Non-paper on agenda item 4 (a)
Resource mobilization and financial mechanism: resource mobilization

Resource mobilization

The Subsidiary Body on Implementation

1. *Takes note* of the report on progress in implementing decision 16/34 of 27 February 2025[1] prepared by the Secretariat of the Convention on Biological Diversity;[2]

1bis *Requests* the Executive Secretary, to provide a progress report on requests contained in decision 16/34, including the request to facilitate, subject to the availability of financial resources, an international dialogue with ministers of environment and finance from developed and developing countries to accelerate the achievement of Target 19 of the Framework;

2. *Recommends* that, at its seventeenth meeting, the Conference of the Parties adopt a decision on resource mobilization that includes the following elements:[3]

The Conference of the Parties

Recalling Article 20 of the Convention on Biological Diversity as the basis for providing and mobilizing resources from all sources and the relevance of Articles 11 and 21 in this regard,[4]

Also recalling its decision[5] 16/34 of 27 February 2025 to implement Articles 21 and 39 of the Convention and to address the global biodiversity finance gap by 2030, by:

(a) Establishing the permanent arrangement for the financial mechanism envisioned under Article 21 of the Convention;

(b) Assessing and improving the mobilization of finance from all sources;

Recognizing the need to broaden the contributor base for the implementation of the Convention and to review and amend the list of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties, established pursuant to Article 20(2) of the Convention;

1. *Takes note* of the review of implementation of the strategy for resource mobilization for the period 2025–2030,[6] as conducted through the global review of collective progress in the implementation of the Kunming-Montreal Global Biodiversity Framework;[7]

2. [*Adopts*] [*Notes*] the criteria for the institutional structure to operate the financial mechanism envisaged under Article 21 of the Convention on Biological Diversity,[8] which consist of the elements listed in paragraph 21 of decision 16/34 of 27 February 2025 [and the amendments thereto included in annex I to the present decision]

3. *Invites* the Global Environmental Facility and other relevant existing financial entities, including international financial institutions and multilateral development banks, to take the criteria into account, as appropriate, in their ongoing efforts to reform or improve their operations;

[1] CBD/SBI/7/3.
[2] United Nations, *Treaty Series*, vol. 1760, No. 30619.
[3] In complement to recommendation 6/1 of the Subsidiary Body on Implementation.
[4] Decision 16/34,, preambular paragraph
[5] Decision 16/34, paragraph 19
[6] Decision 16/34, annex I.
[7] Decision 15/4, annex.
[8] United Nations, *Treaty Series*, vol. 1760, No. 30619.

4. *Requests* the Subsidiary Body on Implementation, in accordance with the road map established in paragraph 22 of decision 16/34, at a meeting held before the eighteenth meeting of the Conference of the Parties:

(a) To conduct a review of progress in the reform of relevant existing financial entities to meet the criteria, following the seventh quadrennial review of the effectiveness of the financial mechanism referred to in paragraph 40 of decision 16/33 of 27 February 2025, while also taking into account the work undertaken further to paragraph 41 of the same decision;

(b) To prepare elements of a draft decision, for consideration by the Conference of the Parties at its eighteenth meeting, either to establish a new entity to operate the financial mechanism, whether by itself or alongside an existing entity or entities, or to confirm an existing entity or entities in that role;

(c) To include in the elements of a draft decision, if appropriate, the establishment of an intersessional process to develop the terms of reference and modalities of a new entity on the basis of the criteria;

(d) To undertake a stocktake review on the operations and performance of the Global Biodiversity Framework Fund, as mandated in decisions 15/7 paragraph 39 and 15/15 paragraph 29 of 19 December 2022, on the basis of the reports referred to in paragraph 9 below,[9] relevant reports of the Global Environment Facility and other relevant information, as appropriate;

(e) To make a recommendation on responding to the stocktake review of the Global Biodiversity Framework Fund and integrate it into elements of a draft decision for consideration by the Conference of the Parties at its eighteenth meeting;

5. *Notes* the impediments to the effectiveness of global biodiversity finance and elements for its further enhancement, as set out in annex II to the present decision;

6. *Invites* Parties, other Governments, consistent with national circumstances, priorities and capabilities, relevant organizations and initiatives, multilateral development banks, the private sector and other stakeholders to take voluntary action immediately, where possible and as appropriate, in relation to the elements for the further enhancement of global biodiversity finance, as set out in annex II to the present decision;

7. *Requests* the Subsidiary Body on Implementation, at a meeting held before the eighteenth meeting of the Conference of the Parties and in accordance with the road map established in paragraph 23 of decision 16/34:

(a) To develop, on the basis, inter alia, of the elements provided in annex II to the present decision, measures that could be taken to enhance global biodiversity finance in order to mobilize new and additional resources from all sources;

(b) To assess the performance of existing relevant financial instruments and entities with respect to the implementation of the Framework, in particular Target 19 (a), building inter alia on the work referred to above in paragraph 4;

8. [*Requests* the Executive Secretary, subject to the availability of financial resources and in collaboration with relevant organizations, to support the work requested of the Subsidiary Body on Implementation before the eighteenth meeting of the Conference of the Parties, including by preparing or commissioning reports to support consideration by the Subsidiary Body of the items referred to in paragraphs 4 and 7 above;]

[9] The Secretariat has suggested, in document CBD/SBI/7/4, on the financial mechanism, that the preparatory work for the stocktake review be undertaken in conjunction with the seventh quadrennial review of the effectiveness of the financial mechanism.

Option A:

[9. Invites developed country Parties and other Parties that may voluntarily assume the obligations of the developed country Parties, in accordance with paragraph 2 of Article 20 of the Convention, to indicate to the Secretariat their interest in being included in the corresponding list established in accordance with that Article;

10. *Requests* the Executive Secretary:

(a) To issue the invitations referred to in paragraph 9 at every other meeting of the Conference of the Parties, starting at its nineteenth meeting;

(b) To amend the list of developed country Parties and other Parties that voluntarily assume the obligations of the developed country Parties in accordance with indications of interest received and to submit the amended list for review and adoption at every other meeting of the Conference of the Parties, starting at its eighteenth meeting;]

Option B:

[9alt. Recognizes that broadening the contributor base, in line with decision 16/34, is consistent with the evolution of national circumstances and capabilities over time

10alt1. *Requests* the Executive Secretary to review and amend the list of developed country Parties and other Parties that voluntarily assume the obligations of the developed country Parties using the World Bank country income classification as a proxy, to include Parties classified as “high income”[10], excluding Parties recognized by the United Nations as Small Island Developing States and to submit the amended list for review and adoption at every meeting of the Conference of the Parties, starting at its eighteenth meeting;]

Option C:

[10alt2. R*equests* the Executive Secretary to provide, after consultation with Parties, an update of the list that was adopted by decision VIII/18 of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties, for adoption at every meeting of the Conference of the Parties, starting at its eighteenth meeting;]

11. *Decides* to review the process described in paragraph[s] [9 and] 10 above at its twenty-first meeting.

Annex I

Amendments to the criteria for the institutional structure operating the financial mechanism envisaged under Article 21 of the Convention on Biological Diversity

[Placeholder for the amendments]

[10] As referred to SBI/7/3/Add.1

Annex II

Impediments to the effectiveness of global biodiversity finance and elements for its further enhancement

Impediments to the effectiveness of global biodiversity finance	*Elements for the further enhancement of the effectiveness of global biodiversity finance*
Policy misalignment, poor synergy and mainstreaming challenges	
Lack of policy alignment and mainstreaming at all levels	Significantly increase action to meet Target 14 of the Kunming-Montreal Global Biodiversity Framework; strengthen the role of national biodiversity strategies and action plans in national policy and planning, and integrate biodiversity considerations into wider economic, fiscal and sectoral decision making.
Lack of alignment of relevant financial and fiscal flows; and weak synergies across environmental finance	Significantly increase action to meet Targets 14, 15 and 19(e); consider acting on recommendations provided in [placeholder for the operative paragraph of the present decision that would include the provisions of paragraph 8 of the elements of a draft decision contained in recommendation 6/1 of the Subsidiary Body of Implementation] and [placeholder for a reference to operative paragraph 6 of the draft decision contained in recommendation 27/3 of the Subsidiary Body on Scientific, Technical and Technological Advice], and harness and align project development support facilities across environmental finance
Insufficient recognition and integration of nature-related risks and ecosystem dependencies within macroeconomic, fiscal, public investment and financial decision-making, limiting the prioritisation and mobilisation of finance for biodiversity.	Integrating nature-related risks and ecosystem dependencies into macroeconomic and fiscal planning, public investment appraisal, national development planning, and relevant financial-sector regulatory and supervisory frameworks, reflecting growing recognition that nature loss presents systemic economic and financial risk.
Lack of coordination and complementarity across financial institutions and instruments	Strengthen synergies, coherence, interoperability, and effectiveness across MDBs, multilateral environment funds, development finance institutions, vertical funds, and other relevant financing instruments, including through improved coordination,
Lack of private sector involvement in biodiversity finance and insufficient alignment of private financial flows with biodiversity outcomes	Stimulate private biodiversity finance through, regulatory frameworks biodiversity-positive policy signals, with innovative financial instruments such as blended finance and biodiversity credits, and the promotion of nature transition planning, and strengthen policy, legal and regulatory frameworks to progressively align private financial flows with the Framework

Impediments to the effectiveness of global biodiversity finance	*Elements for the further enhancement of the effectiveness of global biodiversity finance*
Subsidies and financial flows harmful to biodiversity	
Subsidies and financial flows harmful to biodiversity, which often reduce the cost of activities that harm biodiversity or insulate them from market signals reflecting ecological damage	Significantly increase action to meet Target 18, taking into account national circumstances, and the need to support poverty eradication, food security and sustainable development, including through such tools as those supported by the Biodiversity Finance Initiative
Issues related to illicit financial flows, tax justice, tax evasion and illegal, unreported and unregulated resource exploitation	Consider policy reforms to enhance transparency, tax justice, accountability and enforcement, including through cooperation with the United Nations Framework Convention on International Tax Cooperation
Macroeconomic and public-finance constraints	
Discretionary nature and institutional fragmentation of biodiversity spending; insufficient, unpredictable and declining international public financial support relative to implementation needs; ; and impact of debt sustainability	Significantly increase action to meet Target 19of the Kunming-Montreal Global Biodiversity Framework and fulfil the commitments reflected in article 20 of the Convention, in particular by scaling up the provision of new, additional, predictable, adequate and accessible international public financial resources; integrate biodiversity finance budget earmarking; and consider acting on recommendations provided in [place holder for the operative paragraph of the present decision that would include the provisions of paragraph 5 of the elements of a draft decision contained in recommendation 6/1 of the Subsidiary Body on Implementation]
Mismatch between long-term finance needs and short-term project finance, in particular in international biodiversity finance	Align international biodiversity finance with longer-term country priorities; invest international biodiversity finance in capacity-building and de-risking in order to mobilize sustainable domestic and private resources; invest finance for finance, with a view to developing capacity and mobilizing domestic resources; and invest in development and operationalization of national biodiversity finance plans or similar instruments
Institutional and absorptive capacity constraints	
Institutional capacity constraints	Integrate capacity needs into systemic long-term biodiversity finance planning; establish dedicated biodiversity finance units within both ministries of finance and environment where possible, and improve collaboration between these ministries; strengthen institutional and technical capacity through dedicated capacity-building programmes, technology development and transfer and technical assistance

Impediments to the effectiveness of global biodiversity finance	*Elements for the further enhancement of the effectiveness of global biodiversity finance*
Absorptive capacity constraints	Review and streamline national policies, procedures and regulations, amongst others
Biodiversity finance tracking and taxonomy fragmentation	
Fragmented biodiversity finance tracking	Enhance national budget tagging and coherent reporting structures, including with climate finance tracking, domestically and internationally, encourage MDBs to apply their common nature finance methodology, and promote the development of harmonized tools for tracking biodiversity finance that are compatible with national planning and reporting systems
Insufficient uptake of biodiversity finance taxonomies	Incentivize the private sector to include and take up established biodiversity finance taxonomies
Safeguards, governance and monitoring gaps	
Capacity and resource gaps in implementing safeguards; weak coordination; measuring, reporting and verifying challenges; regulatory complexity; information asymmetry, trust gaps and awareness limitations; stakeholder engagement issues; and governance challenges	Consider recommendations provided in [place holder for the operative paragraph of the present decision that would include the provisions of paragraph 7 of the elements of a draft decision in recommendation 6/1 of the Subsidiary Body on Implementation]; enhance awareness and capacity-building on safeguards; improve national policies on monitoring and reporting; and strengthen legal frameworks that support safeguards
Equity, access and power asymmetries in biodiversity finance	
Insufficient funding and limited access;	Simplify access with flexible, long-term, predictable financing; reduce application processing times, streamline administrative procedures; support capacity building and development and technology transfer, and invest in finance for finance in order to support domestic resource mobilization
Additional barriers faced by indigenous peoples and local communities, women and youth; and unequal representation	Consider the strategies for improved access, including direct access modalities, compiled in document CBD/SB8J/1/2,working through trusted intermediaries;
Particular constraints faced by least developed countries and Small Island Developing States, including co-financing requirements; minimum project sizes; creditworthiness; and eligibility thresholds	Consider improved direct access modalities and capacity support mechanisms to support least developed countries and Small Island Developing States in overcoming the particular constraints that they face