

## On behalf of the European Union and its Member States

### SBI-3 AI 6 Resource mobilization and the financial mechanism

*Distinguished Madam Chair,*

*Distinguished colleagues,*

The EU and its Member States thank the Secretariat for the documentation and the panel of experts for its reports.

We need transformative change across economic and financial systems to halt and reverse biodiversity loss. Aligning public and private financial flows with biodiversity objectives is crucial in order to scale up resource mobilisation. This requires rethinking economic and financial incentives and flows as part of our strategy to address the global funding gap for biodiversity at all levels. We must mobilise all types of resources (financial, human, technical and institutional) from all sources (domestic, international, private and public). We also need enabling and regulatory frameworks conducive to resource mobilisation from both private and public sector. The EU and its Members States would like to underline the principles set out by the Addis Ababa Action Agenda for development financing, including that for all countries, public policies and the mobilisation and effective use of domestic resources, underscored by the principle of national ownership, are central to the common pursuit of sustainable development. These are fundamental conditions to halt biodiversity loss that should be promoted in a balanced way and as part of a broader global agenda.

As a consequence, the EU and its Member States support the expert panel vision that resource mobilisation encompasses:

- the generation of new resources,
- the reduction of resource needs (namely, through the reduction of harmful subsidies and practices for instance),
- more efficient and impactful use of resources, and
- effectively mainstreaming biodiversity in every economic sector.

We generally support the structure of the resource mobilisation component of the post-2020 global biodiversity framework as proposed by the expert panel in Annex I to the SBI document.

The EU and its Member States have significantly increased their cooperation and financing commitments on biodiversity in partner countries over the last decade, in particular to developing countries. However, science tells us that international public financing only plays a limited role compared to the total financial needs, which can only be met by aligning private and public financial flows with biodiversity objectives.

As a consequence, we find it relevant to further discuss a target on international financial flows for biodiversity, considering both international private and public sources. Under such target, all Parties in a position to do so would jointly commit to mobilise resources from a wide variety of sources, both private and public. Given the

need for international financing to leverage other resources, the link with domestic resource mobilisation is critical. Furthermore, we are also open to discuss a target on domestic resource mobilisation and believe that both domestic and international resource mobilisation should be addressed in a mutually supportive way.

We believe that the development of national biodiversity finance plans or similar instruments will be key to support the implementation of the post-2020 global biodiversity framework at the national level. Such plans would help identify current expenditures and evaluate progress in implementing national biodiversity objectives according to the national priorities, in particular based on national plans, strategies and possible commitments that will be discussed under SBI item 9. They should help generating national and international, private and public financing, enhancing efficiency and tracking progress. These finance plans can also help to increase coherence and synergies with national plans in other sectors (for instance on SDGs or climate). Flexibility will be key in terms of format and methodology, but we could explore the possible need for guidance on a minimal standard, which could build upon the BIOFIN methodology.

The EU and its Member States further believe that the target on harmful subsidies should focus on redirecting, repurposing or reforming, and eliminating harmful incentives, including subsidies, harmful for biodiversity, so that by 2030, incentives, including public economic incentives, are either positive or neutral for biodiversity. We also propose that this target include language around the need to identify and measure harmful incentives.

The EU and its Member States also generally support the draft elements of a possible successor to the current strategy for resource mobilisation, for adoption at CoP15.

We look forward to other Parties' comments and proposals. We should use the time available before formal SBI3 to exchange and make progress towards defining a meaningful resource mobilisation component of the post 2020 global biodiversity framework.

*Thank you, Madam Chair.*