following elements leading up to the sixteenth meeting of the Conference of the Parties:

- (i) Support the work to address critical gaps to improve the monitoring framework, in particular on headline indicators that do not have an existing methodology, and advise on their implementation at the national level. Attention should be paid to fill gaps under Goals B, C and D and Targets 2, 13 and 14 to 22, given the imbalance in available headline indicators and their interlinkages across goals and targets of the Framework;
- (ii) Support the identification of important aspects related to disaggregation and aggregation for each headline indicator, as applicable, including any methodological improvements, as appropriate;
- (iii) Identify gaps in terms of the operationalization of each headline indicator and the management of data flows, and advise on implementation at the national level;
- (iv) Keep the list of binary, component and complementary indicators under review;
- (v) Advise on the wording of questions to construct binary indicators to be used in national reports, building upon the table in annex II to decision 15/5;

(b) To provide guidance to Parties on the use of indicators in national planning and reporting, including by reviewing how indicators are proposed for capture in the Online Reporting Tool for national reporting;

(c) To provide guidance to Parties on ways to fill temporal and spatial data gaps, including through the use of big data, citizen science, community-based monitoring and information systems, remote sensing, modelling and statistical analysis, and other forms of data and other knowledge systems, recognizing the specific challenges faced by developing country Parties to develop and access information tools;

(d) To provide advice on the existing capacity, gaps and needs in terms of capacity development, technology transfer and financing needs related to the monitoring of the Framework.

## II. Mandate of the technical expert group on financial reporting

7. The terms of reference for the expert group are contained in annex III to decision 15/7, on resource mobilization, reproduced in annex I to the present document. Below is a structured summary of its mandate.

8. *Overall scope.* The group shall address “indicators for the goals and targets that are relevant for resource mobilization, in particular for public expenditures and private investments, and other targets relevant for resource mobilization, in the monitoring framework for the Kunming-Montreal Global Biodiversity Framework.” Guided by the Ad Hoc Technical Expert Group on Indicators, and bearing in mind the similar economic and financial expertise required, this work will cover indicators for the relevant elements of Goal D, for Target 19, as well as for Target 18.<sup>2</sup> In the present monitoring framework, as adopted in decision 15/5, the indicators provided for Goal D and for Target 19 are identical.

9. *Tasks.* As per its terms of reference, the Group shall:

(a) Identify detailed metadata and information, with a view to:

- (i) Filling gaps in indicators for goals and targets that are relevant for resource mobilization, in particular public expenditures and private investments;
- (ii) Identifying capacity-building needs for monitoring.

(b) Provide technical advice and guidance on monitoring resource mobilization, with regard to:

- (i) The implementation of indicators;
- (ii) Harmonized and agreed indicator definitions;
- (iii) Best practices for monitoring and national data sharing;
- (iv) Improvement of or addition of new, indicators to the monitoring framework;

(c) Recommend a simple standardized national reporting template, or use of an existing reporting system;

(d) Provide guidance on ways to fill data gaps in an efficient manner, recognizing the challenges of developing countries;

(e) Advise on existing capacity, gaps, and needs in terms of capacity development, technology transfer and financing needs.

10. In undertaking this work, the Group shall take into account:

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<sup>2</sup> See document CBD/IND/AHTEG/1/2, annex.

(a) Existing work and experience under the Convention on financial reporting, including the work of the panel of experts, and other relevant programmes of work concerning indicators and monitoring;

(b) National finance plans or similar instruments;

(c) Statistical standards and developments of the Statistical Commission, including the Framework for the Development of Environment Statistics and the System of Environmental-Economic Accounting;

(d) Reporting against the Sustainable Development Goals;

(e) Previous work and experience with other relevant global, regional and national monitoring frameworks, multilateral environment agreements, and knowledge systems, including work of the Biodiversity Finance Initiative of the United Nations Development Programme (BIOFIN) and the Organisation for Economic Co-operation and Development.

11. As regards the existing work and experience under the Convention on financial reporting, including the work of the panel of experts, the Secretariat prepared a final analysis of information provided through the financial reporting framework, for consideration by the Conference of the Parties at its fifteenth meeting (document CBD/COP/15/11). The document provided succinct aggregate information allowing an assessment as to whether and to what extent the targets for resource mobilization adopted by the Conference of the Parties at its twelfth meeting were met; and, drawing on the methodological information provided and the practical experiences in financial reporting gained since the twelfth meeting of the Conference of the Parties, identified a number of lessons learned to inform options for simpler and more effective monitoring against the future target(s) for resource mobilization. It will be made available on the meeting page for the first meeting of the Technical Expert Group on Financial Reporting, for its consideration.

12. Some elements of the terms of reference of the Technical Expert Group on Indicators further clarify the mandate of the Technical Expert Group on financial reporting, namely:

(a) As regards the task of “filling gaps in indicators” (task (a) (i) above), the terms of reference of the Technical Expert Group make reference in particular to headline indicators that do not have an existing methodology as a critical gap to fill. Headline indicator D.3 on private funding (international and domestic) is identified as one such indicator that does not have an existing methodology;

(b) As regards the task of improving or adding new indicators (task (b) (iv) above), the terms of reference of the Technical Expert Group include a task on keeping under review the list of binary, component and complementary indicators. Annex II to the present document provides the texts of Target 18, Goal D and Target 19, as well as the relevant headline, component and complementary indicators from the monitoring framework. Annex II to decision 15/5 contains a list of binary indicators to be used in national reports. As per this list, there are currently no binary indicators identified for Goal D, Target 18, or Target 19;

(c) As regards the task of recommending a simple standardized national reporting template (task (c) above), the terms of reference of the Technical Expert Group refer to advising on the wording of questions to construct binary indicators to be used in national reports, building upon the aforementioned table in annex II to decision 15/5.

13. As regards the identification of detailed metadata, metadata fact sheets have already been prepared by the United Nations Environment Programme World Conservation Monitoring Centre on some of the headline indicators (see [www.post-2020indicators.org](http://www.post-2020indicators.org)), and those may provide a useful starting point. In addition, a template for observations regarding the indicators metadata has been developed for the work of the Technical Expert Group on Indicators (see document

CBD/IND/AHTEG/2023/2/2, annex II)<sup>3</sup> and is reproduced verbatim in annex III to the present document.

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<sup>3</sup> See <https://www.cbd.int/doc/c/10df/fccc/a80b69ff9eb3fa7dbdaadb18/ind-ahteg-2023-02-02-en.docx>.

## Annex I

### Terms of reference for the Technical Expert Group on Financial Reporting<sup>4</sup>

1. The Technical Expert Group on Financial Reporting will work:
  - (a) To identify detailed metadata and information, including monitoring capacity-building needs, filling gaps in indicators for the goals and targets that are relevant for resource mobilization, in particular for public expenditures and private investments, and other targets relevant for resource mobilization, in the monitoring framework for the Kunming-Montreal Global Biodiversity Framework,<sup>5</sup> taking into account existing methodologies and standards which have been developed, including the Sustainable Development Goal indicators, the Framework for the Development of Environment Statistics and the System of Environmental-Economic Accounting developed under the auspices of the United Nations Statistical Commission;
  - (b) To provide technical advice and develop guidance on monitoring resource mobilization, including the implementation of indicators, including advice on the use of harmonized and agreed indicator definitions, best practices for monitoring and national data sharing, and scientific and technical advice on the improvement of indicators or the addition of new indicators in the monitoring framework of the Kunming-Montreal Global Biodiversity Framework, including indicators relevant to the private sector and other stakeholders, elements of the national reports and the related national report template, taking into account the relevant national reporting system;
  - (c) To recommend a simple, standardized national reporting template, or use of an existing reporting system, with the aim of collecting and reporting comparable data on financing for the Kunming-Montreal Global Biodiversity Framework from all sources, including levels and trends;
  - (d) To provide guidance to Parties on ways to fill data gaps in an efficient manner, recognizing the specific challenges faced by developing country Parties to develop and access information tools;
  - (e) To provide advice on the existing capacity, gaps and needs in terms of capacity development, technology transfer and financing needs related to the financial monitoring and reporting.
2. The expert working group will take into account:
  - (a) Previous work and experience under the Convention on financial reporting, including the work of the panel of experts, and other relevant programmes of work concerning indicators and monitoring;
  - (b) National finance plans or similar instruments;
  - (c) Statistical standards and development under the intergovernmental forum of the Statistical Commission;
  - (d) Reporting against the Sustainable Development Goals;
  - (e) Previous work and experience with other relevant global, regional and national monitoring frameworks, multilateral environment agreements, and knowledge systems, including work of the Biodiversity Finance Initiative of the United Nations Development Programme (BIOFIN) and the Organisation for Economic Co-operation and Development.

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<sup>4</sup> Verbatim from decision 15/7, annex III.

<sup>5</sup> Refers to goal and target(s) as they appear in the first draft of the global biodiversity framework, as contained in document CBD/WG2020/3/3.

3. The Technical Expert Group will contribute to the work of the Ad Hoc Technical Expert Group on Indicators for the Kunming-Montreal Global Biodiversity Framework that was established to advise on the further operationalization of the monitoring framework for the Kunming-Montreal Global Biodiversity Framework, in accordance with paragraph 6 of the terms of reference of that group,<sup>6</sup> bearing in mind geographical balance. The group will be composed of technical experts on biodiversity finance statistics from Parties as well as observers and other relevant organizations.
4. The Technical Expert Group will elect two co-chairs from among its members.
5. The Technical Expert Group will coordinate closely with the Ad Hoc Technical Expert Group on Indicators for the Kunming-Montreal Global Biodiversity Framework, in order to avoid overlapping mandates and the duplication of work.
6. The Technical Expert Group will primarily conduct its work electronically and, subject to the availability of resources, will also meet physically, if possible, meeting at least twice during the intersessional period.
7. The Technical Expert Group should be established at, and start its work immediately after, the first meeting of the Ad Hoc Technical Expert Group on Indicators for the Kunming-Montreal Global Biodiversity Framework. It would report on its work through the Ad Hoc Technical Expert Group on Indicators to the Subsidiary Body on Implementation and the Subsidiary Body on Scientific, Technical and Technological Advice at meetings held prior to the sixteenth meeting of the Conference of the Parties.

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<sup>6</sup> Decision 15/5.

## Annex II

### Headline, component and complementary indicators for Target 18 as well as Goal D and Target 19 of the Kunming-Montreal Global Biodiversity Framework<sup>7</sup>

**Target 18:** *Identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least \$500 billion per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity.*

Goal/target	Headline indicator	Component Indicator	Complementary Indicators
18	18.1 Positive incentives in place to promote biodiversity conservation and sustainable use  18.2 Value of subsidies and other incentives harmful to biodiversity that have been eliminated, phased out or reformed	Value of subsidies and other incentives harmful to biodiversity, that are redirected, repurposed or eliminated	Number of countries with biodiversity-relevant taxes Number of countries with biodiversity-relevant charges and fees Number of countries with biodiversity-relevant tradable permit schemes Trends in potentially environmentally harmful elements of government support to agriculture (producer support estimate) Trends in the number and value of government fossil fuel support measures Amount of fossil-fuel subsidies per unit of gross domestic product (production and consumption)

**Goal D:** Adequate means of implementation, including financial resources, capacity-building, technical and scientific cooperation, and access to and transfer of technology to fully implement the Kunming-Montreal Global Biodiversity Framework are secured and equitably accessible to all Parties, especially developing country Parties, in particular the least developed countries and small island developing States, as well as countries with economies in transition, progressively closing the biodiversity finance gap of \$700 billion per year, and aligning financial flows with the Kunming-Montreal Global Biodiversity Framework and the 2050 Vision for biodiversity.<sup>8</sup>

**Target 19:** Substantially and progressively increase the level of financial resources from all sources, in an effective, timely and easily accessible manner, including domestic, international, public and private resources, in accordance with Article 20 of the Convention, to implement national biodiversity strategies and action plans, mobilizing at least \$200 billion per year by 2030, including by:

<sup>7</sup> Verbatim from decisions 15/4 and 15/5.

<sup>8</sup> Note: in the targets of the Kunming-Montreal Global Biodiversity Framework provided in section H, capacity-building, technical and scientific cooperation, and access and transfer of technology are addressed in Target 20.



- (a) Increasing total biodiversity related international financial resources from developed countries, including official development assistance, and from countries that voluntarily assume obligations of developed country Parties, to developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition, to at least \$20 billion per year by 2025, and to at least \$30 billion per year by 2030;
- (b) Significantly increasing domestic resource mobilization, facilitated by the preparation and implementation of national biodiversity finance plans or similar instruments according to national needs, priorities and circumstances;
- (c) Leveraging private finance, promoting blended finance, implementing strategies for raising new and additional resources, and encouraging the private sector to invest in biodiversity, including through impact funds and other instruments;
- (d) Stimulating innovative schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, and benefit-sharing mechanisms, with environmental and social safeguards;
- (e) Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises;
- (f) Enhancing the role of collective actions, including by indigenous peoples and local communities, Mother Earth centric actions<sup>9</sup> and non-market-based approaches including community based natural resource management and civil society cooperation and solidarity aimed at the conservation of biodiversity;
- (g) Enhancing the effectiveness, efficiency and transparency of resource provision and use.

Goal/target	Headline indicator	Component indicator	Complementary indicators
D/19	D.1 International public funding, including official development assistance (ODA) for conservation and sustainable use of biodiversity and ecosystems D.2 Domestic public funding on conservation and sustainable use of biodiversity and ecosystems D.3 Private funding (domestic and international) on conservation and		Amount of funding provided through the Global Environment Facility and allocated to the biodiversity focal area Foreign direct investment, official development assistance and South-South cooperation Amount and composition of biodiversity-related finance reported to the OECD Creditor reporting system Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries Dollar value of all resources made available to strengthen statistical capacity in developing countries Amount of biodiversity-related philanthropic funding

<sup>9</sup> Mother Earth Centric Actions: Ecocentric and rights-based approach enabling the implementation of actions towards harmonic and complementary relationships between peoples and nature, promoting the continuity of all living beings and their communities and ensuring the non-commodification of environmental functions of Mother Earth.

	<p>sustainable use of biodiversity and ecosystems*</p>		<p>Proportion of total research budget allocated to research in the field of marine technology</p> <p>Total amount of approved funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies</p> <p>Number of countries (and number of instruments) with payments for ecosystem services (PES) programmes</p> <p>Number of countries that have (a) assessed values of biodiversity in accordance with the Convention, (b) identified and reported funding needs, gaps and priorities, (c) developed national financial plans for biodiversity, (d) been provided with the necessary funding and capacity-building to undertake the above activities</p>
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\* An agreed up-to-date methodology does not exist for this indicator. The Ad Hoc Technical Expert Group will work with partners to guide the development of these indicators.

### Annex III

#### Template for observations regarding the indicator metadata<sup>10</sup>

<b>Indicator</b>	
<b>Goal/Target</b>	
<b>Current status</b>	
Next steps in terms of finalizing the metadata and operationalizing the indicator?	
Who needs to be involved in finalizing the indicator, and have they been consulted or contacted?	
Is testing at the national level needed?	
What is a realistic timeline for finalizing the metadata and operationalizing the indicator?	
What are possible thematic or subject area disaggregations?	
How could gender perspectives be reflected in the indicator?	
How could issues related to indigenous peoples and local communities be reflected in the indicator?	
Are there any critical gaps with regard to the indicators identified for the goals and targets being considered by the subgroup?	
Other issues to bring to the attention of the Ad Hoc Technical Expert Group	

<sup>10</sup> Verbatim from CBD/IND/AHTEG/2023/2/2, Annex II.