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Item 4 (a) of the provisional agenda[*]
Resource mobilization and financial mechanism: resource mobilization

Proposals for the best periodicity of notifications for reviewing and amending the list established in accordance with Article 20, paragraph 2, of the Convention, considering potential opportunities for broadening the contributor base[**]

Note by the Secretariat

I. Introduction

1. As requested in subparagraph 47 (b) of decision 15/7, on resource mobilization, the Executive Secretary issued a notification inviting developing country Parties and Parties with economies in transition to consider, taking into account national circumstances, whether they are in a position to voluntarily assume the obligations of the developed country Parties in accordance with Article 20 of the Convention, and, if so, to indicate this to the Executive Secretary (see notifications Nos. 2023-063 of 13 June 2023 and 2023-132 of 11 December 2023).

2. In paragraph 18 of decision 16/34, on resource mobilization, the Conference of the Parties noted that no Party had responded to the notifications issued by the Executive Secretary further to the above request and in that regard requested the Executive Secretary to consider the best periodicity for the issuance of the new round of notifications.

3. In paragraph 24 of the same decision, the Conference of the Parties requested the Subsidiary Body on Implementation, before the seventeenth meeting of the Conference of the Parties, to consider the elements referred to in subparagraphs 22 (a) and 23 (a) of the decision, and to "further discuss opportunities for broadening the contributor base."

4. The requests contained in paragraphs 18 and 24 of decision 16/34 are closely related. While the topic of broadening the contributor base is conceptually wider, covering also enhancing the role of (non-sovereign) private finance and innovative finance, in addition to traditional public finance for biodiversity, one important element of this topic is to extend the range of sovereign actors that provide international biodiversity finance to developing countries and countries with economies in transition, in the context of the need to provide new and additional financial resources as stated in

[*] CBD/SBI/7/1.
[**] The present document is being issued without formal editing.

paragraph 2 of Article 20.[1] To capture any such extension is the purpose of the list to be established and periodically reviewed and amended as per paragraph 2 of Article 20 of the Convention, referred to in the request contained in paragraph 18 of decision 16/34.

5. The topic of broadening the contributor base is relevant to both mandates set out in paragraph 19 of decision 16/34, including the two initial tasks under these mandates as spelled out in subparagraphs 22 (a) and 23 (a) of the decision:

(a) As regards the further development of criteria for the institutional structure to operate the financial mechanism, it is noteworthy that the compilation of views contained in annex II to decision 16/34 also contains an element referring to the *"contributor base [being] aimed at the mobilization of resources from all sources."* This is further considered in document CBD/SBI/7/3/Add.3;

(b) As regards the identification of impediments to the effectiveness of global biodiversity finance and the recommendation of elements for its further enhancement, the relatively narrow contributor base can be identified as one impediment and broadening it an element for enhancing global biodiversity finance. This is further considered in document CBD/SBI/7/3/Add.4.

6. In the remainder of this document, focus will be put on the topic of broadening the contributor base of sovereign actors, in the context of considering the best periodicity for updating the list to be maintained as per paragraph 2 of Article 20 of the Convention.

II. Work undertaken further to Article 20, paragraph 2

7. Article 20, paragraph 2, of the Convention states (emphases added):

> "**The developed country Parties shall provide new and additional financial resources to enable developing country Parties** to meet the agreed full incremental costs to them of implementing measures which fulfil the obligations of this Convention and to benefit from its provisions (…). **Other Parties, including countries undergoing the process of transition to a market economy, may voluntarily assume the obligations of the developed country Parties**. For the purpose of this Article, the Conference of the Parties, shall at its first meeting establish **a list of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties**. The Conference of the Parties shall periodically review and if necessary amend the list. (…)."

8. Thus, the article:

(a) Establishes obligations for developed country Parties to provide new and additional financial resources to developing country Parties;

(b) Stipulates that other Parties may voluntarily assume these obligations;

[1] The following quote from the Eighth Comprehensive Evaluation of the Global Environment Facility, undertaken by its Independent Evaluation Office, illustrates the broad and multi-faceted nature of the topic: *"Strengthen financial sustainability and reduce reliance on a limited group of donors by improving co-financing practices and building on current efforts to diversify the funding base. (…) To secure long-term funding stability, the GEF should adopt a strategic resource mobilization plan that incorporates efforts to broaden the sovereign donor base, engages former contributors, and extends outreach to underrepresented regions. The plan should also establish a structured framework to engage philanthropic foundations, corporations, and other non-sovereign contributors, drawing on proven approaches from leading global funds. In parallel, the GEF should explore engagement with regional and global groups with a strong environmental focus, such as the G20, which has already issued recommendations directed to the GEF and whose members are all GEF partners. Together, these actions would reduce concentration risk, broaden the GEF's financial base, and enhance its ability to respond to escalating global environmental challenges."* See https://www.gefieo.org/content/dam/partners/ieo/docs/mgr/support-docs/OPS8-English-Executive-Summary.pdf.

(c) Stipulates that the Conference of the Parties will establish, and periodically review and if necessary, amend, a list of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties.

9. In addition, paragraph 1 of Article 21 refers back to the list in the context of burden sharing between Parties contributing to the financial mechanism of the Convention.

10. Accordingly, a list of developed country Parties and other Parties which voluntarily assume the obligations of the developed country Parties was established and adopted by the Conference of the Parties at its first meeting, in 1994. This list comprised two sub-lists: a list of developed country Parties, comprising 22 State Parties, and an empty sub-list of Parties which voluntarily assume the obligations of developed country Parties (see decision I/2, para. 1 and annex II).

11. An amended list was adopted by the Conference of the Parties at its eighth meeting, in 2006 (see decision VIII/18, para. 1 and annex). The amended list does not distinguish between developed country Parties and Parties which voluntarily assume the obligations of developed country Parties. It lists a total of 25 State Parties.

12. As explained above, no indications of interest to be included in the list were received further to the notifications sent pursuant to subparagraph 47 (b) of decision 15/7. The list adopted by the Conference of the Parties at its eighth meeting therefore remains the most recent one.

13. There are conceptually two pathways for countries to be included on the list:

(a) If a country is a developed country;

(b) If a country is another country and decides, on a voluntary basis, to assume the obligations of the developed country Parties. An important consideration for such a decision could be how “close” the responsible decision makers would think their country is to being a developed country.

14. For determining the best periodicity for inviting indications of interest to be included in the list, the question is, how many such indications can reasonably be expected to be received – that is, whether there is, at a particular point in time, a “critical mass” of countries, Parties to the Convention, that could be, or expected to be interested to be, included in the list, under one of the two pathways above. This would depend on criteria, in two respects:

(a) First, a set of criteria would be needed based on which a determination can be made for a country to belong to the “developed country” group, as per subparagraph 13 (a) above;

(b) Second, for other countries, criteria could guide their decision whether to assume, on a voluntary basis, the obligations of the developed countries, as per subparagraph 13 (b) above.

15. Complicating point (a) above is that there is no globally agreed definition (and associated criteria) of the term “developed countries.” There are, however, several country classification systems, and associated sets of criteria, maintained and applied by the United Nations and relevant international organizations, which could potentially act as proxy or, in the case of point (b) above, could inform the decisions of other countries whether to assume, on a voluntary basis, the obligations of the developed countries.

III. Review and analysis of existing classification systems

A. Review

16. There are no formal UN-wide lists of “developed countries” or “developing countries.” In terms of formal lists and associated processes, closest are the list of least developed countries maintained by the United Nations’ Committee for Development Policy since 1971 in order to identify countries facing structural impediments to sustainable development, and the list of countries eligible for World Bank grants or highly concessional loans, maintained by the International Development

Association. Other classifications, described below, use income or qualitative proxies. The resulting country lists are provided in an information document.

17. *List of least developed countries.*[2] The list of least developed countries is reviewed triennially (next in 2027), with criteria based on three indices: (a) Gross National Income (GNI) per capita, (b) Human Assets Index, a composite score (0-100) of health and education indicators, and (c) Economic and Environmental Vulnerability Index, a composite score (0-100) of economic and environmental vulnerability. In order to qualify as least developed country, a country must meet all three criteria or be recommended exceptionally, with current thresholds as follows: GNI per capita (3-year average) ⩽ $1,088; Human Assets Index < 60 (indicating low human assets); Economic and Environmental Vulnerability Index > 36 (indicating high vulnerability). Thresholds for "graduating" from the list are set 20% higher for GNI (i.e. GNI per capita ⩾ $1,306). A country qualifies for graduation if it meets at least two criteria in two consecutive triennial reviews, or exceptionally via income-only if GNI ⩾ three times the graduation threshold ($3,918) and deemed to be sustainable. Graduation is not automatic; it requires a recommendation by the Committee for Development Policy, endorsement by the Economic and Social Council, and a United Nations General Assembly resolution. Graduating countries receive a 3 to 6-year preparatory period, possibly extendable for vulnerabilities. As of March 2026, there were 44 least developed countries. Since 1992, a total of 8 countries graduated from the list of least developed countries. The first graduation happened in 1994.

18. *List of the International Development Association.*[3] The International Development Association maintains an official list of countries eligible for World Bank grants or highly concessional loans. Eligibility criteria are primarily based on GNI per capita being lower than $1,325 (as of 2026) but also including small economy status and credit standing for standard World Bank borrowing. As of 2026, 78 countries are on this list. The total number of eligible countries has hovered around the high-seventies to low-eighties for a considerable time, with graduations having been offset by newly independent States and occasional reverse graduations. Since 1992, 20 countries graduated from the list (reverse graduations excluded); of which 13 after 2006.

19. *World Bank classification.*[4] The World Bank classifies economies (217 as of 2026) into income groups annually, using GNI per capita. Thresholds currently are: (a) low-income: ⩽ $1,135; (b) lower-middle-income: $1,136 - $4,495; (c) upper-middle-income: $4,496 - $13,935; (d) high-income: > $13,935.[5] Unlike the lists above, there is no formal graduation process: reclassification occurs automatically when GNI crosses thresholds, with some economies, being "on the margins", hovering between groups over time. As of 2024 (latest available data), there were 25 low-income, 50 lower-middle, 53 upper-middle, and 63 high-income countries, Parties to the Convention.[6] A total of 32 countries, Parties to the Convention, were added to the high-income class since 1992, 19 of which after 2006 (later drops or data gaps excluded). All countries on the list of Parties established further to paragraph 2 of Article 20 of the Convention are classified as high-income countries; there is a total of 38 high-income countries, Parties to the Convention, that are not on the list of the Convention.

20. *International Monetary Fund (IMF) classification.*[7] IMF classifies economies in its World Economic Outlook for analytical purposes, dividing them into "advanced economies" and "emerging market and developing economies". A few non-IMF members are not covered.[8] The classification is not based on strict rules; it considers per capita income, export diversification, and the degree of integration into the global financial system. Accordingly, there is no formal graduation or transition process. Reclassifications are relatively rare, based on sustained economic progress. As of October

[2] See https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/LDC-Handbook-2024.pdf.
[3] See https://ida.worldbank.org/en/about/borrowing-countries .
[4] See https://datahelpdesk.worldbank.org/knowledgebase/articles/378834-how-does-the-world-bank-classify-countries.
[5] See https://blogs.worldbank.org/en/opendata/understanding-country-income--world-bank-group-income-classifica.
[6] Five Parties to the Convention are not classified by the World Bank. Numbers provided are also based on own calculations, as the classification lists "economies" and some countries encompass more than one economy.
[7] See https://www.imf.org/-/media/files/publications/weo/2025/october/english/statsappendix.pdf.
[8] Six Parties to the Convention are not classified by IMF.

2025 (latest available data), there were 37 advanced economy countries and 153 emerging market and developing economy countries, Parties to the Convention. In 1992 (and until the May 1997 World Economic Outlook), the group was known as "industrial countries" and consisted of 22 economies, hence 15 were added since 1992, out of which 11 since 2006. All countries on the list of the Convention that are members of IMF are classified as advanced economies; there is a total of 13 countries, Parties to the Convention, that are classified as advanced economies but not on the list.

21. *Membership in the Development Assistance Committee of the Organisation for Economic Development and Co-operation (OECD).*[9] The Development Assistance Committee (DAC) of the OECD is the main international forum of bilateral development aid providers, focussed on development cooperation, aid effectiveness, poverty reduction, and sustainable development. Unlike the systems previously presented, DAC membership is not based on fixed numerical thresholds such as GNI per capita or the volume of official development assistance (ODA). It uses a qualitative assessment process managed by the DAC itself. Bilateral providers (whether OECD members or non-OECD) can express interest, and candidates are evaluated on their readiness to contribute. Key assessment criteria are: (a) existence of a policy, institutional and accountability framework that commits the country to sustainable development in partnership with developing countries and countries with economies in transition, using public resources; (b) demonstrated participation and alignment with the Committee's work; (c) willingness and capacity to progress and eventually meet DAC norms, such as on ODA reporting. The accession process is by invitation and consensus-based approval of the DAC. Since 1992, 13 members were added to the DAC, out of which 9 were added after 2006. There are currently 32 full members, Parties to the Convention (31 country members plus the European Union).

22. As of today, all countries on the latest list of the Convention are full members of the DAC, except for Monaco, which is however recognized as a non-DAC provider and has been reporting to the OECD since 2022 at activity level. There is a total of eight full DAC members, Parties to the Convention, that are not on the list.

23. *Participants or associates of the DAC.* In addition to full DAC membership, there is one associate (which is also one of the current OECD accession countries), and 7 DAC participants which, unlike full members or associates, do not have decision-making rights and are not required to meet the full set of DAC obligations. They participate on a voluntary basis as providers or emerging donors of ODA. None of the current eight DAC participants and associates are on the list of the Convention.

B. Analysis

24. The review above leads to a number of observations. First, with the exception of the criteria for OECD DAC membership, all classifications refer to GNI per capita as one important criterion. In most cases however, this criterion is complemented, and potentially offset, by other criteria, such as: education and health status; economic and environmental vulnerability; small economy status; credit standing; export diversification and global financial integration – noting that the latter two relate to economic vulnerability. These criteria are not standardized across the different systems; thus, there is no universally recognized set of criteria which could inform the determinations to be made as per paragraph 13 above.

25. It is noteworthy that, with regard to the definition of developed countries, paragraph 2 of Article 20 refers to developed countries in the context of providing new and additional financial resources to developing countries – that is, it focuses on developed countries in their capacity as providers of financial resources. In this context, full membership of a country in the OECD DAC is in itself a relevant indication: it is an indication that the country perceives itself as part of the international community providing official development assistance to developing countries and countries with economies in transition.

[9] See https://www.oecd.org/en/about/committees/development-assistance-committee.html.

26. Previous practice indicates that full DAC membership has not been a necessary condition to be included in the list of the Convention: (a) Monaco was included in the list already in 1996 but as of today is not a DAC member (but is recognized as a non-DAC ODA provider and provides information to the DAC on a voluntary basis); (b) Iceland was included in the list in 1996 but became a DAC member only in 2013. It had been an observer to the DAC since 1990, and (c) Czechia was included in the list in 2006 but joined the DAC only in 2013. It had been an observer to the DAC since its accession to the OECD in 1995; (d) Slovenia was added to the list in 2006 but joined the DAC only in 2013. It had been an observer to the DAC since its accession to the OECD in 2010. However, as noted above, all Parties on the list, except for Monaco, are full members of the DAC.

27. Thus, while full membership in DAC has not been a necessary condition for inclusion in the list of the Convention, in the light of the rationale for being a full DAC member, as explained above, and given that paragraph 2 of Article 20 speaks about developed countries in the context of providing new and additional financial resources to developing countries, DAC membership in itself could arguably constitute a relevant indication for being included in the list.

28. As regards the determination, by national decision-makers of other countries, whether their country should consider, on a voluntary basis, to assume the obligations of the developed country Parties in accordance with paragraph 2 of Article 20, it is noteworthy that such a determination may be difficult to make, as the decision makers of many countries may perceive their country, in terms of its "closeness" to developed countries, to be in some form of grey zone. For a similar reason, it may be difficult to give preference to one particular categorization within the remaining classifications systems reviewed above, such as for instance the "upper-middle income" and "higher income" categories in the World Bank system or the "advanced economies" category in the IMF system, as the sole basis for making such a determination. However, the remaining systems reviewed, when taken together, could still provide useful information for navigating this grey zone and guiding national decision makers when considering whether their country, Party to the Convention, should assume, on a voluntary basis, the obligations of the developed country Parties as per paragraph 2 of Article 20 of the Convention.[10]

IV. Conclusions and elements of a recommendation

29. The last attempt in 2023 to update the list of Parties established further to paragraph 2 of Article 20 of the Convention to be maintained in accordance with paragraph 2 of Article 20 focussed on countries that voluntarily assume the obligations of the developed country Parties as stated in this Convention article. However, according to paragraph 2 of Article 20, the list to be established and

[10] For illustrative purposes, this could come in form of a series of indicative questions, such as:
(a) Is the country <u>not</u> on the list of least developed countries maintained by the United Nations' Committee for Development Policy (CDP)?
(b) Is the country <u>not</u> on the list of countries eligible for World Bank grants or highly concessional loans, maintained by the International Development Association?
(c) Is the economy of the country classified as "upper-middle" or "high-income" by the World Bank?
(d) Is the economy of the country classified as "high-income" by the World Bank?
(e) Is the economy of the country classified as an advanced economy by the International Monetary Fund?
(f) Is the country a participant or an associate of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD)?
The number of questions answered in the affirmative could be one criterion informing this decision, together with other criteria, such as the ones mentioned in paragraph 24 above.

periodically reviewed and amended shall include both developed countries and countries that voluntarily assume the obligations of the developed countries.

30. In terms of the best periodicity for inviting indications of interest to be included in the list, the notion of "critical mass" was introduced in section II above. The analysis in the previous section suggests that such a critical mass exists already, for both of the conceptual pathways above:

(a) In terms of developed countries, for the sake of paragraph 2 of Article 20, even under the narrowest analytical criterion (membership in the OECD DAC), there is still a total of eight full DAC members, Parties to the Convention, that are not on the list of the Convention;

(b) In terms of countries that could potentially assume, on a voluntary basis, the obligations of the developed countries as per paragraph 2 of Article 20, even the smallest of the remaining lists (OECD DAC participants and associates) still contains a total of eight countries, namely seven participants and one associate to the OECD DAC, that are Parties to the Convention but not on the list of the Convention.

31. Existence of these critical masses suggests that a notification could be issued immediately inviting developed country Parties and other Parties that may voluntarily assume the obligations of the developed country Parties, in accordance with Article 20 of the Convention, to indicate their interest to be included in the list. The periodicity of future action would also depend on the success of this immediate action; from the outset, repeating the action every other meeting of the Conference of the Parties may be a reasonable compromise between the need to avoid "notification fatigue" while aligning with the cycle of the meetings of the Conference of the Parties. This arrangement could be reviewed at a future meeting of the Conference of the Parties.

32. Taking into account the information and analysis provided above, the Subsidiary Body on Implementation may wish to adopt a recommendation covering the following elements:

(a) To invite developed country Parties and other Parties that may assume, on a voluntary basis, the obligations of the developed country Parties as per paragraph 2 of Article 20 of the Convention, to indicate their interest to be included in the list of the Convention;

(b) To decide to issue further invitations to this effect at meetings of the Conference of the Parties with odd numbers;

(c) To request the Secretariat to: (i) convey the invitation contained in subparagraph (a) above to Parties; (ii) convey future invitations further to subparagraph (b) above; (iii) amend the list with indications of interest received, and submit it for review and adoption, to future meetings of the Conference of the Parties with even numbers, starting with the eighteenth meeting of the Conference of the Parties;

(d) To review these arrangements at the twenty-first meeting of the Conference of the Parties.

33. Language covering these elements will be included in the consolidated draft recommendation provided in document CBD/SBI/7/3.

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