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CONTRIBUTION TO A DRAFT RESOURCE MOBILIZATION COMPONENT OF THE POST-2020 BIODIVERSITY FRAMEWORK AS A FOLLOW-UP TO THE CURRENT STRATEGY FOR RESOURCE MOBILIZATION

THIRD REPORT OF THE PANEL OF EXPERTS ON RESOURCE MOBILIZATION

I. INTRODUCTION

1. At its fourteenth meeting, the Conference of the Parties affirmed that resource mobilization would be an integral part of the post-2020 global biodiversity framework and decided to initiate preparations for this resource mobilization component at an early stage and in full coherence and coordination with the overall process of developing the post-2020 framework (see 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 the third report of the Panel of Experts in fulfilment of its mandate, and responds to the request, in paragraph 15 (d) of decision 14/22, that the panel contribute to a draft resource mobilization component of the post-2020 biodiversity framework as a follow-up to the current strategy for resource mobilization, based on the existing strategy and the panel's other two reports.

3. The first report of the Panel of Experts[1] evaluated and reviewed the strategy for resource mobilization[2] and Aichi Biodiversity Target 20. The Panel of Experts found that while there had been some progress in achieving Aichi Target 20 and the eight goals of the strategy for resource mobilization, implementation was uneven and hampered by capacity challenges. Among other things, the report noted a lack of progress in scaling up of private sector engagement, and a lack of prioritization of biodiversity outside of environment ministries. The implication of the findings is that a more comprehensive and strategic approach to resource mobilization is needed, giving equal attention to reallocation of resources harmful to biodiversity and the more effective use of resources, as well as a significant increase in resources being mobilized. There will also need to be a stronger focus on increasing biodiversity co-

* CBD/SBI/3/1.

[1] CBD/SBI/3/INF/2 (full report); CBD/SBI/3/5/Add.1 (summary).

[2] Decision IX/11 B, annex.

benefits resulting from the substantial resources now being mobilized for climate change and for implementing the Sustainable Development Goals[3] more broadly.

4. In line with this observation, the present report sets out a strategic approach and associated recommendations for resource mobilization in the post-2020 global biodiversity framework, drawing on input from Parties, organizations, and other experts.[4] Section II below proposes a strategic approach to resource mobilization, built around three crucial components, and identifies key actors. Sections III to V provide further detail on each of the three components. Specifically, section III addresses reducing or redirecting resources causing harm to biodiversity, section IV outlines generating additional resources from all sources, and section V covers enhancing the effectiveness and efficiency of resource use.[5] Section VI provides some initial input on possible targets and decisions for resource mobilization for Parties to consider. Section VII concludes with the key messages of the expert panel.

II. A STRATEGIC APPROACH TO RESOURCE MOBILIZATION IN SUPPORT OF THE POST-2020 GLOBAL BIODIVERSITY FRAMEWORK

5. The *Global Assessment Report on Biodiversity and Ecosystem Services* issued by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services in 2019 called for a "fundamental, system-wide reorganization across technological, economic and social factors, including paradigms, goals and values" in order to halt the loss of biodiversity and ecosystem functions.[6] It is becoming widely recognized that transformative change is needed to halt and reverse biodiversity loss in order to achieve biodiversity targets as well as a broader set of the Sustainable Development Goals. This will require a "whole-of-government, whole-of-economy and whole-of-society" approach in order to address the drivers of the loss of biodiversity and ecosystem functions.

6. Resource mobilization is central to transformative change and to the success of the post-2020 global biodiversity framework. The expert panel proposes the adoption of a three-pronged approach, made up of three complementary components, addressing the need to:

(a) Reduce or redirect resources causing harm to biodiversity;

(b) Generate additional resources from all sources to achieve the three objectives of the Convention;

(c) Enhance the effectiveness and efficiency of resource use.

7. *Reducing or redirecting resources causing harm to biodiversity* addresses the main drivers of biodiversity-harmful activities and investments, through the use of standards and guidelines, as well as regulatory and economic instruments. It requires avoiding, scaling back and redirecting expenditures harmful to biodiversity, including but not limited to harmful subsidies; this will in turn reduce the need for resources to conserve and restore biodiversity. Recent analysis by the Organisation for Economic Co-operation and Development (OECD)[7] shows that subsidies (on fossil fuels as well as in agriculture and fisheries) causing harm to biodiversity amount to some US$ 500 billion per year, while the total resources being spent to promote biodiversity conservation and sustainable use amount to US$ 78 billion to US$ 91 billion per year. This striking discrepancy shows that pursuing the second and third components

[3] See General Assembly resolution 70/1 entitled "Transforming our world: the 2030 Agenda for Sustainable Development".

[4] See annex IV to the full first report (CBD/SBI/3/INF/2) for a list of sources of evidence.

[5] Many of the actors and actions described in this report are relevant to more than one of the three components of resource mobilization. The report is structured in such a way as to outline the most pertinent actors and actions *by component*. This has been done to fully articulate the importance of each of the three components. In practice, some of the actions taken by key actors would be aimed at achieving all three components together. For example, actions to reduce harm could be combined with actions to generate additional resources within the same project.

[6] https://ipbes.net/global-assessment.

[7] OECD (2020). *A Comprehensive Overview of Global Biodiversity Finance.* Final report, April 2020.

of resource mobilization without addressing this first component will make it impossible to close the finance gap in the way required to meet the biodiversity targets envisaged in the post-2020 global biodiversity framework.[8]

8. *Generating additional resources from all sources* to achieve the three objectives of the Convention, including domestic and international[9] sources, private and public, remains a fundamental part of resource mobilization. Scaling up resources includes increasing flows that are directed primarily towards biodiversity, as well as identifying and increasing biodiversity co-benefits from funding intended primarily to achieve other objectives. Examples of this include integrating nature-based solutions into mitigating and adapting to climate change, and the delivery of other sustainable development goals. This is referred to as "indirect" resources or expenditure on biodiversity in this report.

9. *Enhancing the effectiveness and efficiency* of the uptake (i.e. ability to access) and use of resources at all levels recognizes the importance of factors such as sound governance and planning; capacity-building; the creation of platforms and partnerships; the effective design and uptake of international development finance; and effective monitoring, reporting and review of results. These enabling actions ensure that mobilized resources are used wisely, and support efforts to reduce or redirect resources causing harm to biodiversity.

10. The range and number of finance tools and mechanisms available to achieve these three components of resource mobilization is greater than ever before. These can be applied in different sectors, at different scales, and within different contexts. This report focuses on the key actions that need to be taken to achieve the three components of resource mobilization and does not provide a comprehensive overview of all possible finance mechanisms. Numerous resources are available to provide more detailed guidance on individual specific finance tools and mechanisms.[10]

A. Overarching principle: ensure that transformative change is inclusive and equitable

11. Effective resource mobilization in support of the post-2020 global biodiversity framework will require fundamental shifts in economic systems, as set out in the sections below. This transformative change must be inclusive and equitable. Special attention should be paid to public involvement, including of indigenous peoples and local communities, youth, women, civil society, lower-income households, and the most impacted people. This should be supported by devising targeted measures to address any potentially regressive impact on the distribution of income and assets and implementing these measures together with the policy actions for biodiversity conservation, sustainable use and restoration. Biodiversity and ecosystem service benefits should be shared equitably across society, with the rights of future generations in mind.

B. Cross-cutting theme: mainstreaming is a fundamental approach to all three components of resource mobilization

12. Mainstreaming lies at the core of a whole-of-government, whole-of-economy and whole-of-society approach, which is central to the post-2020 process and its associated theory of change. Decision 14/3 called for the establishment of the Informal Advisory Group on Mainstreaming of Biodiversity, which is currently supporting the work to develop a long-term strategic approach to mainstreaming biodiversity (LTAM). The Informal Advisory Group considers mainstreaming to be a tool, a solution, and an overall approach to the post-2020 global biodiversity framework, a view that is shared by the Panel of

[8] Action on incentives that are harmful for biodiversity has been on the agenda of the Convention since the adoption of the programme of work on incentive measures, with a view to implementing Article 11 of the Convention. Article 20 (1) of the Convention also contains a reference to incentives.

[9] Provided to developing countries, as per Article 20 (4) of the Convention.

[10] See, for example, the BIOFIN "catalogue" of finance solutions as a useful starting point, at https://www.biodiversityfinance.net/finance-solutions.

Experts on resource mobilization. Furthermore, the Panel of Experts considers the theme of mainstreaming to intersect with the theme of resource mobilization at many points.

13. Mainstreaming is a fundamental approach to all three components of resource mobilization. Some stylized illustrations of this follow:

(a) Mainstreaming biodiversity within the finance sector, via assessments of dependencies, impacts and risks, helps to reduce biodiversity loss and the subsequent costs (explained further under component I below);

(b) Mainstreaming biodiversity into sectoral government budgets and policies can ensure co-benefits which result in increased resources for biodiversity (explained further under component II below);

(c) Mainstreaming biodiversity into national development plans provides a strong starting point for achieving greater policy coherence and correspondingly higher efficiency of resource use, through a whole-of-government approach (explained further under component III below).

14. While many specific mainstreaming-related actions are mentioned in sections III, IV and V, the following three actions should be implemented and scaled up in support of each of the components described in those sections. To avoid unnecessary duplication, these important actions are set out below:

(a) Undertake studies assessing the various values[11] of biodiversity in the international, national and subnational contexts, and communicate these findings to relevant decision makers, taking into account global assessments such as the forthcoming results of the Dasgupta Review on the economics of biodiversity and the earlier reports on the Economics of Ecosystems and Biodiversity (TEEB);

(b) Continue to demonstrate the contribution of biodiversity and ecological infrastructure to achieving the Sustainable Development Goals, the United Nations Convention to Combat Desertification, the United Nations Framework Convention on Climate Change, and the Sendai Framework for Disaster Risk Reduction 2015-2030;[12]

(c) Allocate resources for the development and uptake of ecosystem accounts, using the System of Environmental Economic Accounting (SEEA) as the measurement framework and enabling the integration of environmental, social and economic data to support decision-making for government and business. Ecosystem accounting includes accounting for biodiversity based on SEEA Experimental Ecosystem Accounting (EEA), which is currently under review.

C. Key actors

15. All societal actors have a role to play in resource mobilization, with important roles for the public sector at all levels, as well as the private sector, including business, civil society, academia, non-governmental organizations, charities and foundations, individuals and communities. To achieve all three strategic components of resource mobilization, many actions will need to be taken collectively or in partnership. This report focuses more strongly on actions that should be taken by governments, the business sector, and the finance sector, with some reference to roles that can be played by communities, individuals and not-for-profit organizations. This section touches briefly on some defining features of government, the business sector, the finance sector and international development finance.

16. *National and subnational governments*: The public sector drives the finance and policies that form the backbone of resource mobilization for biodiversity, both in terms of ensuring a continued, predictable flow of funds for biodiversity and in creating the necessary regulatory frameworks and

[11] Including the intrinsic, ecological, genetic, social economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components; see decision X/3, paragraph 9 (b) (ii).

[12] General Assembly resolution 69/283, annex II.

conditions to catalyse private sector action and investment. Government authorities at all levels – national, subnational and local – play a fundamental role in resource mobilization. As transformative change requires a whole-of-government approach, this includes the involvement and leadership from Heads of State as well as the ministries responsible for the environment; finance; the economy and economic development; urban and rural planning and development; health; agriculture, fisheries and forestry; and energy and extractive industries, among others.

17. *The business sector*: Made up of companies and corporate organizations that operate in the primary, secondary and tertiary sectors of the economy and have profit-making as a principal objective, the business sector may be motivated to engage with biodiversity and ecosystem services for two overarching reasons:[13,14] (a) as a means to manage risks (including reputational, societal, legal and regulatory, financial and operational risks related to practices that are harmful to biodiversity) in the value chain and productive area; and (b) as a means to capitalize on opportunities and generate a profit. The World Economic Forum's *Global Risks Report* for 2020[15] ranked biodiversity loss and ecosystem collapse as one of the top five risks, the other four all being related to climate change. Of particular importance for biodiversity are the business sectors responsible for food and fibre production (agriculture, forestry and fisheries); energy, infrastructure and extractive sectors; transport; urban development; and tourism, among others.[16]

18. *The finance sector*: Providing financial services to businesses, individuals and governments, some key actors in the finance sector include central banks and other regulators, commercial banks, institutional investors and asset managers (including pension funds), the insurance industry, and national, regional and international development banks. As with the business sector, the finance sector is motivated to engage with biodiversity and ecosystem services for the same two overarching reasons outlined above – to manage risks, and to generate profit.[17,18] In the case of central banks and other regulators, macroeconomic risks must be managed, and the profit and risk of the financial entities that are regulated are a primary concern.

19. The key actors with a role to play in mobilizing *international development finance* include government ministries, development agencies, development banks, philanthropic foundations, and private finance mobilized by public development finance, as well as civil society. International development finance, both bilateral and multilateral (e.g. the Global Environment Facility), includes flows of official development assistance (ODA), other official flows (OOF) and South-South cooperation (SSC).[19]

III. RESOURCE MOBILIZATION COMPONENT I: REDUCE OR REDIRECT RESOURCES CAUSING HARM TO BIODIVERSITY

20. Key actions to be taken in order to achieve this component of resource mobilization are recommended in the paragraphs that follow.

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[13] UNDP (2020). *Moving Mountains: Unlocking Private Capital for Biodiversity and Ecosystems*. New York (https://bit.ly/39A6G0i).

[14] Finance Watch (2019). *Making Finance Serve Nature* (https://www.finance-watch.org/wp-content/uploads/2019/05/Making-Finance-Serve-Nature_Finance-Watch-Report_24May2019_web.pdf).

[15] https://www.weforum.org/global-risks/reports.

[16] See CBD/COP/8/3 and decision 14/3.

[17] WWF and PWC (2020). *Nature is Too Big to Fail — Biodiversity: The Next Frontier in Financial Risk Management* (www.pwc.ch/wwf-report).

[18] UNDP (2020). *Moving Mountains: Unlocking Private Capital for Biodiversity and Ecosystems*. New York (https://bit.ly/39A6G0i).

[19] The majority of which is currently ODA, see OECD (2020). *A Comprehensive Overview of Global Biodiversity Finance: Initial Results* (for final version, see https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf).

21. **Review government budgets, in all sectors and at all levels, with a view to causing at least no net harm to biodiversity:**

(a) Safeguards should be put in place to ensure that government budgets at all levels (national, subnational and local) and in all sectors, result in at least no net harm to biodiversity. As government budgets are formulated based on government policies and plans, ensuring that government budgets result in no net harm to biodiversity is strongly connected to and reliant on the broader approach of mainstreaming biodiversity across government and its policies;[20]

(b) Safeguards should be applied to government budgets related to finance; economics and trade; planning; poverty alleviation and related sectors; health; primary production; research, innovation and technology; and climate change, among others, and should also ensure that government procurement practices take biodiversity into account.

22. **Eliminate or reform incentives, including subsidies, that are harmful to biodiversity; develop and scale up disincentives for actions that are harmful to biodiversity; and develop and scale up incentives to encourage biodiversity-positive actions.** Economic incentives, disincentives and perverse incentives have profound impact on the economy, affecting economic decision-making at a local, national and global scale.[21] Thus:

(a) Governments should work to eliminate or reform incentives, including subsidies and taxes, that are harmful to biodiversity, taking into account national socioeconomic conditions. Public economic and regulatory incentives, including subsidies, should be either positive or neutral for biodiversity, and should be aligned with the goals of the Convention as well as the Sustainable Development Goals. This will require the identification and assessment of incentives harmful to biodiversity, particularly within, but not limited to, agriculture, fisheries, forestry, tourism, infrastructure, and energy and extractive industries;

(b) Governments should develop, scale up and improve the performance of appropriate economic disincentives, including taxes and fines, to deter actions that are harmful to biodiversity. This will help to internalize real biodiversity costs in value chains and reflect them in the price of services, commodities and consumer products, and thus prevent further loss of biodiversity and ecosystems;

(c) Governments should design, implement and improve the performance of appropriate positive economic incentives, including biodiversity-motivated subsidies and payments for ecosystem services, to create signals to consumers and producers to behave in a more biodiversity-positive manner;[22]

(d) Specific capacity development; technical assistance; resource allocation; time-bound action plans; and monitoring and evaluation systems may be required to support these efforts, given the complexity of the activities required and the lack of progress to date.

23. **Identify and incorporate biodiversity impacts, dependencies and risks into the strategies, operations and processes of the finance sector with a view to avoiding or minimizing net harm to biodiversity and ecosystems caused by investment decisions.** The finance sector, including commercial and development banks, institutional investors, financial regulators and supervisors, and credit ratings agencies, has a profound influence on the behaviour of private actors, including businesses. Thus:

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[20] Strategy area I of the draft long-term approach to mainstreaming.

[21] Three categories of economic incentives are considered in this report: Positive economic incentives, which encourage behaviour (e.g. tax breaks for land put under covenant); negative economic incentives, which discourage harmful behaviour (e.g. fines for illegal logging) and harmful incentives, which are incentives developed for a particular purpose, but which result in unintended negative consequences on biodiversity, e.g. a subsidy on fertilizer, designed to increase agricultural production, which results in overuse of fertilizers and subsequent damage to nearby freshwater ecosystems.

[22] Positive incentives are useful for encouraging behaviour change from harmful behaviour to beneficial behaviour – i.e. positive incentives can be used both to reduce harmful expenditure and to generate additional resources, as further outlined under component II.

(a) Key actors, including within government, the finance sector and international organizations, should collaborate to develop standards, metrics, indicators, and methodologies for reporting biodiversity-related dependencies, impacts and risks. This could be facilitated by an advisory group or task force on nature-related impacts, dependencies, risks and financial disclosure. The use of spatial data and spatially specific metrics in financial decision-making should be further developed to improve reporting on biodiversity impacts;

(b) Governments should send a strong message through legislative and regulatory standards that global financial flows should be aligned with biodiversity conservation, sustainable use and restoration. Governments should realign subsidies that currently encourage investment in activities harmful to biodiversity and should set clear regulations and rules to guide investment;

(c) The finance sector should be enabled, and ultimately required, to account for dependencies, impacts and risks associated with biodiversity loss, and to reflect these in investment decisions. Governments should require that the financial sector report on its actions and risks related to biodiversity, as France has done in its 2019 law on energy and climate.[23] Biodiversity risk should be integrated into conventional risk management processes in financial markets;

(d) The risk of environmental collapse is a systemic risk; therefore, central banks and other regulators have a key role to play in assessing these risks, and in mitigating them by acting on the causes in a systemic manner. Central banks and financial regulators should include potential negative impacts on biodiversity and ecosystem services in stress tests. This would allow for analysis of the impacts of risks stemming from biodiversity loss on the entire finance sector, on specific sectors, and on individual financial institutions. Central banks should require that regulated entities regularly disclose their biodiversity-related financial risk and should strive to integrate biodiversity-related financial risks into capital and solvency requirements. Central banks could also apply credit ceilings on biodiversity-harmful activities;

(e) Commercial banks respond to signals from central banks and regulators (including governments) as well as the market in general, and they have direct and indirect influence on the behaviour of producers, landowners and consumers. Commercial financial actors should integrate biodiversity impacts, dependencies and risks into strategies and policies, and consideration should be given to accounting for biodiversity-related financial risks explicitly as part of the fiduciary duty of financial institutions;

(f) While institutional investors and asset managers often have liability beyond 20 to 30 years, the time frame of their investment and risk assessment is typically much shorter – even long-term investors trade their assets with short horizons.[24] This results in financial institutions not being incentivized to take biodiversity (as well as other environmental and climate change risks) into account, even when metrics for doing so exist. Measures to address financial "short-termism" could include tax and governance incentives for longer ownership periods, longer-term remuneration structures for company directors and asset managers, less quarterly reporting by companies, less annual benchmarking by asset managers, revisions to accounting standards, and revisions to the supervisory toolkit, such as expanding stress test time-horizons;[25]

(g) Development banks, which can operate in credit market segments in which commercial banks are not fully engaged, have a unique role in supporting biodiversity-positive investments and mainstreaming biodiversity into risk assessment. Development banks should integrate biodiversity risks

[23] "*JO - LOI n° 2019-1147 du 8 novembre 2019 relative à l'énergie et au climat, Art. L. 533-22-1.-I*" - requiring credit institutions and investment firms to include information on risks related to climate change and biodiversity.

[24] Naqvi, M., Burke, B., Hector, S. Jamison, T., Dupré, S. (2017). *All Swans are Black in the Dark - How the Short-term Focus of Financial Analysis Does Not Shed Light on Long Term Risks*, 2° Investing Initiative & the Generation Foundation, "Tragedy of the Horizon" project.

[25] Finance Watch (2019). *Making Finance Serve Nature* (https://www.finance-watch.org/wp-content/uploads/2019/05/Making-Finance-Serve-Nature_Finance-Watch-Report_24May2019_web.pdf).

and opportunities into strategies and policies and should ensure that lending results in biodiversity-positive or biodiversity-neutral outcomes, in line with the goals of the Convention. All development banks should adhere to sound lending frameworks and compliance with appropriate social and environmental safeguards, such as the World Bank's Environmental and Social Standard 6 (ESS6)[26] or the International Finance Corporation (IFC) Performance Standard 6,[27] which aim to protect and conserve biodiversity and habitats, encourage the implementation of the mitigation hierarchy, and promote sustainable management of living natural resources. In addition, development banks should audit and report on compliance with these safeguards, including, for example, the implementation of offsets. Finally, in order that investments take biodiversity into account, development banks could, where possible, undertake strategic environmental assessments and integrated spatial planning, in line with paragraph 13 (b) of decision 14/3;

(h) The insurance industry can have a powerful influence on the behaviour of businesses and individuals by sending economic signals through underwriting polices and premiums. The insurance sector should work to improve the modelling and assessment of risks to account for the role of biodiversity and intact ecosystems in disaster risk reduction (i.e. nature-based solutions for disaster risk reductions). This would, in turn, impact on insurance premiums, and send a price signal to public and private actors, including landowners, regarding the importance of intact ecosystems in disaster risk reduction.

24. **Identify and incorporate biodiversity impacts, dependencies and risks into business models, operations and practices with a view to avoiding or minimizing harm to biodiversity and ecosystems.** The private sector's dependencies and impacts on biodiversity and functioning ecosystems creates potential risks, and investing in managing these risks is proving to be affordable and beneficial. At the same time, the long-established "polluter pays" principle, as well as the idea that those using natural resources need to pay for the value of the natural capital which they extract from the environment, should frame how the business sector reorients its practices in favour of protecting biodiversity and ecosystems. Thus:

(a) Governments should create policy signals to correct market distortions that do not take biodiversity into account. This includes taxing harmful actions and creating incentives, including subsidies and tax exemptions, to reward biodiversity-positive actions. Guidelines ensuring no net harm to biodiversity should be incorporated into international trade agreements;

(b) Moreover, governments should ensure that the mitigation hierarchy[28] (i.e. avoid, reduce, then offset) is applied for activities that are harmful to biodiversity, with long-term monitoring and auditing of adherence to decisions. Biodiversity offsets should be incorporated into the mitigation hierarchy, as appropriate. The mitigation hierarchy should be applicable to activities undertaken by both the private and public sectors, and implementation thereof should be monitored and audited;

(c) In order to reduce harm to biodiversity and to help businesses manage risk related to biodiversity, the business sector should improve and adopt biodiversity-relevant green standards, certification and impact measurement practices, and should be required to report on biodiversity impact.[29] Development of improved environmental traceability in value chains and the use of tools such as the

[26] https://projects.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards.

[27] https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps6.

[28] As called for in decision 14/3, paragraph 12 (d).

[29] The Addis Ababa Action Agenda (General Assembly resolution 69/313, annex) supports corporate reporting on environmental, social and governance impacts, to help ensure transparency and accountability, referring to the need for an "appropriate balance of voluntary and mandatory rules".

Natural Capital Protocol[30] can help private companies measure and value their impact and dependencies on biodiversity, and can help consumers make more informed choices. The creation of an open platform for traceability can create transparent reporting and disclosure.

25. **Identify and incorporate biodiversity impacts, dependencies and risks into strategies, operations and processes of international development finance actors, with a view to avoiding or minimizing net harm caused by development finance, including climate finance:**

(a) Safeguards should be established and enhanced for international development finance in order to identify and remedy unintended negative consequences of ODA, OOF and South-South cooperation. This includes safeguards for finance flows that aim to achieve the objectives of the Paris Agreement[31] adopted under the United Nations Framework Convention on Climate Change, the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, and the Sendai Framework for Disaster Risk Reduction 2015-2030, as well as economic recovery related to the current pandemic;

(b) Partnerships and platforms should be created to enable the development of synergistic solutions which integrate biodiversity into the broader sustainable development agenda and the related funding flows of ODA, OOF and South-South cooperation. This should result in science, technology and policy guidelines and decisions that ensure no net harm to biodiversity, while achieving sustainable development goals and sub-targets, including those related to poverty reduction, food security, health, water and sanitation, employment and economic growth, industry innovation and infrastructure, urban development, energy, and climate change.

IV. RESOURCE MOBILIZATION COMPONENT II: GENERATE ADDITIONAL RESOURCES FROM ALL SOURCES TO ACHIEVE THE THREE OBJECTIVES OF THE CONVENTION

26. Key actions to be taken in order to achieve this component of resource mobilization are recommended in the paragraphs that follow.

27. **Increase domestic public expenditure, both direct and indirect, to achieve the three objectives of the Convention.** There is a strong socioeconomic case for increasing investment in biodiversity conservation, sustainable use, and restoration. The most comprehensive global estimate puts the value of ecosystem services at US$ 125 trillion to US$ 140 trillion per year, greater than one and a half times the global GDP.[32] The costs of inaction are high and are likely to increase over time.[33] Thus:

(a) The public sector should continue to play a lead role in providing a sustained flow of resources for biodiversity conservation, sustainable use and restoration. The public sector should increase direct domestic expenditure in recognition of the level of ambition in the post-2020 global biodiversity framework for achieving the three objectives of the Convention. This will be an essential component of increasing resources for biodiversity, recognizing that many biodiversity-positive projects will need to be financed out of public funds, given the fundamental nature of public goods, and an understanding that, while it will be important to increase private sector finance, this alone will never be sufficient for meeting all of the challenges of achieving the post-2020 global biodiversity framework;

(b) Indirect domestic expenditure on biodiversity can be increased when biodiversity is mainstreamed into other government functions. Examples of key government functions into which biodiversity can be mainstreamed include water and sanitation (e.g. through increased investment in

[30] The Natural Capital Protocol provides a decision-making framework that enables organizations to identify, measure and value their direct and indirect impacts and dependencies on nature (see https://naturalcapitalcoalition.org/projects/biodiversity/).

[31] United Nations, *Treaty Series*, Registration No. I-54113.

[32] Costanza, R., de Groot, R., Sutton P., van der Ploeg, S., Anderson, S.J., Kubiszewski, I., Farber, S., Turner, R.K. (2014). "Changes in the global value of ecosystem services", *Global Environmental Change*, vol. 26, 152-158.

[33] OECD (2019). *Biodiversity: Finance and the Economic and Business Case for Action*, report prepared for the G7 Environment Ministers' meeting held 5-6 May 2019.

catchment management, as part of investment in the network of water-related infrastructure), disaster risk reduction (e.g. through restoration of mangroves and wetlands as part of a flood management strategy, or removal of fire-prone alien invasive plants to reduce risk of unnatural fires), as well as the primary production sectors (e.g. regenerative agriculture).[34]

28. **Increase private sector (business and finance) investment in biodiversity-positive projects, including by addressing barriers for investors and project developers:**

(a) Harness the growing interest in the private sector to increase investment in biodiversity-positive projects, using instruments such as green and blue bonds, private equity, microcredits, loans, etc.;

(b) Further develop existing business opportunities, for example in ecotourism and sustainable agriculture, fisheries, and forestry, by addressing challenges in scaling up the number and magnitude of investable projects, improving the business acumen of project developers, improving market conditions, reducing transaction costs, measuring biodiversity-positive impacts and reducing risk for private sector investors;

(c) The business sector, with partners, should develop and adopt standards, common approaches and metrics to measure positive biodiversity impacts of economic activities in order to identify and invest in sound projects;[35]

(d) Central banks can encourage biodiversity-positive investment by providing a lower required reserve rate on privileged "green" assets and providing subsidized loan rates for biodiversity-positive sectors;

(e) Government, civil society, and development banks should help to create opportunities for investment in conservation, restoration, and sustainable use of biodiversity in order to develop a pipeline of sound business opportunities with good risk-return profiles, as well as opportunities for impact investing for biodiversity. This can include establishing incubators to innovate and pilot new solutions and developing training programmes for potential deal developers, as well as developing new instruments such as green bonds and loans with a more targeted focus on biodiversity and ecosystems, and integrating these into pension funds and capital markets;[36]

(f) The public sector and development banks should continue to provide early-stage grants, donor guarantees, concessional finance and support blended financial[37] solutions. This should leverage private sector investment by reducing project risk and increasing the likelihood of market returns. The supply of green credit lines in financial institutions within developing and developed countries should be scaled up;

(g) Strengthen the investment environment in developing countries and countries with economies in transition, drawing on broader processes, such as those outlined in the 2030 Agenda and the Addis Ababa Action Agenda, and including the identification of sector-specific enabling conditions to increase investment in biodiversity-positive projects.[38]

29. **Increase direct and indirect biodiversity-related international development finance for developing countries and countries in transition, including climate and other development finance:**

[34] These examples can all be forms of nature-based solutions for climate change adaptation while not being limited to this.

[35] Such as the Species Threat Abatement and Recovery (STAR) metric being developed by IUCN and partners.

[36] The Coalition for Private Investment in Conservation (CPIC) has developed "blueprints" for delivering risk adjusted returns from specific types of investment in biodiversity-positive projects; see http://cpicfinance.com/blueprints/.

[37] Blended finance is the use public or philanthropic capital in order to catalyse and increase private sector investment in the same project.

[38] For example, the growth of ecotourism within a particular country might require improvements to transport infrastructure, as well as the development and application of a recognized ecotourism certification scheme.

(a) Direct international funding flows to developing countries and countries with economies in transition to achieve the three objectives of the Convention remain a key component of resource mobilization, including ODA, OOF and South-South cooperation. Funding should be at a level that recognizes the ambition of the post-2020 global biodiversity framework;

(b) Biodiversity co-benefits should be increased in development finance, particularly for achieving the 2030 Agenda and its Sustainable Development Goals.[39, 40] At the national level, Parties should work to ensure that the three objectives of the Convention are adequately addressed in integrated national financing frameworks[41] (INFFs) both to avoid expenditure that is harmful to biodiversity and to integrate biodiversity finance into the broader sustainable development finance agenda;

(c) Funding for natural solutions for climate change adaptation and mitigation that deliver co-benefits for biodiversity should be identified and scaled up, recognizing that nature is essential for meeting commitments in the Paris Agreement.[42] This includes adopting blue carbon as well as forest carbon into regulatory and voluntary carbon offset markets, and supporting regenerative agriculture, which ensures increasing productivity, adaptation through resilience, and mitigation benefits.

30. **Enhance the implementation of agreements related to access to genetic resources and the fair and equitable sharing of the benefits arising from their utilization:**

(a) The implementation of country-to-country and country-to-company access and benefit-sharing agreements should be enhanced, including by addressing operational needs, communication strategies and capacity to negotiate and implement access and benefit-sharing agreements;

(b) The value of resources mobilized through access and benefit-sharing initiatives and mechanisms should be assessed as comprehensively as possible, recognizing the challenge that many agreements between users and providers are confidential.

V. RESOURCE MOBILIZATION COMPONENT III: ENHANCE THE EFFECTIVENESS AND EFFICIENCY OF RESOURCE USE

31. Key actions to be taken in order to achieve this component of resource mobilization are recommended in the paragraphs that follow.

32. **Review and improve as needed good governance and planning within the public sector.** Good governance and good planning are central to ensuring that limited resources are used effectively and efficiently. The necessary whole-of-government approach will require strengthening of structures and processes to ensure vertical and horizontal coordination within agencies, as well as improved interministerial and inter-agency coordination. High-level political commitments will be necessary for this to be achieved, with dedicated budgets to ensure that stated goals are met. Thus:

(a) Countries should ensure that national biodiversity strategies and action plans (NBSAPs), or similar national plans, include the identification of the drivers of loss (economic and other), and develop activities to directly address these drivers. Activities should be clearly linked to intended

[39] The IPBES *Global Assessment Report on Biodiversity and Ecosystem Services* states that the Sustainable Development Goals cannot be reached if the downward trend of biodiversity is not halted.

[40] The International Development Finance Club (a network of national and regional international development banks) and multinational development banks are working towards aligning lending policies with the goals and targets of the Paris Agreement, the Convention on Biological Diversity and the Sustainable Development Goals. This would be a very powerful way of generating resources that can help local and regional economies, and become more sustainable and resilient, and support contributions of State and non-State actors to these goals.

[41] The development of integrated national financing frameworks was supported by United Nations Member States in the Addis Ababa Action Agenda, considered to be the "heart" of efforts to finance the 2030 Agenda for Sustainable Development.

[42] According to the IPBES *Global Assessment Report on Biodiversity and Ecosystem Services*, nature-based solutions are believed to be able to contribute 30 to 36 per cent of the climate mitigation needed.

outcomes, and the prospective costs of implementation should be calculated, as well as the identification of the most cost-effective options for achieving the intended biodiversity outcomes. National biodiversity finance plans should be developed alongside NBSAPs, following the methodology of the Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme or similar methodology. These plans should address all three components of resource mobilization, as set out in this report. National biodiversity finance plans will be needed in all countries in order to achieve transformative change, and the development and implementation of these plans should be supported and appropriately resourced;

(b) Biodiversity should be mainstreamed into sector and integrated development plans, including relevant spatial data and spatial planning instruments. The effectiveness of policy instruments should be monitored and evaluated, in order to support adaptive management over time. This is also applicable for economic recovery plans;

(c) Governments should provide recognition and support, as appropriate, to non-State actors responsible for the management and co-management of protected areas and other effective area-based conservation measures (OECMs), including indigenous peoples and local communities, private entities and non-governmental organizations. Where appropriate, partnership agreements and mechanisms, such as contract agreements and trust funds, should be developed to guide co-management and non-State management of important landscapes and seascapes. Intermediaries, such as non-governmental organizations, should be encouraged to facilitate partnerships between these entities and government. Incentives should be used to support the efforts of non-State actors;

(d) The collective action of indigenous peoples and local communities and their accompanying knowledge systems should be quantified as in-kind contributions.

33. **Create effective partnerships and platforms to support policy coherence, shared learning and the development and application of joint approaches.** Partnerships and platforms, at international, national, and subnational levels, will be crucial to enable the collective action that is required for effective resource mobilization, including ensuring policy coherence, shared learning and the creation of joint solutions. Thus:

(a) Stakeholders should develop and support partnerships and platforms designed to bring together and facilitate collective action by government, the private sector, finance institutions, academia, international development cooperation actors, indigenous peoples and local communities, and civil society. This should be done at international, regional, national and subnational levels, as needed;

(b) Support should be provided for building strong networks with groups of indigenous peoples and local communities at the national and regional levels, and for champions of indigenous peoples and local communities to be recognized and included in participatory processes.

34. **Enhance capacity-building, technical assistance and technological cooperation, on a sustained basis:**

(a) Capacity-building, technical assistance and technological cooperation should include South-South knowledge-sharing and should strive to develop in-country expertise. Capacity-building should be integrated, where possible, into formal curricula at secondary and tertiary levels, as well as more informally as needed;

(b) Capacity development will be required at all levels of government (national and subnational), and within multiple government ministries and government agencies, including ministries responsible for finance and economics, primary production sectors, tourism, planning, and water and sanitation. In some instances, all countries may require technical support in developing more complex and innovative finance mechanisms and plans. The necessary expert positions should be created and filled in different ministries and in the private sector;

(c) Capacity-building and sustained technical assistance should include:

(i) Development and implementation of suitable and effective finance mechanisms at an international, national and subnational levels, including but not limited to policy and legal reform in support of transformative change;

(ii) Development and implementation of effective national biodiversity finance plans that sufficiently address all three strategic components of resource mobilization;[43]

(iii) Costing of NBSAPs and similar plans, and determination of finance needs for implementation;

(iv) Natural capital assessments and accounting, and strengthened implementation of the revised SEEA Ecosystem Accounting methodology;

(v) Development of results-based budgeting for biodiversity programmes and projects; use of biodiversity "budget tagging" as a means to identify, collect baseline information on and track biodiversity expenditure;

(d) There is a need to build on existing initiatives such as BIOFIN, and others, to provide capacity development and technical assistance to countries in developing and implementing national biodiversity finance plans;

(e) Knowledge transfer and capacity-building should be scaled up in the business and finance sectors in order to develop a shared understanding of the challenges and opportunities related to biodiversity, and to enable the development of methodologies, systems and measurements to fully integrate biodiversity into the business and finance sectors;

(f) Finally, it will be important to build the capacity of local project developers and the local finance industry to create investable deals with clear and measurable positive impacts on biodiversity.

35. **Enhance the effectiveness and efficiency of the flow and uptake of international development finance:**

(a) Donor contributions should be coordinated, as far as possible, to ensure that international development finance intended for biodiversity is targeted strategically, seeking to achieve complementary synergies across donor contributions to achieve biodiversity-positive outcomes;

(b) Donors and key decision makers should take into account the time lag between investment and realization of impact, and should allow for a longer and more realistic programme and project planning horizon. Five to ten years has been suggested as a more realistic and useful time frame than shorter timescales;

(c) Key focus areas for international development finance should include catalysing resource mobilization from new and additional public and private resources, and capacity development within all levels of government to support policy and regulatory reform. Attention should also be paid to the particular needs expressed by indigenous peoples and local communities, and information on funding opportunities should be more widely disseminated to them;

(d) As the financial mechanism of the Convention, the Global Environment Facility (GEF) should maintain a key role in mobilizing resources for implementation of the Convention.[44, 45] GEF has an important role to play in mainstreaming biodiversity into development efforts and ensuring the effective use of resources. Stronger linkages should be made between GEF and the Green Climate Fund (GCF);[46]

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[43] For more information on a methodology to develop a national biodiversity finance plan, refer to the BIOFIN Workbook 2018: https://www.biodiversityfinance.net/sites/default/files/content/publications/BIOFIN%20Workbook%202018_0.pdf.

[44] Decision 14/23.

[45] 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.

[46] Set up by the United Nations Framework Convention on Climate Change in 2010 (https://www.greenclimate.fund/).

(e) It will be important to ensure that recipient countries and stakeholders have sufficient capacity and are supported to access multilateral and bilateral funds, including but not limited to GEF. This should be complemented by clear and agreed processes that allow for smooth financial flows, and by sound monitoring of the use and impact of funds. In addition, GEF should seek ways to overcome the limitations to provide non-grant financing.

36. **Improve monitoring and reporting processes for resource mobilization:**

(a) The important work of the Thematic Consultation on Transparent Implementation, Monitoring, Reporting and Review for the Post-2020 Global Biodiversity Framework[47] should guide the overall approach to monitoring and reporting on resource mobilization; this approach would strive to be comprehensive, participatory, facilitative, evidence-based and results-oriented;[48]

(b) Reporting on resource mobilization and biodiversity finance remains an important aspect of tracking and managing progress. There is a need for more timely and regular data collection, management and utilization to inform decision-making, including by making better use of existing international statistical reporting frameworks and associated processes, such as the OECD Development Assistance Committee (DAC), the Government Finance Statistics of the International Monetary Fund, and the guidance on environmental protection expenditures of the United Nations System of Environmental Economic Accounting;

(c) All Parties could be encouraged to report to the relevant existing OECD databases (i.e. Producer Support Estimate, Fisheries Support Estimate, Policy Instruments for the Environment);

(d) There should be increased transparency on the methodology[49] of reporting on resource mobilization, as well transparency and accountability on biodiversity spending, including spending on domestic, multilateral and bilateral development finance;

(e) Given the complexity of reporting on biodiversity finance, it is recommended that a user-friendly approach is supported by capacity development. Resources channelled to the development of national biodiversity finance plans could include resources for reporting to the Convention on resource mobilization.

VI. POSSIBLE TARGETS AND DECISIONS ON RESOURCE MOBILIZATION IN THE POST-2020 GLOBAL BIODIVERSITY FRAMEWORK

37. A number of specific targets on resource mobilization are likely to be needed to support the overarching goals of the post-2020 global biodiversity framework, reflecting each of the three interconnected components of resource mobilization recommended in this report, and enabling simultaneous progress on all three components. As part of its contribution to a draft resource mobilization component, this section contains the input of the Panel of Experts to the development of targets for resource mobilization, based on the recommended actions set out under the three components above.[50]

38. Reducing or redirecting harmful expenditure is a crucial component of resource mobilization, and targets should be in place to encourage ambitious action, with appropriate indicators to measure progress, within both the private and public sectors. Parties may wish to consider three distinct but mutually

[47] Responding to decision 14/29.

[48] CBD/POST2020/WS/2020/1/3.

[49] There is a need for more standardized information which can be compared across countries. At the same time, much of the information gathered on resource mobilization can be used for national planning purposes (e.g. to support the development and implementation of national resource mobilization strategies), and for this reason, would not be required to be standardized. The information might prove to be more useful at the national and subnational levels if it were collected and analysed using a "fit-for-purpose" methodology, designed to suit the country's needs. This tension between the need for standardization and the need for nationally tailored approaches will need to be addressed.

[50] Not all actions need be explicitly captured in targets, as some actions enable the implementation of others.

supportive elements to be included in targets for reducing or redirecting harmful expenditure, which could be articulated along the following lines:

(a) By 2030, all countries have achieved significant progress in fiscal, budgetary, and financial mainstreaming, including reviewing all relevant government budgets to result in at least no net harm to biodiversity; increasing positive incentives for the conservation and sustainable use of biodiversity; increasing the use of disincentives in order to deter actions harmful to biodiversity; and eliminating incentives, including subsidies, harmful to biodiversity; consistent and in harmony with the Convention and other relevant international obligations, taking into account national socioeconomic conditions;

(b) By [2025], businesses in all relevant economic sectors and at all levels, especially large and transnational companies, are transitioning towards sustainable practices, including along their supply chains, demonstrating and reporting on a substantial decrease in negative impacts and, where possible, increasing net positive impacts on ecosystems and biodiversity;

(c) By [2025], financial institutions at all levels, including international development finance institutions, have integrated biodiversity risk assessment into policies and processes, are demonstrating at least decreasing negative impacts in their portfolios and increasing the amount of dedicated finance for biodiversity, and are reporting on risks, impacts, and financing.

39. The generation of additional resources will also be a significant component of implementing the post-2020 global biodiversity framework and will need suitably ambitious targets for increasing both international and domestic resources for biodiversity. While international development finance, both bilateral and multilateral, will continue to be important, increasing international flows of private finance needs to be strongly encouraged and incentivized, bearing in mind that international and domestic funding can support and mutually reinforce each other. If the proposed work on reporting suggested below (see paras 44-45) is implemented, these will also become easier to track and account for at both global and national levels, thereby facilitating measurement of progress against an international target. The latter might be expressed in language such as the following:

> By 2030, biodiversity-related international financial flows to developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, meet or exceed [benchmark and progress indicator to be agreed on[51]], consistent with the ambition of the goals of this framework and in accordance with Article 20 of the Convention.

40. As noted above, domestic expenditure accounts for the lion's share of total global biodiversity expenditure, amounting to between 75 and 87 per cent of the total according to the OECD.[52] A target for domestic resource mobilization should therefore form another important element of the suite of targets being proposed. It needs to reflect all other targets agreed upon in the post-2020 global biodiversity framework, and Parties' assessment of the cost of achieving these within their own countries, based on national needs and circumstances. Each Party would have an obligation to set a nationally determined target and to report on it to the Convention. A commitment to ensuring the establishment of domestic targets might read as follows:

> By [2022] all countries have set a nationally determined target for domestic resource mobilization, at a level commensurate with the ambition of this framework and in accordance with national needs and circumstances, and, by [2030], all Parties have achieved this target.

41. It is evident from the work of the Panel of Experts that many countries, particularly developing countries and countries with economies in transition, currently lack the capacity to adequately assess their

[51] The indicator could be expressed in a number of ways, for example as a percentage of global GDP, or as an absolute number relating to estimated needs, based on all other targets in this framework, when determined.

[52] OECD (2020). *A Comprehensive Overview of Global Biodiversity Finance,* Final report, April 2020.

biodiversity resource mobilization needs, and to develop a national biodiversity finance plan as a practical tool to support implementation of their current or future NBSAPs. Developing such a plan is an essential step towards achieving the ambition of the post-2020 global biodiversity framework for all countries. A target which commits all Parties to doing so, and as early as possible, might read:

> By [2022], all countries should have completed a national biodiversity finance plan, in support of their national biodiversity strategies and action plans and the post-2020 global biodiversity framework, using methodology of the Biodiversity Finance Initiative of the United Nations Development Programme or similar methodology, for reducing or redirecting resources causing harm to biodiversity, generating additional resources from all sources, and enhancing the effectiveness and efficiency of resource use.

42. The above targets will clearly need to be complemented by a pragmatic approach to their effective implementation. Some developing countries and countries with economies in transition may lack the resources, including human resources, to effectively prepare a national biodiversity finance plan, in which case they may need external support. Donor countries may therefore wish to make a clear commitment so as to ensure that sufficient and timely support is available for all developing and transition country Parties who seek it. A separate decision at the fifteenth meeting of the Conference of the Parties could invite donors and the financial mechanism of the Convention to provide such support. Assembling and disbursing the necessary resources could also be part of a dedicated mechanism, and it could potentially be part of a broader operational capacity-building and scientific and technology mechanism, as proposed by some Parties at the second meeting of the Open-Ended Working Group.

43. Parties may wish to consider a further decision at the fifteenth meeting of the Conference of the Parties inviting UNDP BIOFIN and other relevant organizations and initiatives, and requesting the Executive Secretary to collaborate with these, to further refine the methodological basis for the development of national biodiversity finance plans, which the Conference of the Parties could subsequently promulgate as a user-friendly standard to which all Parties can adhere. It might read as follows:

[The Conference of the Parties]

Invites the Biodiversity Finance Initiative of the United Nations Development Programme, in collaboration with other relevant and interested organizations and initiatives, as well as the Executive Secretary, to refine the existing methodology of the Biodiversity Finance Initiative for the preparation of national biodiversity finance plans in all countries, along with technical and financial modalities for the deployment of this methodology, adapted to the circumstances and capacities of countries.

44. The first report of the Panel of Experts[53] highlights the relatively limited effectiveness of the financial reporting framework[54] of the Convention as a basis for a comprehensive understanding of global biodiversity-related financial flows. In order to address these knowledge gaps, it would be worthwhile in future to consider enhancement of, and closer collaboration with, existing international statistical process, as a precondition to enabling more effective reporting under the Convention. 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 DAC as well as multilateral development banks invited to contribute data on a voluntary and consistent basis. Data on domestic expenditure on biodiversity, and expenditure indirectly related to biodiversity, could be improved through engaging with the Government Finance Statistics framework of the International Monetary Fund and with the United Nations Statistics Division. 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

[53] CBD/SBI/3/INF/2 (full first report); CBD/SBI/3/5/Add.1 (summary).

[54] Adopted in decision XII/3.

for the Environment (PINE), and this could be encouraged and broadened, for instance by also covering other economic sectors, such as through the Fisheries Support Estimate (FSE) database.

45. Parties may therefore wish to consider a further decision at the fifteenth meeting of the Conference of the Parties inviting relevant partners and organizations and requesting the Executive Secretary to collaborate with them, in proposed work designed to improve the global knowledge base on biodiversity-related financial flows; a user-friendly standard could then be promulgated to which all Parties could adhere. Such a decision might read as follows:

[The Conference of the Parties]

Requests the Executive Secretary, subject to the availability of financial resources, to collaborate with relevant organizations and initiatives with a view to facilitating and supporting the work of the partners listed above to improve reporting on biodiversity-related funding, direct and indirect, under established international statistical reporting channels and frameworks, as well as on the implementation of finance mechanisms, and to prepare a progress report for consideration by the Subsidiary Body on Implementation at its fourth meeting, including proposals on possible options for a simplified and more effective financial reporting framework.

VII. CONCLUSION

46. Resource mobilization is fundamental to the achievement of the objectives of the Convention and should be an integral part of the post-2020 global biodiversity framework. Meeting resource mobilization targets will be necessary for other targets of the post-2020 global biodiversity framework to be achieved. In conveying its contribution to the draft resource mobilization component, the Panel of Experts emphasizes the following key messages:

(a) Resource mobilization will require transformative, inclusive and equitable change across economies and society. A strategic approach to resource mobilization should be made up of three interconnected and complementary components:

(i) Reducing or redirecting resources causing harm to biodiversity;

(ii) Generating additional resources from all sources to achieve the three objectives of the Convention;

(iii) Enhancing the effectiveness and efficiency of resource use;

(b) A wider range of actors need to take a lead role in resource mobilization:

(i) The public sector should reduce harmful expenditures and subsidies, scale up finance, and also put in place enabling policies, capacity-building and financing mechanisms;

(ii) Businesses and the finance sector should scale up biodiversity-positive investments, while also reducing harmful expenditure for which they are responsible;

(iii) Development organizations should provide direct and indirect finance for biodiversity-positive outcomes, as well as capacity development support, while ensuring that development finance results in no net harm to biodiversity;

(c) Parties, international organizations, business and the finance sector, and civil society should build on what has been achieved and learned to date and should utilize all opportunities available to accelerate change towards a more resilient future.

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