

Agenda item 10
Mechanisms for planning, monitoring, reporting and review
Working Group I

Non-paper

Proposed revisions to information document CBD/COP/16/INF/3 - Revised guidance on using the indicators of the monitoring framework of the Kunming-Montreal Global Biodiversity Framework

Changes proposed during the third session of the contact group on item 10 to document CBD/COP/16/INF/3 are shown below in tracked changes. If agreed, these changes would be reflected in document CBD/COP/16/INF/3 and a revised version of the information document would be made available. The changes would appear on pages 135, 138 and 139. For ease of reference, only the relevant section of document CBD/COP/16/INF/3 has been included in the non-paper.

GBF indicator metadata: D.3 Private funding (domestic and international) on conservation and sustainable use of biodiversity and ecosystems

1. Indicator name

D.3 Private funding (domestic and international) on conservation and sustainable use of biodiversity and ecosystems

1. Possible Disaggregation of the headline indicator:
 - (a) International Private Philanthropy for development*
 - (b) Private finance mobilised by official development finance for biodiversity*
 - (c) Biodiversity offsets*
 - (d) Payments for Ecosystem Services*
 - (e) Domestic Private Donations
 - ~~(f) Sustainable Commodities~~
 - ~~(e)~~(f) Private benefit sharing schemes
 - ~~(h)~~(g) Other instruments
2. Parties can report on private funding (domestic and international) on conservation and sustainable use of biodiversity and ecosystems across all relevant sectors. These possible disaggregations are provided for the information of Parties to take into account, as appropriate, and subject to their national circumstances and priorities.
3. All monetary values are to be reported in national currency.
4. Countries should ensure the methodologies used for potential “*other instruments*” do not double count with previous categories (for instance, biodiversity-relevant bonds ~~and impact investing with sustainable commodities~~).
5. Elements marked with * have a methodology available.

2. Date of metadata update

September 2024

3. Goals and Targets addressed

3a. Goal

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

3b. Target

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

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

4. Rationale

6. Goal D relates to the means of implementation for the post-2020 global biodiversity framework. The post-2020 global biodiversity framework will need to be implemented primarily through activities at the national and/or subnational levels, with supporting action at the regional and global levels. However, the capacity for implementing the Convention in terms of human, technical and financial resources is limited in most countries, especially in developing countries, in particular the least developed countries and small island developing States, as well as countries with economies in transition. Reaching the 2050 Vision for biodiversity will require that the necessary means of implementation are available to enable Parties and stakeholders to undertake the necessary actions.

7. Inadequate funding levels are a major impediment to effective biodiversity conservation in many countries and may be associated with failures to meet global targets. Conservation investment has been demonstrated to reduce biodiversity loss. Spending on biodiversity provides a very high social return on investment. Thus, while increased biodiversity resource mobilization from all sources is not only necessary to reduce, halt and reverse biodiversity loss (i.e. to bend the curve on biodiversity loss) it is also likely to generate net economic benefits for both present and future generations. Current global biodiversity finance is of the order of USD 100 billion per year, while estimates of funding needs for a comprehensive post 2020 global biodiversity framework are of the order of USD 800 billion per year, giving a funding gap of the order of USD 700 billion per year. This indicator will monitor the extent to which the gap between available financial resources and those necessary to achieve the 2050 Vision, is closed.

8. This indicator aims to quantify total international and domestic private finance flows with biodiversity objectives. It includes international and domestic private philanthropy with biodiversity objectives, and to the extent that data is available, private funding for non-philanthropic investments in biodiversity. It would also capture financing provided directly to indigenous peoples and local communities. Private philanthropy is one source of finance for biodiversity conservation and sustainable use. Often these investments in biodiversity do not offer a financial return and therefore are not attractive to the private sector seeking to maximise their profits. While the private sector plays a pivotal role in investing in the sustainable use of biodiversity as part of a broader strategy to mitigate risk and build corporate resilience and reputation, private philanthropy can invest in the protection and preservation of biodiversity and ecosystems for the greater benefits to society without necessarily having a financial return. Measuring private philanthropy finance therefore captures one element of private financial flows towards the protection of biodiversity.

9. While private philanthropy plays an important role in mobilising finance for biodiversity, non-philanthropic funds are critical to achieve biodiversity-related outcomes in the private sector. Through economic expenditures such as the purchase of biodiversity offsets as part of a mitigation hierarchy strategy, the purchase of nature-based carbon offsets in a greenhouse gas mitigation strategy, the payment for ecosystem services as a risk reduction and cost saving strategy, and investments in natural resource-based supply chains that adhere to sustainability standards, private entities can direct their expenditures to contributions related to biodiversity. In addition to these economic expenditures, financial markets play an equally important role in directing their capital investments towards those in which positive impacts on nature are intended, alongside financial returns.

10. While a robust dataset to measure and report on all streams of private finance for biodiversity is not readily available, this methodology draws on a variety of available resources for countries to quantitatively report on private finance for biodiversity, depending on their national circumstances.

5. Definitions, concepts and classifications

5a. Definition:

11. The indicator measures, where information is available, international and domestic private finance for biodiversity conservation and sustainable use. The total amount of private finance captured by this indicator is composed of:

(a) International private philanthropy from foundations for development includes foundations reporting their data on grants and program/mission-related investments to the Creditor Reporting System (CRS) of the OECD Development Assistance Committee (DAC). Philanthropic finance targeting the objectives of the CBD is tracked using the Rio marker for biodiversity (scores “*principal*” or “*significant*”) or in specific cases other available statistical tools

(b) Private finance mobilised by official development finance includes data reported to the Creditor Reporting System (CRS) of the OECD Development Assistance Committee (DAC) by bilateral and multilateral development finance providers using leveraging mechanisms to attract private investors such as guarantees, syndicated loans, shares in collective investment vehicles, direct investment in companies / SPVs, credit lines, simple co-financing arrangements, project finance schemes and, in some cases, technical assistance. Since data on mobilised private finance data is collected at the activity level, biodiversity-related data can be fetched through the use of purpose codes and keyword searches. For multilateral organizations, only aggregates can be disclosed to the public for confidentiality reasons

(c) Domestic private donations include funding to implement conservation programs with no financial return. This class of funding includes only those revenues generated from individual donations, corporate grants, and investment income (which could be channelled through non-governmental organizations), and excludes revenue received from international private philanthropy

from institutionalized philanthropic organizations and from public sources to reduce the risk of double counting.

(d) Biodiversity offsets are “*measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development after appropriate prevention and mitigation measures have been taken.*” (BBOP 2018). They are usually under a no net loss or a net gain objective. There are three main types of biodiversity offsets:

- i. One-off biodiversity offsets;
- ii. Payments in-lieu and
- iii. Biobanking

(e) Payments for ecosystem services (PES) is a voluntary transaction between ecosystem service users and service providers that are conditional on agreed rules of natural resource management for generating offsite services (Wunder, 2015). Ecosystem service providers and users may be individuals, companies or aggregations of actors. In some cases, a government may act on behalf of users

~~(f) Sustainable supply chains refer to nature-based commodities such as harvested wood products, agricultural goods, palm oil, and seafood that have obtained certification through an established sustainability standard such as the Forest Stewardship Council, USDA/EU Organic, or Roundtable on Sustainable Palm Oil. These certified products adhere to standards by employing methods to sustainably utilize natural resources that do not deplete biodiversity. Alternatively, countries may elect to implement their own definition of “sustainable supply chains”, for instance through alignment with biodiversity-relevant taxonomies, that do not align with established sustainability standards, so long as the definition and methodology for calculation are consistent and transparent~~

~~(g)~~(f) Private benefit sharing schemes refers to programs that channel private funding from the users of genetic resources to the people and communities providing the genetic resources

~~(h)~~(g) Other instruments include debt and equity instruments, insurance schemes, and other biodiversity-relevant financial instruments the country wishes to report on. As financial markets evolve rapidly, this list is not intended to be exhaustive, and countries are encouraged to report on innovative finance mechanisms being deployed in their country targeted towards biodiversity-related activities

5b. Method of computation

12. Countries will report the monetary value of domestic public expenditure in national currency per year during the CBD national reporting cycle.

Options for the Secretariat for global indicators

13. International Private Philanthropy: The Secretariat can compute biodiversity-related international private philanthropic flows for biodiversity at the global level, drawing on the OECD Creditor Reporting System (CRS). Data is available in gross disbursements and commitments and in current and constant prices, USD. Biodiversity-related activities can be tracked based on sector/purpose codes, SDG focus and the Rio marker on biological diversity, or keyword search in the description fields

14. Private finance mobilized by official development finance: The Secretariat can compute biodiversity-related private finance mobilized by official development finance at the global level, drawing on the OECD Creditor Reporting System. Mobilised private finance can be tracked based on sector/purpose codes and a keyword search in the description fields in the Creditor Reporting System (CRS) of the OECD Development Assistance Committee (DAC)

15. Private finance from biodiversity offsets and PES: The Secretariat can compute private finance from biodiversity offsets and payments for ecosystem services drawing on the OECD PINE database, if such figures have been reported.

Options for countries for national reporting

16. International Private Philanthropy: A country can compute their international biodiversity-related philanthropic flows by using the DAC Creditor Reporting System based on the amount of flows to their country as a recipient of philanthropic finance. The indicator could be calculated as the sum of all philanthropic activities marked for biodiversity with either the principal or significant score, or countries could apply an attribution score to funding where biodiversity was a significant objective rather than the principal objective

17. Domestic private contributions: Countries may be able to collect private funding from domestic donations and contributions using other sources, for example from tax filings, other charities/initiatives that publish open and standardized grants data, from each organization's publicly available information such as annual/financial reports, and from surveys collecting information directly. These domestic private donations may flow through conservation non-governmental organizations, or they may be household investments in property and land that benefit biodiversity. Caution should be exercised to deduct from the conservation NGO's spending any financial resources received from public entities, international private philanthropic foundations already reporting to the OECD CRS, and financial resources received from domestic public entities that have been reported under D1, if those funds are accounted for separately using either the Secretariat-calculated global option or the national reporting option for flows to recipient country.

~~18. Sustainable Commodities: Countries may select a methodology for reporting on the biodiversity-related expenditures for sustainably produced nature-based commodities that are domestically produced. Countries must only attribute the proportion of the market value of sustainably produced commodities that has been invested in biodiversity conservation actions. One example of a methodology employed in global estimates of private funding for biodiversity is the assumption, based on findings from the forestry sector, that 1-1.5 percent of the certified commodity market is invested in biodiversity-related actions. Countries may elect to report on a select number of commodities with available data to provide an estimation of the contribution to biodiversity deriving from this commodity following this same methodology.~~

~~19.~~18. Payments for Ecosystem Services and Biodiversity Offsets: Countries may report on private finance mobilised by biodiversity offsets and payments for ecosystem services as reported to the OECD Policy Instruments for Environment (PINE) database, if such figures have been reported, or else report directly to the CBD. If the country has not reported to the OECD's PINE database, a country may derive estimates for private funding for PES schemes and biodiversity offsets by employing other data collection methods, such as through direct outreach and publicly available information.

~~20.~~19. Private benefit sharing schemes: requires guidance for computation

~~21.~~20. Other instruments: Countries may report on other instruments based on a consistent, transparent and robust methodology. Countries should ensure said methodology does not lead to double counting with previous categories (for instance, biodiversity-relevant bonds ~~and impact investing with sustainable commodities~~)

Alternative options for countries for national reporting

~~22.~~21. Countries may alternatively report on private domestic funding from their Environmental Protection Expenditure Accounts, established following the System of Environmental Economic Accounting framework, for private expenditures, if such accounts have been implemented

23-22. Countries may alternatively report on private funding collected through existing biodiversity expenditure reviews as part of participation in the UNDP's Biodiversity Finance Initiative, or alternative initiatives to collect private funding for biodiversity.

5c. Data collection method

24-23. Depending on the reporting option selected by the country, data may be collected through information already reported to the OECD DAC Secretariat, with data collection methods described below. All other data collection will occur at the national level based on the approaches described in the previous section;

25-24. Private Philanthropy for development. The OECD DAC Secretariat collects individual aid activities on private philanthropy for development in the Creditor Reporting System (CRS) via annual collection directly from private foundations.

26-25. Private finance mobilized by official development finance interventions. As part of the Creditor Reporting System (CRS), the OECD DAC Secretariat has been collecting data on private finance mobilized by bilateral and multilateral providers since 2012. While data are collected at the activity level from all providers, they are not disclosed to the public at the same level of disaggregation due to confidentiality constraints (e.g. multilateral development banks).

27-26. For the case of private funding for biodiversity offsets and PES collected in the OECD PINE database, see the metadata sheet on 18.1. The OECD PINE database also collects data on the finance mobilized by other positive incentives.

5d. Accessibility of methodology

28-27. Countries reporting via the OECD database can refer to:

(a) Methodology on the Rio marker for biodiversity, available here: [https://one.oecd.org/document/DCD/DAC/STAT\(2023\)9/ADD2/final/en/pdf](https://one.oecd.org/document/DCD/DAC/STAT(2023)9/ADD2/final/en/pdf) (Annex 20).

(b) Information on the OECD DAC CRS itself is available here: [https://one.oecd.org/document/DCD/DAC/STAT\(2023\)9/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC/STAT(2023)9/FINAL/en/pdf)

(c) Information on private philanthropy for development is available here: <https://www.oecd.org/development/financing-sustainable-development/development-finance-standards/beyond-oda-foundations> and [https://one.oecd.org/document/DCD/DAC/STAT\(2023\)9/FINAL/en/pdf](https://one.oecd.org/document/DCD/DAC/STAT(2023)9/FINAL/en/pdf)

(d) Information on private finance mobilized by official development finance is available here: oe.cd/mobilisation.

(e) OECD PINE website, on the “About” page, regarding methodology.

5e. Data sources

OECD Creditor Reporting System

OECD Policy Instruments for Environment database

Conservation NGO Annual Reports

Government records

Publicly available information

5f. Availability and release calendar

N/A

5g. Time series

~~29.28.~~ The CRS data are available since 1996 on an annual basis. The Rio marker on biodiversity is available since 2002

~~30.29.~~ For the OECD PINE database, see the metadata sheet for 18.1

5h. Data providers

~~31.30.~~ Countries and philanthropic foundations provide biodiversity-related international private flows. This data can be reported directly to the CBD or through data already collected and validated by the OECD prior to publishing online.

~~32.31.~~ For the OECD PINE database, see the metadata sheet for 18.1

5i. Data compilers

OECD CRS database

OECD PINE database

CBD Secretariat through country national reporting

EUROSTAT (for the EPEA database, which uses the CEP classification) and National Statistical Offices

UNDP-BIOFIN

Countries through surveys and other available information

5j. Gaps in data coverage

Gaps in the OECD-CRS Database

~~33.32.~~ In the CRS, providers beyond the DAC membership do not systematically report using the biodiversity Rio marker. Multilateral institutions report to the OECD on a voluntary basis but do not all use the biodiversity Rio marker or comprehensively indicate their biodiversity-related outflows. This data can be estimated through their reporting on the SDGs or purpose codes, or the use of keyword searches. A more robust breakdown of multilateral flows would be possible through the direct identification and reporting of biodiversity-related flows to the OECD, provided these flows comply with the definition of the Rio marker on biodiversity (i.e. flows targeting the objectives of the CBD). Multilateral institutions report in the CRS activities financed with their core budget.

~~34.33.~~ Related to private finance mobilized by official development finance, the data may not adequately capture financial flows to projects/interventions where biodiversity may not have been the primary objective, such as investments in agriculture, but have a significant biodiversity benefit. Due to confidentiality concerns, data on private finance mobilized by some official providers (multilateral development banks in particular) is only made publicly available at the aggregate level. This work will explore further the available data on private finance mobilized and also address the capacity building needs to improve the biodiversity flagging of the underlying activities

Gaps in the OECD PINE Database

~~35.34.~~ The OECD PINE database includes data from more than 140 countries. Limited data are available on biodiversity offsets and PES as these instruments have only recently been integrated into the PINE database. All countries are welcome and encouraged to contribute data, and to disaggregate monetary flows from private and public sectors. The data collection method may result in some reporting bias, as OECD members and active accession countries are likely to report data more regularly. All figures should be interpreted in this context.

Other gaps in data coverage

~~36.35.~~ Datasets on private funding for biodiversity are limited. While the OECD-CRS database captures a significant amount of international biodiversity-related private philanthropy for development, it does not comprehensively capture all other private grants and donations for

biodiversity-related activities, such as direct donations by high-net-worth-individuals and smaller private philanthropic foundations. Some private philanthropies¹ also do not wish to report their data to OECD-CRS. In addition, the numerous channels, actors, and instruments for biodiversity conservation funding are not captured in a global dataset that countries can draw on for national reporting. Innovative finance mechanisms for biodiversity are continuously evolving and are not adequately captured in the proposed methodology here given the gaps in identifying, tracking, and reporting on these private financial flows. As new mechanisms and strategies evolve over time, countries are encouraged to track the private financial flows as a result of these efforts.

5k. Treatment of missing values

N/A

6. Scale

6a. Scale of use

Scale of application (please check all relevant boxes):

Global: ☒ Regional: ☒ National: ☒

37.36. Scale of data disaggregation/aggregation:

(a) Global/ regional scale indicator can be disaggregated to national level: ☐

(b) National data is collated to form global indicator: ☐

6b. National/regional indicator production

N/A

6c. Sources of differences between global and national figures

N/A

6d. Regional and global estimates & data collection for global monitoring

6d.1 Description of the methodology

N/A

6d.2 Additional methodological details

N/A

6d.3 Description of the mechanism for collecting data from countries

N/A

7. Other MEAs, processes and organizations

7a. Other MEA and processes

N/A

7b. Biodiversity Indicator Partnership

Yes: ☐ No: ☒

8. Possible Disaggregations

¹ International private philanthropies reporting to the OECD are institutionalized philanthropic organizations that are donors of finance from private sources (as opposed to channels of financing from the official sector or other foundations. Financing from “foundations” that channel resources of other private and official providers is not tracked.

~~38.37.~~ Private biodiversity-related international philanthropic contributions from the OECD CRS database can be disaggregated by recipient, sector/purpose code, DSG focus, and Rio Marker

9. Related goals, targets and indicators

~~39.38.~~ Target 18.1 Positive incentives in place to promote biodiversity conservation and sustainable use.

~~40.39.~~ Target 19 on Domestic Expenditure

~~41.40.~~ Target 15 on Business Disclosures

10. Data reporter

10a. Organization

~~42.41.~~ The Organization for Economic Cooperation and Development for the OECD CRS and PINE databases

~~43.42.~~ Eurostat and other statistical agencies for environmental economic accounts including environmental protection expenditure accounts

10b. Contact person(s)

N/A

11. References

N/A

12. Graphs and diagrams

2015-2021, commitments, USD million, 2021 prices

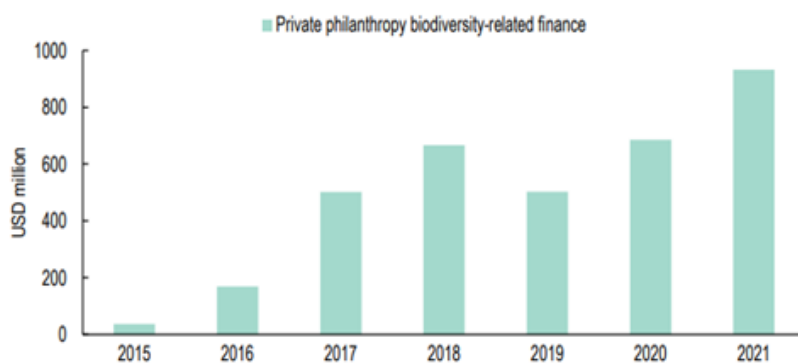


Figure I

Private philanthropy for development. Source: OECD (2023). Estimates based on OECD DAC statistics from the OECD, Creditor Reporting System