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EVALUATION AND REVIEW OF THE STRATEGY FOR RESOURCE MOBILIZATION AND AICHI BIODIVERSITY TARGET 20

SUMMARY OF THE FIRST REPORT OF THE PANEL OF EXPERTS ON RESOURCE MOBILIZATION

I. INTRODUCTION

1. At the fourteenth meeting of the Conference of the Parties (Sharm El-Sheikh, Egypt), Parties affirmed that resource mobilization would be an integral part of the post-2020 global biodiversity framework and decided to initiate preparations of this resource mobilization component at an early stage and in full coherence and coordination with the overall process of developing the post-2020 framework (decision [14/22](#), para. 14). In the same decision, the Conference of the Parties requested the Executive Secretary to contract a panel of experts to prepare pertinent analyses and reports for the consideration of the Open-ended Working Group on the Post-2020 Global Biodiversity Framework, and of the Conference of the Parties at its fifteenth meeting (decision 14/22, para. 15).

2. The present document provides a summary of the final version of the first report¹ of the Panel of Experts in fulfilment of its mandate, and responds to the requests in paragraphs 15 (a) and 15 (b) of the decision, to:

(a) Evaluate the structure, content and effectiveness of the strategy for resource mobilization indicating as much as possible the gaps in meeting the targets;

(b) Review the experiences of achieving Aichi Biodiversity Target 20 and implementing the strategy for resource mobilization, and their adequacy, and build on these experiences, as well as those in implementing other relevant multilateral environmental agreements, public and private stakeholder initiatives and those undertaken by indigenous peoples and local communities, to consider the need for appropriate action, based on information provided by Parties through the financial reporting framework, including their respective identified resource needs, and other relevant sources.

3. In order to support the work of the Panel, a call for evidence on resource mobilization was issued by notification [2019-086](#) of 8 October 2019; submissions received are available under <https://www.cbd.int/financial/rm2020.shtm>. A list of the sources of evidence drawn on by the panel of experts in preparing this first report, both written and through meetings and other oral communications, is included in annex IV to the accompanying information document containing the full report.

* CBD/SBI/3/1.

¹ The full first report is provided as an information note, CBD/SBI/3/INF/2. The panel's second and third reports will be made available in CBD/SBI/3/5/Add.2 and CBD/SBI/3/5/Add.3.

II. ASSESSMENT OF THE STRUCTURE, CONTENT AND EFFECTIVENESS OF THE STRATEGY FOR RESOURCE MOBILIZATION

4. The Convention's current approach to resource mobilization evolved over several meetings of the Conference of the Parties: beginning at the ninth meeting with adoption of the strategy for resource mobilization;² the adoption at the tenth meeting of the Strategic Plan for Biodiversity 2011-2020, including the 20 Aichi Biodiversity Targets;³ and the adoption at the twelfth meeting of a series of targets (see annex below), as well as the CBD financial reporting framework.⁴ As a result there is a degree of overlap between the topics covered by the goals and sub-goals of the strategy for resource mobilization and the resource mobilization targets established under Aichi Target 20. The following table provides a point of reference to assist in identifying where different themes occur.

Table 1. Relationship between themes, goals of the strategy for resource mobilization and targets under Aichi Biodiversity Target 20

<i>Theme</i>	<i>Goal(s) of the strategy for resource mobilization</i>	<i>Target(s) under Aichi Biodiversity Target 20</i>
Improving information base and reporting	1	1 (c)
International public and private financial flows	3, 6	1 (a)
Domestic public and private financial flows	2	1 (c)-(e)
Mainstreaming as a tool to increase biodiversity finance	4, 5	1 (b)
Mobilizing resources via access and benefit-sharing and indigenous peoples and local communities and their knowledge	7	1 (d)

5. The strategy for resource mobilization is structured in five sections, on the urgency, mission, guiding principles, strategic goals (of which there are eight) objectives, and implementation.

6. In considering the strategy for resource mobilization as a whole, Parties to the Convention and other stakeholders (including indigenous peoples and local communities) who responded to the above-mentioned call for evidence were of the view that both the fundamental structure and the content of the strategy for resource mobilization were essentially sound and still relevant. However, a number of those who responded commented that the effectiveness of the strategy as a vehicle for implementation of decisions of the Conference of the Parties on resource mobilization was, at best, limited. Benin, for instance, observed that its effectiveness was "still to be proven in poor countries", and Ethiopia noted that the strategy "does not put in place binding mechanisms to effectively mobilize the resources required for implementation of the targets...". The European Union also took the view that the effectiveness of the strategy has been limited and that it is not sufficiently operational.

7. It was also noted that, in order to mobilize all relevant resources at the scale and through the modalities needed to effectively and sustainably address the global biodiversity crisis, resource mobilization in the post-2020 framework would need to encompass fully addressing harmful subsidies and incentives, which are covered in Aichi Target 3 but not in the goals of the strategy for resource mobilization as such.

8. Others consider that the existing strategy for resource mobilization underestimates the potential role of non-State actors, and in particular of the private sector, in resource mobilization, and recommended that an updated strategy should more carefully consider the importance of the innovative use of public finance to leverage private investment in conservation (such as public-private partnerships, blended finance); leveraging global stakeholder platforms to foster cooperation and bring innovative solutions for

² Decision IX/11 B.

³ Aichi Biodiversity Target 20 deals with resource mobilization and states: "By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the strategy for resource mobilization, should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties".

⁴ Decision XII/3.

conservation finance to scale; and synergies with the Sustainable Development Goals and climate change finance to create win-win strategies for each.

9. The World Bank considered that the strategy for resource mobilization has a number of shortcomings, including (a) absence of a quantitative target for resource mobilization (in the strategy and in Aichi Target 20); (b) absence of a definition of biodiversity finance, both private and public, and of what constitutes the “private sector”; (c) absence of a time-bound action plan for mobilizing resources; (d) lack of indication on how the resources could be split between the five strategic goals of the current Strategic Plan for Biodiversity; (e) lack of emphasis on the need to scale down investments (public and private) that are harmful to biodiversity, as well as scale up biodiversity-friendly investment; (g) omission of any references to the financial markets and the banking sector; and (h) lack of clarity on the responsibilities of each stakeholder group.

10. A more detailed assessment of progress toward the goals of the strategy for resource management is provided below, with indications of specific gaps that have been identified and initial suggestions about possible further action.

Goal 1: Improve information base on funding needs, gaps and priorities

11. With the important addition of targets for resource mobilization adopted by decision [XII/3](#) and the associated financial reporting framework, as well as information from the second report of the High-Level Panel on resource mobilization,⁵ the Global Environment Facility (GEF), the Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme (UNDP), and others, the essential tools are theoretically in place to meet all the key elements of goal 1. However, the overall effectiveness of goal 1 has been limited, with only about half of Parties reporting information on financing, a minority of eligible recipient Parties reporting on their needs and priorities, and less than the minimum 75 per cent of Parties reporting on targets. The limitations in the data provided under the current financial reporting framework also mean that these data are not likely to be able to provide a strong baseline for future years under the post-2020 global biodiversity framework.

12. Sub-goal 1.2, on the other hand, has been more successful, as a significant number of studies have been undertaken by international organizations (such as the Organisation for Economic Co-operation and Development (OECD), GEF, UNDP, and the United Nations Environment Programme (UNEP)) as well as several non-governmental organizations and academics, to assess the economic costs of the loss of biodiversity and its associated ecosystem services, and the benefits of action.

13. Concerns about the need for a more robust and transparent methodology for reporting on resource mobilization have been recognized, for instance in a workshop in Mexico City in 2015, but more work is needed to develop agreed voluntary guidance in order to facilitate financial reporting. Some challenges also remain on how Rio markers are used under the Convention. The revised Rio marker guidance for the Creditor Reporting System (CRS) reporting on biodiversity, adopted by OECD in 2019, will improve the coherence of official development assistance (ODA) reporting on biodiversity from OECD countries. Extension and expansion of the BIOFIN methodology can also improve the reporting of domestic funding.

14. A key question for the future is therefore how best to ensure the most consistent and reliable methodology to be used for tracking the mobilization of resources for biodiversity in future, and in particular the extent to which the biodiversity community decides to develop its own bespoke approach, or else aligns fully with established international statistical standards and reporting arrangements. It is noteworthy that the ongoing work in the OECD Environment Directorate on developing a methodology for

⁵ CBD High-Level Panel (2014). *Resourcing the Aichi Biodiversity Targets, An Assessment of Benefits, Investments and Resource needs for Implementing the Strategic Plan for Biodiversity 2011-2020*. Second Report of the High-Level Panel on Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020. Montreal, Canada.

a comprehensive overview of global biodiversity finance reveals substantial differences between countries in how they report on both national and international expenditure on biodiversity.

15. The use of the OECD Creditor Reporting System, and the accuracy of the Rio marker methodology, could usefully be enhanced, with non-members of the OECD Development Assistance Committee (DAC) as well as multilateral development banks invited to contribute data on a voluntary and consistent basis.

16. Data on domestic expenditure on biodiversity, and expenditure indirectly related to biodiversity, could be improved through engaging with the International Monetary Fund's Government Finance Statistics framework, the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA) and the United Nations Statistics Division.

17. Data on financial flows and subsidies and their impacts on biodiversity are already captured in the relevant OECD databases, namely Producer Support Estimate (PSE) in agriculture and Policy Instruments for the Environment (PINE). This could be encouraged and broadened, for instance by also covering other economic sectors, such as through the Fisheries Support Estimate (FSE) database.

Goal 2: Strengthen national capacity for resource utilization and mobilize domestic financial resources for the Convention's three objectives

18. With regard to progress towards goal 2, an analysis of the financial reporting frameworks⁶ submitted to the Secretariat of the Convention reveals that, while only 25 of the 78 Parties (32 per cent) which had submitted returns had comprehensively included biodiversity in national priorities or development plans, thus falling well short of the "at least 75 per cent of Parties" target for 2015, the majority of respondents cited in that document had made some efforts in this direction. Goal 2 of the strategy for resource mobilization also encompasses diverse elements, on each of which there has at least been some progress, albeit uneven.

19. A total of 76 Parties responded as to whether they had assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components. While only four Parties (Finland, Japan, the Netherlands and Norway), or 5 per cent of respondents, indicated that comprehensive assessments had been undertaken, 88 per cent of reporting countries, or over one third of all Parties, reported having undertaken at least some assessments.

20. In the revised national biodiversity strategies and action plans (NBSAPs), a total of 32 Parties stated that biodiversity had been integrated into their national development plan or equivalent instrument, while 21 Parties mentioned integration with their sustainable development plans or equivalent instruments, and 44 Parties referred to links to poverty eradication and/or to integrating this objective into their principles, targets and/or actions.⁷ Some Parties reported comprehensive action in line with goal 2. Uganda, for instance, noted that its national biodiversity strategy and action plan 2015-2025 had been mainstreamed into its National Development Plan.

21. In terms of reporting on domestic biodiversity expenditure, almost all Parties reporting (77 out of 81) included information on their annual financial support provided for domestic biodiversity-related activities. However, this represents less than 40 per cent of all Parties; thus, on a strict interpretation, this element of target 1 (c) of decision XII/3 has not been met.

22. Some positive trends in domestic biodiversity finance can also be detected. For instance, in Mexico, biodiversity expenditure increased by 248 per cent from 2006 to 2015 (from US\$ 425.6 million to US\$ 1,169.8 million); in 2015, public expenditure for biodiversity represented 0.1 per cent of GDP. More broadly, the table below, using data synthesized for the note by the Executive Secretary on resource

⁶ Numbers quoted above are taken from the online financial reporting analyser, reflecting recent updates received (<https://chm.cbd.int/search/financial-analyzer>). See discussion below for more information on progress in financial reporting.

⁷ See [CBD/COP/14/5/Add.1](#) and examples contained therein.

mobilization issued for the fourteenth meeting of the Conference of the Parties ([CBD/COP/14/6](#)) and updated with the latest submissions, and with the methodological limitations set out in that document, indicates increasing or at least neutral trends in domestic biodiversity finance in the majority of countries.

Table 2. Domestic expenditure trends

Country	<i>Increase</i>	<i>Decrease</i>	<i>Neutral</i>	<i>N/A</i>	<i>Total</i>
DAC members	7	6	7	3	23
Non-DAC members	21	7	17	10	55
All countries	28	13	24	13	78
Megadiverse countries	5	3	3	1	12

23. The BIOFIN initiative of UNDP is the most significant, and the most successful, initiative to have addressed the need for developing countries to incorporate biodiversity comprehensively into their national development planning and financial strategies, including their NBSAPs. BIOFIN was launched in 2012 and is now supporting 35 countries – of which 11 are megadiverse – 15 in Asia, and 10 each in Africa and Latin America.

24. Efforts have, however, been made to strengthen national capacity for resource mobilization and Norway, for instance, has supported TEEB, BIOFIN, WAVES,⁸ and the establishment of a Centre for Biodiversity Policy and Law in Chennai, India.

25. A number of examples of progress in this area in developed countries are worthy of mention. For instance, in 2014, the European Commission published a practical common framework⁹ for biodiversity-proofing the European Union budget, which includes general guidelines for national and regional authorities and for European Commission services, in order to ensure that spending has no negative impacts but supports biodiversity objectives. Subsequently, biodiversity was integrated into the European Commission’s proposals for the European Union budget (Multiannual Financial Framework) for 2021-2027, and for related European Union funding instruments, including a significant increase of the proposed budget for the LIFE programme, the dedicated instrument for catalysing implementation of European Union environment and climate objectives.

Goal 3: Strengthen existing financial institutions and promote replication and scaling-up of successful financial mechanisms and instruments

26. Several diverse sub-goals form part of goal 3, including mobilization of co-financing, increasing official development assistance for biodiversity (both bilateral and multilateral), mobilizing both public and private sector investments in biodiversity and ecosystem services, and development of domestic environmental funds.

27. As the financial mechanism of the Convention, GEF has played a key part in mobilizing resources for implementation of the Convention, with biodiversity-related GEF funding increasing by about 30 per cent between GEF-4 (2006-2010) and GEF-7 (2018-2022). In total, GEF has invested more than US\$ 3.5 billion to conserve biodiversity and use it sustainably. This investment has leveraged over US\$ 10 billion in additional funds, supporting 1,300 projects in more than 155 countries.¹⁰

28. In addition to the biodiversity focal area, several other GEF focal areas – sustainable forest management, climate change, international waters – also contribute to Aichi Targets, as do several specific impact and other programmes, for instance the Global Wildlife Program, the Least Developed Countries

⁸ WAVES (Wealth Accounting and the Valuation of Ecosystem Services) is a World Bank-led global partnership “that aims to promote sustainable development by ensuring that natural resources are mainstreamed in development planning and national economic accounts” (<https://www.wavespartnership.org/en>).

⁹ https://ec.europa.eu/environment/nature/biodiversity/financing_en.htm.

¹⁰ <https://www.thegef.org/topics/biodiversity>.

Fund with its primary focus on climate change adaptation but considerable relevance for biodiversity, and the small grants programme.

29. The GEF Sixth Comprehensive Evaluation (OPS6), undertaken prior to GEF-7, highlights the close alignment between the GEF Biodiversity Focal Area Strategy and the CBD guidance. The OPS6¹¹ concludes that “the GEF biodiversity focal area strategies have responded well to CBD guidance and direction ... GEF support has enabled 189 of 196 (96 per cent) Parties to the Convention to submit national reports to the Secretariat ... The outcome performance of the biodiversity portfolio is comparable to that of the GEF overall, but sustainability remains a challenge” (i.e., sustainability or uptake/continuation of the work by countries after GEF project completion).

30. A number of Parties, including the European Union, highlighted a number of gaps in the strategy for resource mobilization in relation to this goal, including: (a) the importance of promoting natural capital accounting; (b) further promotion of sustainable financing to reflect the real value and collective returns of investments in nature and biodiversity; (c) the role of multinational as well as national development banks; (d) insufficient recognition of biodiversity and ecosystems as key enablers for the majority of the Sustainable Development Goals; (e) the need to provide information for investors on biodiversity impact/companies’ performance and to link this with better-known environmental, social and governance (ESG) and climate issues; and (f) the limitations of GEF to provide non-grant financing.

Goal 4: Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention

31. The topic of “innovative financial mechanisms” proved contentious at the tenth meeting of the Conference of the Parties, and, in March 2012, the Governments of Ecuador, India, Japan, Norway and Sweden and the Secretariat of the Convention convened, in Quito, a dialogue seminar on scaling up finance for biodiversity. A second “Quito Dialogue” was held in April 2014, ahead of the twelfth meeting of the Conference of the Parties. It is evident that the number of mechanisms available has grown enormously in the years since the strategy for resource mobilization was agreed, as have the lessons learned from their implementation both in the biodiversity field but also, importantly, in the climate finance field, including through REDD+ programmes. The recent OECD report, *A Comprehensive Overview of Global Biodiversity Finance*,¹² provides a useful overview of economic and other finance instruments, investment approaches and investment structures that are currently being deployed in the biodiversity area, as well as an estimate of the total resources being mobilized by each for biodiversity (see annex VI to the full version of the present report).

32. A group of academic researchers from the University of British Columbia and elsewhere (hereinafter referred to as the “UBC group”) has found evidence, however, that claims about the increase in private sector finance for biodiversity are considerably overstated. In the case of private capital flows into avoided deforestation and ecosystem restoration, for example, the UBC group notes that, under one scenario modelled by the Eliasch review in 2008, it was predicted that US\$ 7 billion could be generated by carbon markets by 2020.¹³ In reality, according to the most recent Ecosystem Marketplace *State of the Forest Carbon Market* report, the forest-based emission reduction market peaked in 2014 with US\$ 257 million in value, and fell back to only US\$ 120 million in 2016.¹⁴

33. Similarly, great expectations voiced in the past about the ability of genetic resources, particularly in forests, to generate huge financial investments in biodiversity conservation through bioprospecting, have generally proved too optimistic: one recent estimate found bioprospecting generating only US\$ 50 million

¹¹ <https://www.thegef.org/sites/default/files/council-meeting-documents/c-53-me-inf-01%20-%20DEC17.pdf>.

¹² <https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf>.

¹³ Cf. Eliasch (2008). (Reference information for this and the next four footnotes is found in the UBC group’s submission.)

¹⁴ Cf. Hamrick and Grant (2017). This figure cited for 2016 excludes revenue from the Australian Emissions Reduction Fund, which transacted US\$ 509.5 million dollars, but it is not a traditional market as there is only one buyer, the Government of Australia, which awards emission reduction contracts by reverse auction.

in finance for conservation.¹⁵ A degree of realism is therefore needed about the limitations – under current economic and regulatory frameworks at least – of private sector finance to fill the gaps in funding for biodiversity and ecosystem conservation left by the public sector. As the Conservation Finance Alliance concludes, “the overwhelming majority of the financial sector has yet to show interest in biodiversity conservation”.¹⁶ Or, as NatureVest and their co-authors plainly state, conservation investments are much “less competitive compared to competing market opportunities.”¹⁷

34. Significant efforts have been made, however, by some Parties, such as the European Union, to encourage greater private sector financial contributions for biodiversity. The Business and Biodiversity Platform¹⁸ provides a forum at the level of the European Union for sustained and strategic dialogue about the links between business and biodiversity. The Platform’s third workstream – on access to finance and innovative finance mechanisms – focuses on demonstrating the benefits to business, including small and medium-sized enterprises (SMEs), of biodiversity-related investments.

35. In the light of these conclusions, some Parties have suggested that there would be real value in undertaking a major programme of work to explore options for introducing and/or scaling up finance for biodiversity in each of the six “innovative financial mechanisms” identified under the Convention:¹⁹ (a) environmental fiscal reform; (b) payments for ecosystem services (PES); (c) biodiversity offsets; (d) markets for green products; (e) biodiversity in climate change funding, including through nature-based solutions (NBS); and (f) biodiversity in international development finance.

Goal 5: Mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities including the linkage between Convention’s work programmes and Millennium Development Goals

36. Effective mainstreaming of biodiversity into the investments and other actions of Government, the private sector, and individuals is an important prerequisite for successful resource mobilization in the future, and is being addressed by an Informal Advisory Group on Mainstreaming of Biodiversity, which is currently developing a long-term approach to mainstreaming biodiversity (LTAM). Both aid donors and aid recipients need to recognize the importance of fully integrating biodiversity and ecosystem services into their priorities, strategies, programmes and plans. A number of Parties have started to make stronger efforts to integrate biodiversity into aid strategies. The European Commission’s Biodiversity for Life (B4Life)²⁰ initiative, for instance, was created to support developing countries’ efforts to halt biodiversity loss and address its drivers, in particular by connecting conservation with sustainable use, development, security and the fight against wildlife and forest crime. B4Life brings together under the same umbrella framework all EU-funded development cooperation projects and programmes that target biodiversity as a principal objective, with the aim of ensuring better coherence and coordination.

37. Biodiversity-proofing of development cooperation is also vital, and this has been addressed in the European Union through the mainstreaming of environment and climate change. A compulsory environmental screening for any new development cooperation action addresses potential impacts on protected or vulnerable areas, ecosystem services, the introduction of alien species, and the use of fertilizers, pesticides or other chemicals.

38. In terms of further action that could be taken in relation to goal 5, while there has been progress in mainstreaming biological diversity and its associated ecosystem services in development cooperation plans and priorities, there remains a need to better link the biodiversity agenda with the climate change agenda

¹⁵ Parker, C. et al. (2012).

¹⁶ Conservation Finance Alliance (2014), p. 4.

¹⁷ NatureVest and EKO Asset Management Partners (2014), p. 12.

¹⁸ http://ec.europa.eu/environment/biodiversity/business/index_en.htm.

¹⁹ See decision IX/11 B, annex, goal 4.

²⁰ <https://europa.eu/capacity4dev/b4life/wiki/biodiversity-life-b4life>.

and the broader development agenda of the Sustainable Development Goals. Capital flows and overall resource mobilization do not yet reflect the relevance of biodiversity for achieving a wide range of the Sustainable Development Goals, climate change, risk and disaster prevention and social and economic priorities, at all levels, nor the importance of positive externalities of investments in nature, especially in the long term. A number of organizations have undertaken useful work to demonstrate these linkages, including the Secretariat of the Convention on Biological Diversity in collaboration with UNEP, UNDP, the Food and Agriculture Organization of the United Nations (FAO) and the World Bank.²¹

Goal 6: Build capacity for resource mobilization and utilization and promote South-South cooperation as a complement to necessary North-South cooperation

39. In relation to South-South financial flows for biodiversity, a number of non-DAC countries reported against their relevant flows in the financial reporting framework, including China, India and Mexico, although the latter two only qualitatively, making a reference to their development cooperation programmes and noting methodological constraints in identifying biodiversity-related flows.

40. China was among the Parties reporting 2015 data that at least doubled their international financial flows, in line with target 1 (a). China also reported that it employs a series of standards and voluntary guidelines for international investments and operations of Chinese companies and enterprises, with a view to supporting compliance with their environmental responsibilities, including biodiversity conservation.

41. While excellent practices and programmes have been developed, action in this area is not yet at scale, and domestic resource mobilization very often does not reflect the economic and social importance of investing in biodiversity and nature. For instance, the African Union and the New Partnership for Africa's Development (NEPAD) have invested a great deal in this issue at the African level and stressed the importance of this cooperation continuing in order to promote better synergy in conservation actions across Africa. However, such Parties as the European Union consider that implementation of multilateral environmental agreements remains insufficient despite significant cooperation programmes and capacity-building actions in this area.

42. In terms of further action that could be taken in relation to goal 6, there may be considerable opportunity for South-South cooperation to complement North-South cooperation, to advance national-level action on issues such as natural capital accounting, its methods and integration; development of national biodiversity scenarios and their economics and finance; optimizing the use of development finance and its leveraging effects; and enforcing national regulations and enforcement to improve the economic sectors' integration of biodiversity efforts/mainstreaming as a key avenue to reduce pressure on biodiversity and thus protection and restoration costs.

Goal 7: Enhancing implementation of access and benefit-sharing initiatives and mechanisms in support of resource mobilization

43. Benin is of the view that while this is a relevant issue, it needs unpacking so that the operational implications of the goal can be better understood and measured. Norway describes the high priority it has given to implementation of access and benefit-sharing initiatives, including the ABS Initiative for Africa, implemented by the Deutsche Gesellschaft für International Zusammenarbeit (GIZ). However, the funding stream for biodiversity from access and benefit-sharing as envisaged in 1992 has still not materialized.

44. At present, no clear conclusions can be drawn about whether and to what extent the implementation of access and benefit-sharing arrangements has contributed to mobilizing resources, as no assessment has been made of the value of the resources mobilized through access and benefit-sharing initiatives and mechanisms to date.

²¹ <https://www.cbd.int/development/doc/biodiversity-2030-agenda-technical-note-en.pdf>.

45. In terms of further action that could be taken in relation to goal 7, such an assessment could help with identifying access and benefit-sharing practices that would be most successful in mobilizing resources in the future.

Goal 8: Enhance the global engagement for resource mobilization in support of the achievement of the Convention's three objectives

46. Since the adoption of the strategy for resource mobilization in 2008, our understanding of the interrelationships between biodiversity, climate change and other challenges of sustainability has significantly improved, as has our appreciation of the fundamental importance of these relationships for achieving sustainable development. The European Union, for instance, observes that the strategy for resource mobilization could have been more explicit regarding potential opportunities for synergies with the global climate agenda, the 2030 Agenda for Sustainable Development,²² and resources to support nature-based solutions and their contribution to climate mitigation and adaptation at global level. Both the Intergovernmental Panel on Climate Change and IPBES point out that it is imperative to ensure that resources benefit both environment and climate, with a specific effort to minimize the trade-offs needed between the two: while efforts in this direction are ongoing, for instance via REDD+ and the Green Climate Fund, there is no doubt that much more needs to be done to reinforce the mutual benefits of investment in biodiversity and ecosystems and investments in climate change adaptation and mitigation. Climate and biodiversity efforts should not be seen as mutually exclusive, but rather an opportunity to secure synergies and co-benefits.

III. ASSESSMENT OF PROGRESS IN IMPLEMENTING AICHI TARGET 20

47. As explained in the introduction, a set of targets for resource mobilization (listed in full in the annex) was adopted under Aichi Biodiversity Target 20, at the twelfth meeting of the Conference of the Parties (decision XII/3, para. 1), as the agreed basis for defining progress towards the achievement of Aichi Biodiversity Target 20. In the same decision, the Conference of the Parties also adopted a financial reporting framework and invited Parties to use it in order to report their progress in achieving the targets for resource mobilization.

48. The latest comprehensive analysis of financial reports received was issued for the fourteenth meeting of the Conference of the Parties ([CBD/COP/14/6](#)). By 10 March 2020, an additional four Parties had provided information on baselines and progress up to 2015, bringing the total of reporting Parties to 81. Of these, 17 Parties have provided information on further progress (up to 2020). In the light of the limited number of new submissions, the conclusions contained in document CBD/COP/14/6 still apply and are reflected below, while numbers quoted have been updated to reflect the latest submissions received.

49. In general, reporting against the targets for resource mobilization is progressing but is uneven. On international finance, out of the 31 Parties reporting against target 1 (a), most (but not all) Parties, representing 98 per cent of the reported baseline, have reported their 2015 data, and 11 Parties have also reported subsequent years. Four DAC members, Parties to the Convention, had not yet reported by the cut-off date for the present analysis.²³ On the other targets, the slow progress in reporting is likely not due predominantly to a reporting gap as such: a comparison with NBSAPs submitted by Parties shows that only a few of the Parties which prepared, for instance, a costing of their revised NBSAP or elements of a resource mobilization strategy have yet to submit their financial reporting framework. In the light of this, an important constraint is seemingly the continuing challenges in implementing some of the targets, in particular targets 1 (c) and 1 (d), associated with an overall lack of capacity, in particular with regard to countries that do not participate in the BIOFIN initiative. BIOFIN countries are progressing and are now at advanced stages of preparing their national finance plans. Assessments of progress against each target are discussed below.

²² General Assembly resolution [70/1](#) entitled “Transforming our world: the 2030 Agenda for Sustainable Development”.

²³ Belgium, Iceland and Portugal. Australia reported after the cut-off date.

50. *Target 1 (a) of decision XII/3 (doubling international flows by 2015 and maintaining this level until 2020)*: Parties that reported 2015 data in time for the preparation of this report, representing collectively 98 per cent of the reported baseline, had by 2015 collectively achieved an increase of 104 per cent against their baseline (average annual biodiversity funding for the years 2006-2010), excluding exchange rate effects. International flows rose to US\$ 5.5 billion in 2015, compared to 2.7 billion for the baseline. A recent analysis of OECD data by the Worldwide Fund for Nature (WWF Germany), in its *Barometer on CBD's Strategy on Resource Mobilization*, corroborates this result.

51. Moreover, a total of 10 DAC members also reported on progress under this target for years beyond 2015 (13 Parties in total). While this limited number is not yet amenable to a statistical analysis, some figures reported for 2016 and 2017 showed decreases compared to 2015 data. A recent analysis of OECD data, undertaken for the fifth edition of the *Global Biodiversity Outlook*, confirms this decline for 2016, but also shows that DAC members seem to be on track overall to maintain, or almost maintain, the doubling of resource flows in 2017 and 2018.

52. *Target 1 (b) of decision XII/3 (inclusion of biodiversity by 2015)*: A total of 78 Parties responded as to whether they included biodiversity in national priorities or development plans, and all of them reported at least some progress: 53 Parties, or 68 per cent of respondents, indicated that some inclusion had been achieved, while 25 Parties, or 32 per cent of respondents, indicated that comprehensive inclusion was achieved. Bearing in mind the limited overall number of reports received, progress in achieving this target seems to be encouraging.

53. *Target 1 (c) of decision XII/3 (reporting by 2015 of domestic biodiversity-related expenditures as well as funding needs, gaps, and priorities)*: This target for 2015 has not been met, as only 78 Parties have reported domestic biodiversity-related expenditure and 44 Parties have reported funding needs, gaps and priorities, considerably less than the 75 per cent of Parties required by the target. However, progress in reporting domestic biodiversity-related expenditures still seems to be encouraging, particularly in the light of the fact that half of reporting Parties indicated that they did not have adequate financial resources to report domestic biodiversity expenditures. Seven Parties reported having undertaken some assessments of the role of collective action. However, the reporting of funding needs, gaps and priorities is seemingly more difficult, with more than half of reporting Parties indicating that they did not have adequate financial resources to report funding needs, gaps, and priorities.

54. *Target 1 (d) of decision XII/3 (preparation by 2015 of national financial plans, and assessment of values)*: A total of 76 Parties responded as to whether they had assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components and, while only four Parties indicated that comprehensive assessments had been undertaken, 83 per cent of reporting Parties have undertaken at least some assessments, which seems to indicate rather satisfactory progress with regard to this element of target 1 (d). However, only 23 Parties, or 28 per cent of reporting Parties, provided elements of a finance plan in the pertinent table, mostly by providing aggregated figures on the amount of domestic and international resources they planned to mobilize. Together with the low number of updated and new reports, this seems to indicate persistent difficulties in developing and reporting national finance plans. Correspondingly, two thirds of reporting Parties indicated not having adequate financial resources for preparing finance plans. However, only two OECD member countries (Mexico and Switzerland) provided elements of a finance plan in the pertinent table.

55. *Target 1 (e) of decision XII/3 (mobilization of domestic financial resources)*: Information provided through the financial reporting framework indicates that 28 Parties had increasing trends in their domestic biodiversity resources while 24 had no change and 13 had decreasing trends. For 13 Parties, trends could not be detected or were inconclusive (see paragraph 22 above and table 2). Thus, trends in biodiversity-related expenditure, as far as detectable, seem to be positive overall, in particular in non-DAC members, even though expenditure reporting is typically based on only a few years and thus any apparent trend is not necessarily very robust. However, in order to assess whether the finance gap was reduced by the mobilization of additional financial resources, such a finance gap needs to be established and also reported

on. Limited progress in identifying and reporting on finance gaps, and on preparing national finance plans, as explained above, has an impact on assessing progress against this target.

56. The most recent report to assess global biodiversity finance, prepared by OECD in response to a request from the G7 Environment Ministers' meeting of May 2019, was made available in an interim version for the Thematic Workshop on Resource Mobilization for the Post-2020 Global Biodiversity Framework held in January 2020, and was published in final form in April 2020. This OECD report, *A Comprehensive Overview of Global Biodiversity Finance*²⁴ provides important new information on the current situation. Some key findings from the report which the Panel of Experts considers important are set out in paragraphs 57 to 63 below.

57. Based on available data, the OECD analysis estimates total global biodiversity finance to be US\$ 78 billion to US\$ 91 billion per year. This estimate comprises average annual public spending from 2015 to 2017 and the most recent data available on private spending from the same period.

58. International public expenditure on biodiversity, in particular official development assistance (ODA), but also including other official flows (OOF), forms an important part of global biodiversity finance, and is estimated to range in total from US\$ 3.9 billion to US\$ 9.3 billion annually, based on an average of flows from 2015 to 2017.²⁵ This comprises bilateral flows of US\$ 3.5 billion to 8.4 billion, and multilateral flows of US\$ 0.3 billion to 0.9 billion.

59. Domestic public expenditure, however, accounts for the lion's share of global spending on biodiversity. Between 2015 and 2017, 81 countries collectively spent an average of US\$ 67.8 billion per year domestically on the conservation and sustainable use of biodiversity.²⁶ This estimate is based predominantly on data from the financial reporting framework of the Convention on Biological Diversity, the Classifications of the Functions of Government (COFOG)²⁷ and UNDP BIOFIN national biodiversity expenditure reviews. It covers direct and indirect flows for approximately 25 countries and direct flows only for the remaining countries. Subnational government expenditures are only partially covered in this estimate.

60. The OECD estimates that the private sector spends US\$ 6.6 billion to US\$ 13.6 billion per year for biodiversity. This estimate is derived from different sources of data for the period from 2015 to 2017 on biodiversity offsets, sustainable commodities, forest carbon finance, payments for ecosystem services, water quality trading and offsets, philanthropic spending, and private finance leveraged by bilateral and multilateral development finance. It is partial (e.g. in terms of sectors, households, corporations and financial organizations covered) and therefore conservative. The OECD report also provides a useful overview of economic and other finance instruments, investment approaches and investment structures that are currently being deployed in the biodiversity area, as well as an estimate of the total resources being mobilized by each for biodiversity (see CBD/SBI/3/INF/2, annex VI).

61. The OECD report also contains useful information that underlines the importance for resource mobilization, and for the wider mainstreaming of biodiversity, of considering Aichi Biodiversity Target 3 (on removal of harmful incentives, including subsidies), a topic that has already been the subject of a good deal of work under the Convention.²⁸ The OECD notes that scaling back finance that is harmful to

²⁴ Organisation for Economic Cooperation and Development, April 2020 (<https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf>).

²⁵ There is potential overlap between reported domestic biodiversity spending by developing countries and reported ODA from official providers. This is accounted for in the overall estimate of global biodiversity finance.

²⁶ China accounts for more than one third of this estimate.

²⁷ COFOG was developed in 1999 by OECD and published by the United Nations Statistics Division as a standard for classifying the purposes (functions) of government activities.

²⁸ See the milestones for implementing Aichi Biodiversity Target 3 adopted by decision XII/3 on resource mobilization, and the analysis on how Aichi Biodiversity Target 3 contributes to the implementation of Aichi Biodiversity Target 20, prepared for the Subsidiary Body on Implementation at its second meeting (<https://www.cbd.int/meetings/SBI-03>).

biodiversity is as important as scaling up biodiversity finance for positive impact. Governments spend approximately US\$ 500 billion per year in support that is potentially harmful to biodiversity, i.e. five to six times more than total spending on biodiversity. In 2017, 76 predominantly OECD and G20 economies spent US\$ 340 billion in fossil fuel support (OECD/IEA, 2019). The same year, OECD countries alone provided US\$ 228 billion in support to farmers, of which US\$ 116 billion (i.e. 51 per cent) is considered potentially most harmful to biodiversity compared to other types of support (OECD, 2013). While the percentage of overall support to farmers identified as potentially most environmentally harmful has declined considerably since 1990, it has remained relatively constant over the past decade.

62. Subsidies in other sectors, such as mining and fishing, may also be harmful to biodiversity. In 2017, the 27 OECD countries that report data to the OECD Fisheries Support Estimate database provided US\$ 700 million of direct support to individuals or companies in fisheries. Redirecting support away from policies that incentivize more intensive fishing, towards activities that improve the sustainability of fishing operations, could have significant benefits for the environment as well as for fishers' livelihoods (Martini and Innes, 2018).

63. Finally, the OECD report emphasizes that reforming subsidies harmful to biodiversity would also serve to reduce biodiversity finance needs by reducing the pressures on biodiversity. Biodiversity mainstreaming and resource mobilization therefore need to be seen as two interconnected and complementary agendas under the Convention on Biological Diversity, a perspective with which the Panel of Experts strongly agrees.

IV. NEED FOR FURTHER ACTION IN THE POST-2020 FRAMEWORK

64. This summary of the first report of the Panel of Experts has highlighted, at appropriate points, further action that would help to address shortcomings in the strategy for resource mobilization and the implementation of Aichi Biodiversity Target 20. The full version of the report elaborates on these in its final section, under the following themes:

- (a) Overall approach to resource mobilization in the post-2020 global biodiversity framework;
- (b) Mainstreaming as a means to improve resource mobilization;
- (c) International development finance, the Convention on Biological Diversity, and the development and climate agenda;
- (d) Mobilization of domestic financial resources;
- (e) The private sector and the finance sector;
- (f) Financial instruments and tools;
- (g) Access and benefit-sharing;
- (h) The role of indigenous peoples and local communities;
- (i) Capacity development;
- (j) Reporting on resource mobilization.

65. As far as priorities identified for further action in the post-2020 global biodiversity framework are concerned, a clear message which emerged was that attention is now needed towards three complementary components of resource mobilization:

- (a) Redirecting or reducing resources causing harm to biodiversity;
- (b) Generating additional resources from all sources;
- (c) Enhancing the efficiency and effectiveness of the uptake and use of funds at all levels.

66. There was also a clear recognition of the need to enhance synergies between resources being mobilized for biodiversity and those being mobilized for climate change, and for the Sustainable

Development Goals more broadly, in order to avoid expenditure that is harmful to biodiversity, as well as to integrate biodiversity finance into the sustainable development finance agenda more broadly.

67. Mainstreaming of biodiversity into all the plans, budgets and actions of the public and private sectors, both nationally and internationally, was seen as an essential prerequisite for successful resource mobilization in the future. This includes mainstreaming into national budgets, development plans, and the investments and activities of the private sector. There are important interlinkages between the work of the CBD's Informal Advisory Group on Mainstreaming of Biodiversity, which is developing a long-term approach to mainstreaming (LTAM), and the work of the Panel, which is explored further in the Panel's third report.

68. Domestic financial resources for biodiversity currently form the lion's share (over three quarters) of total resources being mobilized annually and will remain vitally important. It will be important to enhance the mainstreaming of biodiversity into national planning and budgets and to improve national capacity for the effective and efficient use of resources.

69. Another key priority for the post-2020 global biodiversity framework will be to comprehensively address the role of the business sector and financial sector, in order to increase funding flows to achieve the three objectives of the Convention and to scale back finance that is harmful to biodiversity (currently 5-6 times more than finance that is positive for biodiversity, according to OECD). This should be underpinned by enhanced efforts to develop mechanisms to measure, manage and report in a standardized way on how far the business sector is reducing expenditure that is harmful to biodiversity and how far it is increasing investments positive for biodiversity.

70. In all of this, there should be a strong role for government to lead by example, to create an enabling environment for other actors, to ensure that it has the capacity – seeking outside support where needed – for developing national biodiversity finance plans, and to report accurately and consistently on the financial resources being mobilized for biodiversity.

71. The Panel's third report builds substantially on this assessment by setting out in detail the Panel's contribution to a draft resource mobilization component of the post-2020 global biodiversity framework.

Annex

TARGETS FOR RESOURCE MOBILIZATION

1. In decision [XII/3](#), paragraph 1, the Conference of the Parties reaffirmed its commitment to an overall substantial increase in total biodiversity-related funding for the implementation of the Strategic Plan for Biodiversity 2011–2020 from a variety of sources, and adopted the following targets for resource mobilization, under Aichi Biodiversity Target 20 of the Strategic Plan, as follows:

(a) Double 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, using average annual biodiversity funding for the years 2006–2010 as a baseline, by 2015, and at least maintain this level until 2020, in accordance with Article 20 of the Convention, to contribute to the achievement of the Convention's three objectives, including through a country-driven prioritization of biodiversity within development plans in recipient countries;

(b) Endeavour for 100 per cent, but at least 75 per cent, of Parties to have included biodiversity in their national priorities or development plans by 2015, and to have therefore made appropriate domestic financial provisions;

(c) Endeavour for 100 per cent, but at least 75 per cent, of Parties provided with adequate financial resources to have reported domestic biodiversity expenditures, as well as funding needs, gaps and priorities, by 2015, in order to improve the robustness of the baseline;

(d) Endeavour for 100 per cent, but at least 75 per cent, of Parties provided with adequate financial resources to have prepared national financial plans for biodiversity by 2015, and that 30 per cent of those Parties have assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components;

(e) Mobilize domestic financial resources from all sources to reduce the gap between identified needs and available resources at domestic level, for effectively implementing by 2020 Parties' national biodiversity strategies and action plans, in accordance with Article 20.

2. In paragraph 2 of the same decision, the Conference of the Parties, recalling Article 20 of the Convention, decided that the targets in subparagraphs (a) to (e) above were to be considered mutually supportive; in paragraph 4, it urged Parties and other Governments, with the support of international and regional organizations, to develop their national resource mobilization strategies or finance plans consistent with identified needs and priorities, using the targets for resource mobilization above as a flexible framework.
