



Convention on Biological Diversity

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Item 4 (a) of the provisional agenda*

**Resource mobilization and financial
mechanism: resource mobilization**

Further development of criteria for the institutional structure to operate the financial mechanism**

Note by the Secretariat

I. Introduction

1. In paragraph 19 of decision [16/34](#), on resource mobilization, the Conference of the Parties decided to implement Articles 21 and 39 of the Convention and to address the global biodiversity finance gap by 2030, by undertaking further work on two tracks. The present document covers track (a) on establishing the permanent arrangement for the financial mechanism envisioned under Article 21 of the Convention. In paragraph 22 of the same decision, the Conference of the Parties set out a road map for implementing this mandate, including an initial task to be considered by the Conference of the Parties at its seventeenth meeting; namely, to further develop the criteria for the institutional structure to operate the financial mechanism, taking into consideration the compilation of views contained in annex II to decision [16/34](#).
2. The next section proposes an analytical working methodology for addressing this task and for structuring the work of the Subsidiary Body, while section III summarizes the results of the analysis and suggests next steps.

II. Methodology

3. Paragraph 21 of decision [16/34](#) contains a list of minimum criteria for the permanent arrangement for the financial mechanism. This paragraph reads:

Also recognizes that the operation of the financial mechanism envisaged under Article 21 of the Convention can be entrusted to one or more entities, be they new, reformed or existing, which would form an institutional structure fulfilling at least the following criteria:

- (a) It functions for the purpose of implementing the Convention and its Protocols;
- (b) It is under the authority and guidance of, and accountable to, the Conference of the Parties;

* [CBD/SBI/7/1](#).

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- (c) It operates within a democratic and transparent system of governance, ensuring a structure that is fair, equitable, inclusive, efficient and representative;
 - (d) It is accessible by all eligible Parties to the Convention in a fair, timely, simplified, equitable, inclusive and non-discriminatory manner.
- 4. For the further development of the criteria, Parties may wish to consider using the following working methodology:
 - (a) Not to further consider any item in annex II that is already captured in the list provided in paragraph 21;
 - (b) Recommend inclusion of any item in annex II that is contained in relevant Convention Articles but not yet captured in the list provided in paragraph 21;
 - (c) Consider further whether to include any item in annex II that is not captured in the list provided in paragraph 21 and not contained in relevant Convention Articles.
- 5. Note that there may be “grey zones”, in particular for subparagraphs (b) and (c) above; for instance, concepts or notions that are captured in more generic language. Observations to that effect are provided, as needed, in column 4 of the table in the annex.

III. Results of the analysis and suggested way ahead

- 6. The table in the annex provides a consolidated comparison of the individual items on the list contained in annex II to decision [16/34](#), relevant elements of Convention Articles, and the criteria provided in paragraph 21 of decision [16/34](#). Based on the results of the analysis, the following approach is proposed:
 - (a) Parties may wish to not further consider eight items, or elements of items, because they are either already captured in the list provided in paragraph 21 of decision [16/34](#) (namely, one element of item 2, items 5, 7 and 8, elements of item 9) or for other reasons (items 4, 6 and 16; see explanations provided in the relevant rows in the annexed table);
 - (b) Parties may wish to consider for inclusion among the criteria for the financial mechanism three items, or elements of items, because they are not yet captured in the list provided in paragraph 21 of decision [16/34](#), while they are reflected in relevant Convention Articles, in particular Article 21 (item 1, elements of items 2, 3);
 - (c) In the case of three items, or elements of items (elements of item 9, 10 and 18), it was found that they are essentially captured in the list provided in paragraph 21 of decision [16/34](#), but through more generic terms. Parties may wish to consider the level of detail needed in the final list of criteria, and draft its recommendation accordingly;
 - (d) Seven items, or elements of items, were found to not being captured by the list provided in paragraph 21 of decision [16/34](#) and nor reflected in relevant Convention Articles (elements of item 10, 11, 12, 13, 14, 15 and 19). Parties may wish to consider further whether to include these in the final list of criteria;
 - (e) Of these seven items, overlaps were identified among five of them. Parties may therefore wish to group them accordingly and consider them together, as follows: elements of item 10 with items 12 and 13; 14 and 19;
 - (f) A need for further clarification was identified for one item (17).
- 7. Document CBD/SBI/7/3 contains individual tables for the categories (b) to (f) above, synthesizing the analysis and suggested way ahead from the annex to the present document, together with elements of a draft recommendation. These tables, once considered and agreed, would be consolidated as appropriate and annexed to the recommendation submitted for adoption in document CBD/SBI/7/3.

Annex

Comparative analysis

No	Items provided in annex II to decision 16/34	Corresponding elements of Convention Articles	Corresponding criteria contained in paragraph 21 of decision 16/34	Analysis and observations	Suggested way ahead
		From Article 21(1): The operations of the mechanism shall be carried out by such institutional structure as may be decided upon by the Conference of the Parties at its first meeting. Article 39: Provided that it has been fully restructured in accordance with the requirements of Article 21, the Global Environment Facility of the United Nations Development Programme, the United Nations Environment Programme and the International Bank for Reconstruction and Development shall be the institutional structure referred to in Article 21 on an interim basis, for the period between the entry into force of this Convention and the first meeting of the Conference of the Parties or until the Conference of the Parties decides which institutional structure will be designated in accordance with Article 21.	21. Also recognizes that the operation of the financial mechanism envisaged under Article 21 of the Convention can be entrusted to one or more entities, be they new, reformed or existing, which would form an institutional structure fulfilling at least the following criteria:	Provided for context only.	n/a
1	Added value and complementarity vis-à-vis the current biodiversity finance landscape.	Article 21(4): The Contracting Parties shall consider strengthening existing financial institutions to provide financial resources for the		The notion is not yet captured by a criterion in paragraph 21 of decision 16/34.	Include

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		conservation and sustainable use of biological diversity.		The notion that the financial mechanism operates with a broader finance landscape is reflected in Article 21(4).	
2	Access to new, additional, predictable, adequate and timely financing.	From Article 20(2): 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... From Article 21(1): The contributions shall be such as to take into account the need for predictability, adequacy and timely flow of funds referred to in Article 20...	(d) It is accessible by all eligible Parties to the Convention in a fair, timely, simplified, equitable, inclusive and non-discriminatory manner;	“Timely” is already captured in criterion (d). Some elements of the point are not yet captured: “new”, “additional”, “predictable” and “adequate.” “New” and “additional” are included in Article 20(2). Predictability and adequacy are included in Article 21(1).	Disregard the term “timely.” Include the terms “new”, “additional”, “predictable” and “adequate” in criterion (d).
3	Contributor base aimed at the mobilization of resources from all sources.	From Article 21(1): The contributions shall be such as to take into account (...) the importance of burden-sharing among the contributing Parties included in the list referred to in Article 20, paragraph 2. Voluntary contributions may also be made by the developed country Parties and by other countries and sources.		The notion is not yet captured. The notion is broadly reflected in Article 21(1).	Include.
4	Any considerations resulting from decision 16/2 on digital sequence information on genetic			This was meant as a placeholder, but no such considerations arose.	Disregard.

No	Items provided in annex II to decision 16/34	Corresponding elements of Convention Articles	Corresponding criteria contained in paragraph 21 of decision 16/34	Analysis and observations	Suggested way ahead
	resources of 1 November 2024.				
5	Consistency with the objectives, principles and provisions of the Convention on Biological Diversity and its Protocols.	From Article 21(1): There shall be a mechanism for the provision of financial resources to developing country Parties for purposes of this Convention on a grant or concessional basis...	(a) It functions for the purpose of implementing the Convention and its Protocols;	This is essentially captured by criterion 21 (a). Criterion 21 (a) is closer to the language of Article 21(1).	Disregard.
6	Consistency with the Kunming-Montreal Global Biodiversity Framework.			This notion is not captured; it would, however, create a tension with the road map adopted in paragraph 22 of decision 16/34, in that the permanent arrangement for the financial mechanism would only become relevant for the successors of the Kunming-Montreal Global Diversity Framework.	Disregard.
7	Under the authority of, and accountable to, the Conference of the Parties to the Convention.	From Article 21(1): The mechanism shall function under the authority and guidance of, and be accountable to, the Conference of the Parties for purposes of this Convention.	(b) It is under the authority and guidance of, and accountable to, the Conference of the Parties;	This is captured by criterion 21(b). Criterion 21(b) captures Article 21(1) more fully.	Disregard.
8	Fairness, transparency, inclusiveness and participatory approach.		(c) It operates within a democratic and transparent system of governance, ensuring a structure that is fair, equitable,	This is captured by criterion 21(c).	Disregard.

No	Items provided in annex II to decision 16/34	Corresponding elements of Convention Articles	Corresponding criteria contained in paragraph 21 of decision 16/34	Analysis and observations	Suggested way ahead
			inclusive, efficient and representative;		
9	Equitable, efficient and representative governance structure, including by ensuring the full and effective participation of indigenous peoples and local communities.	From Article 21(1): The mechanism shall operate within a democratic and transparent system of governance.	(c) It operates within a democratic and transparent system of governance, ensuring a structure that is fair, equitable, inclusive , efficient and representative;	The notions are essentially captured by criterion 21(c), with “ <i>full and effective participation of indigenous peoples and local communities</i> ” captured by the term “ <i>inclusive</i> .” Criteria 21(c) is closer to the language of Article 21(1).	Disregard “ <i>equitable</i> ”, “ <i>efficient</i> ” and “ <i>representative</i> ”. Consider further whether the explicit reference to “full and effective participation of indigenous peoples and local communities” is needed or whether the term “ <i>inclusive</i> ” is sufficient.
10	Provision of financial resources to developing country Parties, in particular the least developed countries and small island developing States, and countries with economies in transition, responding to their needs and priorities.	From Article 21(1): There shall be a mechanism for the provision of financial resources to developing country Parties for purposes of this Convention on a grant or concessional basis...	(d) It is accessible by all eligible Parties to the Convention in a fair, timely, simplified, equitable, inclusive and non-discriminatory manner;	The notion to whom financial resources are to be provided is essentially captured by the reference to “all eligible Parties” in criterion 21(d). The phrase “responding to their needs and priorities” is not captured. On this element, there is overlap with points 12 and 13: i.e., if recipient-country authorities were involved, the financial resources	Consider further whether to use the explicit reference to “developing country Parties, in particular the least developed countries and small island developing States, and countries with economies in transition” to use

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				provided would presumably respond to national needs and priorities.	the phrase “all eligible Parties.”. Merge discussion on “responding to their needs and priorities” with points 12 and 13 below.
11	Direct allocation and/or project-based disbursement.			This notion is not yet captured.	Consider further whether to include.
12	Reliance on national executing agencies.			This notion is not yet captured. There is overlap with point 13.	Merge discussion on 12 and 13 and consider further whether to include.
13	Participation and involvement of relevant recipient-country authorities in all steps of the funding allocation process, including project development and execution.			This notion is not yet captured. There is overlap with point 12.	Merge discussion on 12 and 13 and consider further whether to include.
14	Recognition of the value of the role of indigenous peoples and local communities, women and youth, including by providing direct access to finance.			This notion is not yet captured. There is overlap with point 19.	Merge discussions on points 14 and 19 and consider further whether to include.

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15	Existence of a grievance and redress mechanism.			This notion is not yet captured.	Consider further whether to include.
16	Relationship with the Global Biodiversity Framework Fund vis-à-vis its sunset clause.			This notion is not captured by a criterion, but is addressed by the road map provided in paragraph 22 of decision 16/34. Subparagraph 22 (b) (iv) reads: “by the eighteenth meeting of the Conference of the Parties, (...) The stocktake review on the operations and performance of the Global Biodiversity Framework Fund is acted upon, as already mandated in decisions 15/7 and 15/15 of 19 December 2022.”	Disregard.
17	Accountability of trustee and compliance with decisions of the governing body.	From Article 21(1): The mechanism shall function under the authority and guidance of, and be accountable to, the Conference of the Parties for purposes of this Convention.	(b) It is under the authority and guidance of, and accountable to, the Conference of the Parties;	The notion of accountability is captured and already included in Article 21(1), referring however to the mechanism as a whole, not to the trustee specifically. It is unclear whether the term “governing body” refers to the Conference of the Parties or to the governing body of the mechanism.	Seek clarification from proponent on intent and meaning, and consider further as appropriate.

<i>No</i>	<i>Items provided in annex II to decision 16/34</i>	<i>Corresponding elements of Convention Articles</i>	<i>Corresponding criteria contained in paragraph 21 of decision 16/34</i>	<i>Analysis and observations</i>	<i>Suggested way ahead</i>
18	Ability to capitalize on synergies between support for biodiversity action and support for actions to address other related environmental challenges.		(c) It operates within a democratic and transparent system of governance, ensuring a structure that is fair, equitable, inclusive, efficient and representative;	The notion is captured in more generic form by the term “efficient.”	Consider whether the explicit reference to synergies is needed or whether the term “efficient” is sufficient.
19	Provision of financial resources for collective action, including by indigenous peoples and local communities, Mother Earth-centric actions and non-market-based approaches.			This notion is not yet captured. There is overlap with point 14.	Merge discussions on points 14 and 19 and consider further whether to include.