



CBD



**Convention on
Biological Diversity**

Distr.
GENERAL

UNEP/CBD/COP/12/13/Add.1
14 April 2014

ORIGINAL: ENGLISH

CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY
Twelfth meeting
Pyeongchang, Republic of Korea, 6-17 October 2014
Item 14 of the provisional agenda*

GLOBAL MONITORING REPORT ON RESOURCE MOBILIZATION

INTRODUCTION

1. In the strategy for resource mobilization (decision IX/11), the Conference of the Parties decided that the Executive Secretary should prepare periodic global monitoring reports on the implementation of the strategy for resource mobilization, for consideration by the Conference of the Parties. The tenth meeting of the Conference of the Parties decided that the global monitoring reports on the implementation of the strategy for resource mobilization should be prepared in time for consideration by the Conference of the Parties at its ordinary meetings, with national and regional participation, and should provide essential information on the status and trends in biodiversity financing and help to disseminate funding knowledge and know-how as related to biodiversity (decision X/3, paragraph 5). At its eleventh meeting the Conference of the Parties reiterated this decision and requested the Executive Secretary to prepare periodic global monitoring reports on the implementation of the strategy for resource mobilization (decision XI/4, paragraph 11).
2. The present report has been prepared in response to the afore-mentioned requests from the Conference of the Parties. The draft summary of the monitoring report was presented to the fifth meeting of the Ad Hoc Open-Ended Working Group on Review of Implementation of the Convention, and notification 2014-089 (Ref. No. SCBD/TSI/RS/YX/LZ/83704), requesting additional information and comments on the draft Global Monitoring Report for the twelfth meeting of the Conference of the Parties to the Convention was circulated on 2 July 2014. Japan, European Union and Belgium, Croatia, Denmark, France, Germany, Italy and Sweden responded to the notification. All the references used in the present report are available on the website: <http://www.cbd.int/financial/>.
3. The present report is structured along the monitoring indicators adopted by the Conference of the Parties at its tenth meeting. It is focused on the status and trends as well as highlights on each indicator. As the primary purpose of the monitoring report is to inform and support decision-making of the Conference of the Parties, Parties are invited to use the present report to consider the pertinent draft decisions contained in document UNEP/CBD/COP/12/1/Add.2.

* UNEP/CBD/COP/12/1/Rev.1.

1. AGGREGATED STATUS AND TRENDS IN BIODIVERSITY FINANCING

Indicator: Aggregated financial flows, in the amount and where relevant percentage, of biodiversity-related funding, per annum, for achieving the Convention's three objectives

Status and trends

4. The fourth edition of the *Global Biodiversity Outlook* (GBO-4) observed various signs of increased financial support to biodiversity in the past two years. The information in the present report concurs with this observation, and the report notes that the political commitment to mobilizing financial resources has augmented substantially as demonstrated in the adoption of the strategy for resource mobilization in 2008, the monitoring of indicators in 2010 and the preliminary funding targets in 2012.

Highlights

5. The indicator identifies the following categories of financial flows: (a) Official Development Assistance (ODA); (b) domestic budgets at all levels; (c) private sector; (d) non-governmental organizations, foundations, and academia; (e) international financial institutions; (f) United Nations organizations, funds and programmes; (g) non-ODA public funding; (h) South-South cooperation initiatives; (i) technical cooperation.

6. Official development assistance related to biodiversity experienced downward pressures in 2011-2012 after the peak in 2010, partly due to the overall decline in official development assistance and partly due to the reduced biodiversity components of official development assistance. As the official development assistance reached a new record level in 2013, it is probable that the declining trend in biodiversity-related official development assistance is being reversed (see section 12).

7. Domestic budgets for biodiversity and ecosystem services have demonstrated upward trends in a number of reporting countries, and a pattern of fluctuation in other reporting countries. Several developing countries reported several-folded increases in domestic biodiversity expenditure in the past decade. Based on the reported domestic spending, domestic budgets are the primary source of global biodiversity expenditure (see section 4).

8. One fifth of the reporting countries indicated some increase in private sector funding, while others observed a downward trend in the recent years. The importance of private sector funding varies from 7% of total national funding to biodiversity in some countries to 38% in others (see section 2).

9. Funding from non-governmental organizations, foundations, and academia has been increasing both domestically and internationally in the past decade. The major international non-governmental organizations have all recovered from a funding dip in 2009. The importance of this source of funding ranges from 4% of total financing in some countries to 17% in others (see section 2).

10. The World Bank lending in environment and natural resources management increased considerably in the period 2008-2011, but fell back in 2013 to a level that is lower than in 2008. Other international financial institutions, particularly regional development banks, have become increasingly important in the international financial system (see section 12).

11. There is no system to track biodiversity-related activities of United Nations organizations, funds and programmes. But total contributions for operational activities for development of the United Nations system in 2011 did not increase nominally but decreased by 6.9% in real terms (see section 12).

12. Information regarding non-ODA public funding is very limited. The United Kingdom reported contributions under the Darwin Initiative, which decreased from £7.1 million in 2006 to £4.1 million in 2011 (<http://www.cbd.int/financial/oda/united%20kingdom-preliminary-reporting-framework-2014-en.xlsx>).

13. The number of South-South cooperation initiatives is increasing, with technical and financial support from both developing countries and developed countries. Contributions from developing countries (excluding local resources) through the United Nations development system for operational activities for development have increased by some 16 per cent in nominal terms from 2006 to 2011 (see section 9).

14. In a sample of 21 reporting countries, the amount of technical cooperation funding has increased in the period 2010-2012 in 12 developed countries, and experienced fluctuations with decreasing trends in other nine countries. Technical cooperation funding is normally reported under official development assistance by the Organisation for Economic Co-operation and Development (see section 10).

2. NON-PUBLIC SECTOR FINANCIAL FLOWS

Indicator: aggregated financial flows, in the amount and where relevant percentage, of biodiversity-related funding, per annum, for achieving the Convention's three objectives, in a manner that avoids double counting, both in total and in, inter alia, the categories: (c) private sector, and (d) non-governmental organizations, foundations and academia

Status and trends

15. Ninety-one Parties, about 47 per cent of the CBD membership, have demonstrated a wide range of enabling measures and partnership arrangements. Nine countries have established a time series of trends over six years in private sector financing for biodiversity and ecosystem services, and only one-fifth of the countries indicated some increase in private sector funding, with a downward trend for the rest.¹ The importance of private/market financing also varies across countries. Private/market financing accounts for 33% -38% of total financing in 2010-2011 in United Kingdom, 8% - 7.3% in 2009-2010 in Canada, and 19.6% in 2010 in France (<https://www.cbd.int/financial/privatefunding/>).

16. Funding from national non-governmental organizations, foundation and academia have seen an overall upward trend in the countries where information has become available, despite some headwinds in 2012. The importance of this source of funding ranges from 4% of total financing in 2010 in United Kingdom, 5.9% in 2009 in Canada, 8% in 2010 in France and 17% in 2012 in Switzerland.² The combined revenues of seven largest non-governmental organizations, namely WWF, Birdlife International, Flora and Fauna International, Wildlife Conservation Society, World Resource Institute, Conservation International and The Nature Conservancy, from all sources, recovered from a dip in 2009, but declined noticeably in 2012, mainly due to the decreased revenues of the Nature Conservancy.¹

Highlights

17. The strategy for resource mobilization identifies the following: to establish enabling conditions for private sector involvement in supporting the Convention's three objectives, including the financial sector; to mobilize private sector investments in biological diversity and its associated ecosystem services; to explore opportunities presented by promising innovative financial mechanisms such as markets for green products, business-biodiversity partnerships and new forms of charity; to enhance financial, scientific, technical and technological cooperation with international organizations, non-governmental organizations, indigenous peoples' organizations and public institutions for biological diversity and its associated ecosystem services.

18. In 2004, the Johannesburg Stock Exchange launched the Socially Responsible Investment Index, which assesses a company's performance against four criteria: governance, society, environment and economy. Environmental scores are established through an assessment of environmental policies, management and reporting/disclosure practices. High environmental impact companies need to score highly to meet the requirements of the Index methodology. The South Africa Sustainable Finance Forum consists of members from the financial and industrial sectors and has developed a Code of Conduct for its financing activities in line with the Equator Principles. The New Banking Initiative has been established as an umbrella process for green finance. The Development Bank of Southern Africa (DBSA) is involved in shaping and financing biodiversity conservation/sustainable use and employment-generating programmes such as the Dry Lands Fund and the Green Fund.³

¹ UNEP/CBD/WGRI/5/INF/4

² <https://www.cbd.int/financial/ngos/>

³ <https://www.cbd.int/financial/privatefunding/>

19. Through the Critical Ecosystem Partnership Fund (CEPF), Conservation International worked with several donors such as the Government of Japan, the French Development Agency, the European Union, the John D. and Catherine T. MacArthur Foundation and the World Bank, and provided over US\$ 166 million to more than 1,800 civil society organizations across 22 global biodiversity hotspots.⁴ The International Union for Conservation of Nature (IUCN) partnered with the World Bank in the \$12.75 million Save Our Species program (SOS) helping protect more than 200 species in 50 countries. In 2013 alone, SOS announced new investments of US\$ 2.7 million for 32 projects managed by nongovernmental organizations.⁵

3. DOMESTIC MOBILIZATION

Indicator: number of countries that have assessed values of biodiversity, in accordance with the Convention; identified and reported funding needs, gaps and priorities; developed national financial plans for biodiversity; been provided with the necessary funding and capacity-building to undertake the above activities

Status and trends

20. Assessments of the valuation of biodiversity and ecosystem services, or case studies of the value of biodiversity, have been carried out in at least 126 Parties, which represents 65 per cent of the CBD membership. Many economic assessments have been undertaken at the national level, and can be used to inform national decision-making. This trend has gained more momentum through the United Nations System of Environmental-Economic Accounting (SEEA) and the Global Partnership for Ecosystem Valuation and Wealth Accounting.⁶

21. The number of countries that have identified and reported funding needs, gaps and priorities, developed national financial plans for biodiversity, with the necessary funding and capacity-building is still vaguely defined as there is no elaborated framework to follow and thus serve as a criterion for assessment. Only a few countries have made known their resource mobilization plan or strategy, including Burundi, Uganda, Bolivia, Nepal, Myanmar, and Solomon Islands. An assessment of the 25 revised/updated national biodiversity strategies and action plans has demonstrated weaknesses in varied approaches to national financial planning.⁶

Highlights

22. The strategy for resource mobilization identifies the following: to assess economic costs of the loss of biodiversity and its associated ecosystem services, of the failure to take measures to fulfill the three objectives of the Convention, and benefits of early action to reduce loss of biological diversity and its associated ecosystem services; to improve priority-setting for guiding resource allocation to biological diversity and its associated ecosystem services; to strengthen institutional capacities for effective resource mobilization and utilization, including strengthening capacities of relevant ministries and agencies to make the case for including biodiversity and its associated ecosystem services in discussions with donors and relevant financial institutions; to prepare national financial plans in the context of national biodiversity strategies and action plans that can be implemented by local, national, regional and international stakeholders; to consider the enhancement of existing, or the establishment of new, domestic funds and funding programmes through voluntary contributions, including for official development assistance, where biodiversity is identified as a priority by developing country Parties in poverty reduction strategies, national development strategies, United Nations development assistance frameworks and other development assistance strategies, that include innovative financing instruments to achieve the Convention's three objectives; to establish, as appropriate, new and additional funding programmes through voluntary contributions to support the three objectives of the Convention; to continue to support, as appropriate, domestic environmental funds as essential complements to the national biodiversity resource base.

⁴ <http://www.cepf.net/Pages/default.aspx>

⁵ <http://www.sospecies.org/>

⁶ UNEP/CBD/WGRI/5/INF/4

23. National and local environmental funds have become a worldwide phenomenon. The 168 countries with such funds, some 87 per cent of the CBD membership are broadly evenly distributed among different developing regions as well as in the developed world, and a large number of countries have more than one environmental fund, with significant contribution to biodiversity conservation. Suriname Conservation Foundation covers 100 per cent of costs of Central Suriname Nature Reserve, Peru's PROFONANPE provides for 75 per cent of costs of national protected area system, Bolivia's FUNDESANP is responsible for 50 per cent of total costs of national protected area system, Ecuador's FAN shares 20 per cent of costs of national protected areas system, and Mexico's FMCN bears 14 per cent of total costs of the national protected areas system.⁷

4. DOMESTIC FINANCIAL SUPPORT

Indicator: amount of domestic financial support, per annum, in respect of those domestic activities which are intended to achieve the objectives of this Convention

Status and trends

24. Over 55 per cent of the CBD membership has made efforts to compile and report domestic biodiversity expenditure, but only 44 countries were able to establish time series data for certain periods of time. Over 86 per cent of the time series experienced some fiscal fluctuations in financing biodiversity, but their overall trends still went up nominally. Only six countries (14 per cent) reported that their budgetary allocations to biodiversity and the environment decreased consecutively over the years.⁷

Highlights

25. Burundi's allocations from the budget to the Ministry in charge of Agriculture and Livestock have gradually increased to above 10% of the annual state budget. Ethiopia indicated that directly related central biodiversity expenditure increased from US\$ 2 million in 2006 to US\$ 10 million in 2010. Since the 2005-2006 financial year, Uganda's budgetary allocation for biodiversity conservation related investments at the national level have increased. Investments in tourism and wildlife management, environment management and agriculture have increased from \$20 to \$27.7 million, \$65 to \$82 million and \$59 to \$139 million for tourism and wildlife, water and environment and agriculture respectively. The financing gap for biodiversity conservation related investments in Uganda is estimated at \$455 million/year, and the largest financing gaps are in the agriculture sector at \$366 million/year. In Namibia, approximately 2.9% of total expenditure and 0.9% of GDP was spent on biodiversity in 2010. In the Gambia, government allocation of financial resources to Department of Parks and Wildlife increased from D3.34 million in 2007 to D5.07 million in 2012.⁸

26. According to Cuba's environmental protection investment, biodiversity expenditure increased from 399.2 million pesos in 2010 to 488.5 million pesos in 2012. Brazil's central, state and local biodiversity spending increased from 2,813.35 million US dollars in 2006 to 3,858.73 million US dollars in 2010. In Columbia, the percentage share of the environmental sector was 0.71% in 1998, 0.27% in 2009, and 0.39% in 2013. A Canadian survey in 2012 indicated that Canadians made an estimated \$41.3 billion in nature-related expenditures: \$40.4 billion dollars spent in nature-related activities, and \$874 million contributed by Canadian individuals for donations or memberships to nature or conservation groups.⁹

27. Kazakhstan indicated that in recent years there is a steady increase of the funds spent on the conservation and sustainable use of biodiversity from \$ 212.8 million in 2010 to \$ 253.9 million in 2014. Investments in the Concept of transition to a "green economy" will be made to an average of 1% of GDP until 2050. In China, the investments into natural forest resources protection, wild animal and plant conservation, establishment of nature reserves and wetland conservation have increased from 9.7 billion yuan RMB in 2001 to 21.77 billion yuan RMB in 2011, with the average annual increase of 13.7%. India's central and state biodiversity expenditure increased from 1.06 billion US dollars in 2006 to 1.55 billion US

⁷ UNEP/CBD/WGRI/5/INF/4

⁸ <http://www.cbd.int/financial/domesticpending.shtml>

⁹ <http://www.cbd.int/financial/domesticpending.shtml>

dollars in 2010. In Nepal's funding for management of forestry programmes (2003-2014), 84.4% from the government or internal sources, 14.1% from foreign assistance in the form of grants and 1.5% soft loans.¹⁰

28. In Europe, a number of countries such as Czech Republic, Finland, Poland, Portugal, Slovenia, Spain and United Kingdom have seen that domestic biodiversity expenditure fluctuated over years while other countries have experienced steady growth, for instance, from 226.59 million US dollars in 2006 in Denmark to 370.43 million US dollars in 2012, from 2,376.94 million NOK in 2006 in Norway to 3,698.89 million NOK in 2010, from 61.59 million euros in 2006 in Croatia to 73.21 million euros in 2010, from 53.32 million euros in 2007 in Greece to 110.74 million euros in 2013, from 1,378.99 million euros in 2010 in Italy to 1,813.48 million euros in 2012, from 1,064 million euros in 2007 in France to 1,589 million euros in 2011, from 301.2 million euros in 2007 in the Netherlands to 551.2 million euros in 2010, from 578.6 million CHF in 2006 in Switzerland to 748.8 million CHF in 2011.¹⁰

5. GEF FUNDING FOR BIODIVERSITY

Indicator: Amount of funding provided through the Global Environment Facility and allocated to biodiversity focal area.

Status and trends

29. According to the report on the Sixth Replenishment of the GEF Trust Fund,¹¹ some 35 countries have pledged resources in the fifth and sixth replenishments of the Global Environment Facility Trust Fund: 17 participating countries increased their pledges for the sixth replenishment over the fifth replenishment, 4 maintained their level, and 14 were not able to sustain their efforts. As the result, the grand total of the sixth replenishment of the Global Environment Facility Trust Fund increased to a total of \$4.433 billion by around 4 per cent nominally, and decreased by over 10 per cent in real term, over that of the fifth replenishment. The targeted allocation to biodiversity focal area was increased nominally by 7 per cent, from the fifth replenishment to the sixth replenishment.

Highlights

30. The strategy for resource mobilization also identifies the following: to enhance efforts in mobilizing co-financing and other modes of project financing for biological diversity.

31. For the sixth replenishment period, \$1.296 billion is to be allocated to the biodiversity focal area, making biodiversity the largest single focal area in the GEF based on resources allocated. Other elements of GEF-6 programming are directly relevant to the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets including the sustainable forest management programme (\$250 million), and two integrated approaches, 'Taking Deforestation out of Commodity Supply Chains', and 'Fostering Sustainability and Resilience for Food Security in Africa' which were allocated \$45 and \$60 million, respectively. Biodiversity-relevant objectives and programmes can be found in the International Waters and Land Degradation strategies.¹²

32. In decision XI/5, the Conference of the Parties took note of the range of funding needs estimated for the sixth replenishment, and urged the Global Environment Facility, in the process of replenishment for GEF-6, to give due consideration to all aspects of the expert team's needs assessment report on the levels of funding for biodiversity. According to paragraphs 42-44 of the note by the Executive Secretary on the Four-year framework of programme priorities; review of the effectiveness of the financial mechanism and needs assessment for the sixth GEF replenishment cycle,¹³ the assessment of the Expert Team estimates that over the four-year GEF-6 period (2014 – 2018) total funding needs of between approximately US\$ 74 billion and US\$ 191 billion would be required to contribute to achieve the Aichi Biodiversity Targets in GEF eligible countries, between approximately US\$ 35 billion and US\$ 87 billion after applying incremental

¹⁰ <http://www.cbd.int/financial/domesticspending.shtml>

¹¹ GEF/A.5/07/Rev.01

¹² <http://www.cbd.int/doc/meetings/cop/cop-12/official/cop-12-14-add1-part1-en.pdf>

¹³ UNEP/CBD/COP/11/15/Rev.2, dated 18 September 2012

reasoning percentages between 10% and 100% according to global environmental benefits that the activities will potentially generate, between US\$ 5 billion and US\$ 29 billion after applying three co-financing ratios (1:2, 1:4, and 1:6) to cover expected incremental costs.

33. The institutional structure operating the financial mechanism has been expanded to include accredited project agencies.¹⁴ World Wildlife Fund, Inc. (WWF-US); Conservation International (CI); International Union for Conservation of Nature (IUCN) and The Development Bank of Southern Africa (DBSA) have completed Stage II review process and received approval to progress from Stage II to Stage III of the accreditation process. Foreign Economic Cooperation Office – China (FECO) and Banco de Desarrollo de America Latina (CAF) have received conditional approval, while Fundo Brasileiro para a Biodiversidade – Brazil (FUNBIO), Banque Ouest Africaine de Développement (BOAD), VTB Bank – Russian Federation (VTB) were asked to undergo further review.

34. According to its Council document *Co-financing Policy*,¹⁵ the Global Environment Facility has mobilized \$ 31.5 billion in co-financing during GEF-4 and GEF-5 (through November 2013), \$12.8 billion (equivalent to about 41 per cent of all co-financing) provided by national governments, and \$8 billion (about 25 per cent) by GEF agencies. The private sector accounts for about 18 per cent of co-financing of full-size and medium-size GEF projects. The remaining co-financing is mobilized from bilateral and multilateral sources or from beneficiaries, foundations, and NGOs.

VI. SUPPORT TO FINANCIAL INSTITUTIONS

Indicator: level of CBD and Parties' support to other financial institutions that promote replication and scaling-up of relevant successful financial mechanisms and instruments

Status and trends

35. As international financing for biodiversity and ecosystem services is largely in grant terms or concessional terms, the application of this indicator can look into the replenishment of grant facilities in international development finance. The grant facilities of the major international financial institutions mostly have seen increased replenishment results in the recent negotiations except for the International Development Association.

Highlights

36. Fund for Special Operations (FSO), the Grant Facility of the Inter-American Development Bank (IDB) which totalled \$9.8 billion as of the end of 2009, are used to provide concessional loans to the poorest countries of the Latin American region. In March 2010, the Board of Governors of the IDB agreed to provide \$479 million in new contributions to the FSO to provide full debt relief and additional resources to Haiti, and ensure the sustainability of the FSO until 2020.¹⁶

37. International Fund for Agricultural Development (IFAD) concluded the Ninth Replenishment of the Fund's resources (IFAD9) in December 2011, with a target of US\$ 1.5 billion in new contributions to finance agriculture and rural development projects across the developing world, representing a 25 per cent increase over IFAD's Eighth Replenishment. The ongoing consultation towards its tenth replenishment will produce a report to be submitted for the Governing Council's approval in February 2015. This will ensure availability of resources for the programme of work to be carried out during the following three years (2016-2018).¹⁷

38. Asian Development Fund, the concessional window of the Asian Development Bank (AsDB), concluded in April 2012 with a total replenishment (ADF XI) of SDR 7.9 billion (\$12.4 billion) to provide

¹⁴ GEF/C.46/CRP.01, 25 May 2014

¹⁵ GEF/C.46/09, 6 May 2014

¹⁶ <http://www.iadb.org/en/about-us/idb-financing/fund-for-special-operations-fso,6063.html>

¹⁷ <http://ifad.org/>

critical financial support to fight poverty through Strategy 2020's three complementary development agendas: inclusive economic growth, environmentally sustainable growth, and regional integration in the Asia and Pacific region over the period 2013 to 2016. This replenishment represents an increase of 11.1% in SDR (9.5% in USD terms) over ADF X.¹⁸

39. African Development Fund, the concessional window of the African Development Bank (AfDB) Group, concluded in September 2013 the thirteenth replenishment (ADF-13) with \$7.3 billion for 2014 to 2016, which contributes to poverty reduction and economic and social development in low-income African countries. The replenishment includes donor contributions of \$5.8 billion, representing a slight increase over their contributions for ADF-12 (2011-2013). Several countries made significant efforts to ensure a robust replenishment despite a tough budgetary context. The replenishment also endorsed two new credit-enhancing instruments – the Partial Credit Guarantee and the Private Sector Credit Enhancement Facility – which are designed to attract private capital for transformational development projects (<http://www.afdb.org/en/>).

40. International Development Association, the largest international grant and concessional loan facility located within the World Bank Group, concluded in December 2013 the seventeenth replenishment (IDA17) with SDR 17.15 billion, compared with SDR 17.327 billion for the sixteenth replenishment. A total of 54 countries participated in the recent two replenishment pledges, and 30 countries increased their pledges to the 17th replenishment over the 16th replenishment. Over 44 per cent of the participating countries either decreased their pledges to the 17th replenishment (document UNEP/CBD/WGRI/5/Inf.4).

VII. INTERNATIONAL MAINSTREAMING

Indicator: number of international financing institutions, United Nations organizations, funds and programmes, and the development agencies that report to the Development Assistance Committee of Organisation for Economic Co-operation and Development (OECD/DAC), with biodiversity and associated ecosystem services as a cross-cutting policy.

Status and trends

41. Nearly all members of the 29 OECD/DAC have established certain policies and programmes related to biodiversity and ecosystem services, but their approaches vary. Although some financial institutions and development agencies take biodiversity and the environment as a cross-cutting issue, it is not universally agreed that the cross-cutting approach is necessarily the best way to mobilize resources from financial institutions and development agencies. For instance, in Switzerland, the environment is now an integral part of Switzerland's overall approach to development, which aims to support global sustainable development. Its two agencies, SDC and SECO, have guidance and policies for taking account of the environment in programming. Indeed, several development agencies opted to develop standalone environmental policies and strategies, together with institutional and human capacities.¹⁹

Highlights

42. The strategy for resource mobilization identifies the following: to integrate considerations on biological diversity and its associated ecosystem services into the priorities, strategies and programmes of multilateral and bilateral donor organizations, including sectoral and regional priorities, taking into account the Paris Declaration on Aid Effectiveness; to integrate effectively the three objectives of the Convention into the United Nations development system, as well as international financial institutions and development banks.

43. There are many good examples of biodiversity integration in bilateral donor organizations. USAID has published annual reports of Biodiversity Conservation Forestry Programs for a number of years by now.²⁰ The peer-review reports on individual bilateral donor's performance often include environmental

¹⁸ <http://www.adb.org/en>

¹⁹ UNEP/CBD/WGRI/5/INF/4

²⁰ <https://www.cbd.int/financial/donorentities>

issues, and the peer-review mechanism thus may also be replicated for mainstreaming integration of biodiversity and ecosystem services by bilateral donor organizations.

44. The World Bank adopted the environment strategy 2012-2022, entitled as “Toward a Clean, Green Resilient World”, explores the role of biodiversity and ecosystems, valuing ecosystem services and financing environmental services in developing countries. African Development Bank has a policy on the environment and works to ensure protection and sustainable management of natural habitats in its projects. Asian Development Bank has comprehensive policy requirements and procedures to promote environmental and social sustainability and to help ensure the prevention and mitigation of undue harm to people and the environment. Inter-American Development Bank Environmental Safeguards and Compliance Policy requires promotion of environmental governance, sustainable use of natural resources, and reversal of environmental deterioration for sustainable management of natural habitats as well as protective safeguards. The European Bank for Reconstruction and Development Performance Requirement 6 is devoted to biodiversity conservation and sustainable management of living natural resources.²¹

45. The General Assembly devoted one of the special events of the Second Committee during the sixty-eighth session of the General Assembly, as part of the United Nations Decade on Biodiversity and to further efforts to improve coherence, to the joint briefing by the United Nations Environment Programme, the World Intellectual Property Organization, United Nations Educational, Scientific and Cultural Organization, the United Nations Development Programme, the United Nations Conference on Trade and Development, the secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture and the secretariat on the implementation of the objectives of the Convention, including actions undertaken to promote access to genetic resources and benefit-sharing on 30 October 2013, and noted that similar interactions should be encouraged.²²

VIII. DEVELOPMENT INTEGRATION

Indicator: number of Parties that integrate considerations on biological diversity and its associated ecosystem services in development plans, strategies and budgets

Status and trends

46. A total of 165 Parties reported that they are undertaking integration efforts, that is, 85 per cent of the Parties to the Convention have considered biodiversity in their national priorities or development plans. But the integration of biodiversity in national priorities or development plans does not necessarily lead to the availability of domestic financial provisions since many reported efforts appear to be incidental or random inclusion, not institutionalized, intentional or planned. Only a dozen of countries indicated that biodiversity was explicitly considered in integrating into national budgetary processes.²³

Highlights

47. The strategy for resource mobilization identifies the following: to strengthen capacity for integration of biodiversity issues and its associated ecosystem services into national and sectoral planning, and promote budgetary allocations for biological diversity and its associated ecosystem services in national and relevant sectoral budgets; to integrate considerations on biological diversity and its associated ecosystem services in economic and development plans, strategies and budgets of developing country Parties. While broadening national inclusion of biodiversity was a major issue of the past decade, deepening national inclusion has become an emerging challenge for this decade.

48. Burundi noted that biodiversity is not considered as a sector by the Ministry of Finance, and biodiversity funding is thus reflected in various environmental programmes and projects. Comoros examined its financial system to explore how biodiversity can be taken into account and noted that

²¹ <http://www.cbd.int/financial/donorentities/>

²² Resolutions 67/212 on 21 December 2012 and 68/214 on 20 December 2013

²³ UNEP/CBD/WGRI/5/INF/4

agricultural strategy and environmental strategy are used as the basis for any negotiation to mobilize resources. Mozambique defined main functions related to biodiversity/environment of the Ministry of Finance as follows: catalyse actions that led to environmental protection and poverty reduction; promotion and financing of activities with direct impact on poverty reduction and the use and management of natural resources; promotion of inter-sectoral cooperation in implementing the Action Plan for Reduction of Absolute Poverty (PARPA); integration of sustainability concerns in the various plans and programmes of development and the Millennium Development Goals; facilitation of funds subsidized the business initiatives aimed at protecting the environment or minimize the impact of current business; granting tax benefits to operators that differ in environmental protection; creation of green funds; promotion of actions to enable the companies retain additional funds obtained by means of “cleaner production”; facilitation of investment activities of eco-efficiency; formulation of indicators of sustainable development within the PARPA.²⁴

49. Chile indicated that the Ministry of Finance is responsible for drawing up the national budget through the Budget, and the environmental variable is incorporated through the allocation of resources for the Protection of Natural Resources and Pollution Control. Its 2009 Budget provided resources for environmental protection - through CONAMA. Mexico stated that based on the 2007-2012 National Development Plan, the development banks constitutes a financial platform for the development of infrastructure projects and equipment related to the environment and biodiversity which should incorporate environmental criteria in the medium and long term.²⁴

50. In Kyrgyz Republic, financing methods of conservation of biodiversity and forests are defined by the Ministry of Finance, and financing of state management in the area of environment protection, recovery and rational use of biological diversity, forestry are covered by the Republican budget according to economically justified standards developed by the State Agency for Environmental Protection and Forestry and approved accordingly. In Viet Nam, the sector of finance publishes documents to guide formulating budget proposal, expenditure management, and budget use to ensure the performance of policies, strategies and plans with specific cost norm and funding sources. For instance, the Inter-ministerial Circular No.01/2008/TTLT-BTNMT-BTC dated on 29th April 2008 provided guidance to develop budget proposal for environment protection from state budget allocated from environmental sector.²⁴

51. In France, the Strategic Analysis Centre of the Prime Minister released a report in April 2009 to guide the national reflection on the economic approach to biodiversity and ecosystem services. Fiscal measures were introduced in the 2006 Finance Act to encourage conservation: exemption from inheritance tax and tax exemption on undeveloped land for Natura 2000 sites and wetlands subject to an undertaking of good management. In Norway, the Ministry of Finance coordinates the Government’s work on sustainable development, and individual Ministries have responsibility for implementation in their areas. The 2008 National Budget presented a national strategy for sustainable development and put forward an updated and more policy-relevant set of indicators for sustainable development. The work of implementing the national strategy for sustainable development will be reported annually in the national budget. The Ministry of Finance has the overall responsibility for the introduction of levies into environmental policy. The Netherlands indicated that targets regarding the financial sector have been addressed in the document “Biodiversity works: for nature, for people, forever: the biodiversity policy programme of the Netherlands 2008-2011.”²⁴

²⁴ <http://www.cbd.int/financial/bioinclusion/>

9. SOUTH-SOUTH COOPERATION

Indicator: number of South-South cooperation initiatives conducted by developing country Parties and those that may be supported by other Parties and relevant partners, as a complement to necessary North-South cooperation

Status and trends

52. Thirty-five Parties, including several developed countries, reported that they have undertaken South-South cooperation initiatives, and they account for less than one fifth of the CBD membership. While there are examples of biodiversity projects in South-South cooperation, information concerning biodiversity and ecosystem services in South-South cooperation is very limited, nor to mention any time series data.²⁵ There has been no concrete progress in the consideration of establishing a South-South biodiversity cooperation trust fund for the implementation of the Strategic Plan for Biodiversity 2011–2020, based on voluntary contributions.

Highlights

53. The strategy for resource mobilization identifies the following: to identify, engage and increase South-South cooperation as complement to North-South cooperation to enhance technical, technological, scientific and financial cooperation.

54. According to the report of Secretary General,²⁶ contributions from developing countries (excluding local resources) through the United Nations development system for operational activities for development totalled \$562 million in 2011 and have increased by some 16 per cent in nominal terms since 2006. About half of this funding was in the form of core contributions.

55. The Central African Forest Commission (COMIFAC) has ten member states (Burundi, Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic, Democratic Republic of Congo, Rwanda, Sao Tome & Principe, Chad) and aims to provide political and technical guidance, coordination, harmonization and decision-making in conservation and sustainable management of forest and savannah ecosystems in Central Africa. The Congo Basin Forest Partnership (CBFP) brings together some 70 partners, including the 10 member states of the COMIFAC, and donor agencies, NGOs, scientific institutions and private sector representatives.²⁷

56. The India, Brazil and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) is a remarkable example of cooperation among three developing countries and constitutes a pioneering initiative to implement South-South cooperation (SSC) for the benefit of other Southern countries in partnership with the United Nations system. Its purpose is to identify replicable and scalable projects that can be disseminated to interested developing countries as examples of best practices in the fight against poverty and hunger.²⁸ In recent years, China signed agreements of cooperation with many developing countries in areas related to biodiversity, organized a number of capacity development workshops for developing countries from the subregions such as South and Southeast Asia, established a Center for China-ASEAN Environmental Cooperation - the first platform China has established for South-South environmental cooperation and regional environmental cooperation (fifth national report).

57. Triangular cooperation has proved to be catalytic in leveraging South-South cooperation for biodiversity. For instance, the agreements for Sustainable Development signed between the Netherlands, Bhutan, Costa Rica, and Benin have fostered technical and policy exchange with Costa Rica for Bhutan and Benin. Japan established a platform for South-South technical cooperation & capacity-building - Integrated Biodiversity and Ecosystem and Management in Sabah, Malaysia (previously Programme for Bornean Biodiversity and Ecosystems Conservations (BBEC) (2007- 2012)). Triangular cooperation may be particularly useful in replicating best practices of innovative financial mechanisms such as payment for

²⁵ UNEP/CBD/WGRI/5/INF/4

²⁶ A/68/97-E/2013/87, 24 June 2013

²⁷ <http://pfbc-cbfp.org/>

²⁸ <http://www.ibsa-trilateral.org/>

ecosystem services, biodiversity offsets, environmental fiscal reforms and market for green products, on which some Southern countries have developed pertinent skills, experience or resources relevant for another Southern country while a third actor may be able to provide additional capacity to support their application.

10. TECHNICAL COOPERATION AND CAPACITY-BUILDING

Indicator: amount and number of South-South and North-South technical cooperation and capacity-building initiatives that support biodiversity.

Status and trends

58. Twelve developed countries indicated that the amount of technical cooperation funding has increased in the period 2010-2012, while nine reporting developed countries, which represents nearly 43 per cent of the reporting countries, saw fluctuations, with decreasing trends, in their technical cooperation funding. In terms of the number of technical cooperation projects, there have been major fluctuations in the reporting countries, with three countries going straight down and six countries straight up.²⁹

Highlights

59. The strategy for resource mobilization identifies the following: to build local, national and regional capacities on resource mobilization skills, financial planning and effective resource utilization and management, and support awareness raising activities; to promote exchange of experience and good practice in financing for biological diversity.

60. Recent capacity-building activities for resource mobilization included the regional and subregional workshops organized by the Secretariat of the Convention, the Global Environment Facility, the United Nations Development Programme, and the Japan Biodiversity Fund workshops for NBSAP revision organized through 2011-2013. A series of post-TEEB subregional workshops on valuation and incentive measures also covered critical aspects of the resource mobilization agenda. Through its country support programme, the Global Environment Facility has organized annual subregional workshops to provide training and sharing of information and experiences on resource mobilization, particularly regarding access to funding of the financial mechanism. The Convention Secretariat has also organized regional workshops specifically dedicated to resource mobilization, building on the national biodiversity strategy and action plan workshops in the past two years. Nevertheless, the capacity-building efforts are not planned and organized in a systematic manner and often generic in nature. Almost no capacity-building has been advanced on effective resource utilization and management. The inadequacy of financial planning capacity can also be seen in the new submissions of national biodiversity strategy and action plan.³⁰

61. The Biofin initiative of the United Nations Development Programme (UNDP), launched in October 2012, seeks to support countries to address the biodiversity finance challenge in a comprehensive manner, including by building a sound business case for increased investment in the management of ecosystems and biodiversity, and in the development of national finance plans. With financial support provided by the European Union and the Governments of Germany and Switzerland, the Biofin initiative currently provides such support to 19 core pilot countries, and aims to upscale its methodology to other countries, in the context of the ongoing revision of national biodiversity strategies and action plans (NBSAPs).³⁰

62. Significant efforts have been made at the Secretariat to promote exchange of experience and good practice in financing for biodiversity. In the past two years, over 3,500 counts of information pieces on the full range of financing subjects have been collected, compiled and made available through the clearing-house mechanism of the Convention. One third of the information is concerning various innovative financial mechanisms, and one fifth related to value assessments. While the number of counts will continue to grow, efforts are also being made to fine tune the information and provide regular summary and synthesis of the available data.³⁰

²⁹ UNEP/CBD/WGRI/5/INF/1

³⁰ <http://www.cbd.int/doc/meetings/wgri/wgri-05/official/wgri-05-04-en.pdf>

63. Germany and Switzerland provided the following examples: exchange between Brazil, India and Germany on TEEB to promote joint learning; global programme 'ValuES' aiming at gathering and sharing methods for integrating ecosystem services into policy, planning, and practice; global project 'Blue Solutions' aiming at strengthening cooperation and knowledge sharing on the conservation and sustainable use of coastal and marine biodiversity; the Aid Effectiveness Network (SDC-AEnet) and the Agriculture and Food Security (A+FS) Network for enhanced technical cooperation and knowledge sharing.³¹

11. GLOBAL AWARENESS INITIATIVES

Indicator: number of global initiatives that heighten awareness on the need for resource mobilization for biodiversity

Status and trends

64. The strategy for resource mobilization continues to be taken up in the resolutions on biodiversity by the United Nations General Assembly, but it is not visible in other major international forums, such as Annual Ministerial Reviews and Development Cooperation Forums of the United Nations Economic and Social Council, annual meetings of governing boards of International Monetary Fund and the World Bank, Group of Eight (G-8), Group of Twenty Finance Ministers and Central Bank Governors (G-20).³²

Highlights

65. The strategy for resource mobilization identifies the following: to raise public awareness of the importance of biological diversity and the goods and services that it provides at all levels in support of resource mobilization.

66. United Nations Conference on Sustainable Development or Rio +20 points to a positive trend in further exploring financial solutions in the coming years, by stating “We welcome the Strategy for Resource Mobilization in support of the achievement of the Convention on Biological Diversity’s three objectives, including the commitment to substantially increasing resources from all sources in support of biodiversity, in accordance with decisions taken at the Tenth Conference of the Parties.” In its most recent resolution 68/214, the United Nations General Assembly only stressed the need for further consideration of the evaluation of all resources mobilized in terms of the biodiversity outcomes achieved, and in this regard welcomed the decision of the parties to the Convention on an overall substantial increase in total biodiversity-related funding for the implementation of the Strategic Plan for Biodiversity 2011–2020 from a variety of sources, including national and international resource mobilization, international cooperation and the exploration of new and innovative financial mechanisms.

67. Further to requests from the Conference of the Parties, the Executive Secretary has worked with the Open Working Group on Sustainable Development Goals to integrate biodiversity and ecosystem services prominently. There are three goals directly of related to biodiversity: Goal 12 on sustainable consumption and production, Goal 14 on oceans and coasts, and Goal 15 on terrestrial ecosystems and biodiversity. The inclusion of Goal 13 on climate change is also important for biodiversity. Other goals relevant to biodiversity and ecosystems and/or natural resources are: Goal 2 on food security, Goal 6 on water and sanitation, and Goal 11 on cities and human settlements, Goal 17 on means of implementation, as well as Goal 1 on ending poverty that refers to the need to “build the resilience of the poor and those in vulnerable situations”.³³

68. The Executive Secretary also provided inputs to the Intergovernmental Committee of Experts on Sustainable Development Financing through the United Nations System Task Team Working Group on Financing for Sustainable Development. Financing information and knowledge for biodiversity and ecosystem services featured prominently in several background papers prepared by the Task Team, including chapter 1 on review of global investment requirement estimates, and chapter 4 on public support

³¹ <http://www.cbd.int/financial/statistics.shtml>

³² UNEP/CBD/WGRI/5/INF/4

³³ <http://sustainabledevelopment.un.org/owg.html>

to private investment for sustainable development: challenges and opportunities, with emphasis on the environmental pillar. Furthermore, the Executive Secretary started to engage the regional development banks and other relevant regional processes and initiatives, and met with regional development banks on 28 May 2014 in Cancun, Mexico to explore regional perspectives on promoting regional technical and financial support.³⁴

69. The global engagement for the strategy for resource mobilization through the principal international processes, such as G-7 and G20, requires countries hosting and chairing meetings to demonstrate leadership in advancing the global engagement goal, with technical support of the Convention Secretariat and other related secretariats. A working group, composed of active members of these major international processes and associated governance, could be a way forward in order to inform the global engagement of relevant processes.³⁵

12. INTERNATIONAL FLOWS FROM DEVELOPED COUNTRIES TO DEVELOPING COUNTRIES

Indicators: amount of financial resources from all sources from developed countries to developing countries to contribute to achieving the Convention's objectives; and amount of financial resources from all sources from developed countries to developing countries towards the implementation of the Strategic Plan for Biodiversity 2011-2020

Status and trends

70. According to the information from the Organization for Economic Cooperation and Development, using the OECD/DAC Reporting Directives Creditor Reporting System 40 per cent of developed countries increased official development assistance to biodiversity in the latest three-years for which data is available. 14 countries showed a declining trend in biodiversity-related official development assistance.³⁵

71. About fifteen per cent of the decline in biodiversity-related assistance is attributed to the fall in overall official development assistance in 2011 and 2012. Eighty-five per cent of the decline is related to the bio-factor of official development assistance. According to the latest information from the OECD/DAC, 17 of its 28 member countries increased their official development assistance in 2013, while 11 reported a decrease. Development aid rose by 6.1% in real terms in 2013 to reach the highest level ever recorded of US\$ 134.8 billion in net official development assistance, marking a rebound after two years of falling volumes. An OECD/DAC annual survey of donor spending plans indicated that aid levels could increase again in 2014 and stabilize thereafter.³⁶

72. While some progress has been made further efforts are needed to meet the target to double total biodiversity-related international financial resource flows to developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, by 2015 and at least maintaining this level until 2020, in accordance with Article 20 of the Convention, to contribute to the achievement of the Convention's three objectives, including through a country-driven prioritization of biodiversity within development plans in recipient countries, using the preliminary baseline of the period 2006-2010.

Highlights

73. The strategy for resource mobilization identifies the following: to strive to increase official development assistance associated with biological diversity, where biodiversity is identified as a priority by developing country Parties in poverty reduction strategies, national development strategies, United Nations development assistance frameworks and other development assistance strategies and in accordance with priorities identified in national biodiversity strategies and action plans.

³⁴ <http://sustainabledevelopment.un.org/index.php?menu=1558>

³⁵ UNEP/CBD/WGRI/5/INF/4

³⁶ <http://www.oecd.org/dac/stats/>

74. The World Bank lending in environment and natural resources management increased considerably from US\$ 2.66 billion in FY2008 to a peak of US\$ 6.1 billion in FY2011, but fell back to US\$ 2.47 in FY2013, which is actually lower than in FY2008 in nominal term. Environment and natural resources management accounts for about 7 per cent of total lending of the World Bank in FY2013 (World Bank annual report 2013).

75. Report of the Secretary-General on Analysis of funding of operational activities for development of the United Nations system for 2011³⁷ indicated that approximately 27 per cent of all direct contributions to the multilateral system in 2011 were channelled through the United Nations development system, making the Organization the largest multilateral partner of DAC countries. Total contributions for operational activities for development of the United Nations system in 2011 amounted to some \$22.8 billion, about the same as in 2010 in nominal terms and 6.9 per cent less in real terms. About 67 per cent of funding was directed to longer-term development-related activities against 33 per cent to activities with a humanitarian assistance. There is no system to track the biodiversity-related operations of the United Nations development system.

13. FISCAL INCENTIVES

Indicator: resources mobilized from the removal, reform or phase-out of incentives, including subsidies, harmful to biodiversity, which could be used for the promotion of positive incentives, including but not limited to innovative financial mechanisms, that are consistent and in harmony with the Convention and other international obligations, taking into account national social and economic conditions

Status and trends

76. Half of the CBD membership has reported on the adoption of certain fiscal measures in favor of biodiversity objectives. Subsidy reform, removal or phase out is mostly reported in the European countries, with technical influence from the European Union and the Organisation for Economic Co-operation and Development. There are diverse fiscal approaches to biodiversity and ecosystem services in different developing countries, from tax exemptions to green public procurement and intergovernmental fiscal transfers. Nevertheless, the resourcing impacts of these fiscal measures are yet to be determined, particularly with regard to subsidy reforms.³⁸

Highlights

77. The strategy for resource mobilization identifies the following: to develop and implement economic incentives that are supportive of the Convention's three objectives at local and national levels, consistent and in harmony with the other relevant international obligations; to explore opportunities presented by environmental fiscal reforms including innovative taxation models and fiscal incentives for achieving the three objectives of the Convention.

78. Developing a fiscal system for biodiversity and ecosystem services needs to go beyond the piecemeal approach by adopting one or two fiscal measures such as subsidy removal or tax exemption. In some cases, it may entail the level of efforts that are no less than those experienced in the Structural Adjustment Programme of the International Monetary Fund and the World Bank. A number of European countries established a green fiscal commission or green tax commission involving inter-ministerial working groups formed entirely of civil servants, to Parliamentary Committees with expert input, to groups formed of external experts to groups with fuller stakeholder representation. The main functions of those commissions include: developing and evaluating new green fiscal reform options for consideration by government, evaluating existing (environmental or non-environmental) measures in place, developing principles or guidance for implementation of green fiscal reforms, improving implementation of measures, gaining

³⁷ A/68/97-E/2013/87, 24 June 2013

³⁸ UNEP/CBD/WGRI/5/INF/4

stakeholder involvement and buy-in to proposals. Canada's National Round Table on the Environment and the Economy (NRTEE) also provided a platform for exploring ecological fiscal reforms.³⁹

79. In Brazil, the Green VAT allows municipalities to receive additional financial resources from the Merchandise Circulation and Services Tax (ICMS) in those states that have legally defined environmental criteria for sharing part of the portion owe to the municipality according to constitutional provision (which gives the states the right to legislate over up to ¼ of the percentage of the ICMS owe to the municipalities). Paraná was the first state to make use of this constitutional right, approving specific legislation in 1991, and a total of 13 of the 26 Brazilian states (plus the Federal District) currently have legislation on the Green VAT. About US\$ 822.13 million was transferred to municipalities from state governments to conservation efforts such as area covered by protected areas in 2006-2010.³⁹

80. An increasing number of countries have adopted green/sustainable public procurement/purchase schemes with the consideration of biodiversity. Belgium reported the adoption of biodiversity criteria in public procurement policies - use of certified wood in public works. In Germany, the public sector awards contracts totalling €256 billion every year. It is also the biggest land owner in Germany. For example, 57 per cent of Germany's forests are owned by the public sector (federal: 4%, Lander: 29%, municipalities: 20%, trustee forest: 4%). Appropriate steering of its procurement activities could support the conservation of biological diversity by using products resulting from sustainable use. Sustainable procurement of timber products has already been implemented by German federal authorities, requiring federal procurement bodies to demand evidence of forestry management that is not only legal, but also sustainable. The revised guidance document on "Sustainable Building" as a binding requirement in the Federal Facilities Management Authority, explicitly asks about the criterion "biodiversity" and assesses it through the sub-criteria "biodiversity conservation", "biodiversity development" and "invasive plant species".³⁹

14. NEW AND INNOVATIVE FINANCIAL MECHANISMS

Indicator: number of initiatives, and respective amounts, supplementary to the financial mechanism established under Article 21, that engage Parties and relevant organizations in new and innovative financial mechanisms, which consider intrinsic values and all other values of biodiversity, in accordance with the objectives of the Convention and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of the Benefits Arising from Their Utilization

Status and trends

81. The number of innovative financial mechanisms being applied has increased around the world. There are examples of payment for ecosystem services in 97 countries, representing just above 50 per cent of the CBD membership, examples related to biodiversity offsetting in 42 countries, roughly above one fifth of the CBD membership, examples concerning market for green products in 82 countries, just above 42 per cent of the CBD membership. The literature on these innovative financial mechanisms has grown considerably over the past decade, moving from debating on pros and cons of each instrument to elaborating conditions for making best use of the instruments and avoiding potential negative impacts.⁴⁰

Highlights

82. The strategy for resource mobilization identifies the following: to promote, where applicable, schemes for payment for ecosystem services, consistent and in harmony with the Convention and other relevant international obligations; to consider biodiversity offset mechanisms where relevant and appropriate while ensuring that they are not used to undermine unique components of biodiversity; to explore opportunities presented by promising innovative financial mechanisms such as markets for green products, business-biodiversity partnerships and new forms of charity; to integrate biological diversity and its associated ecosystem services in the development of new and innovative sources of international development finance, taking into account conservation costs; to encourage the Parties to United Nations

³⁹ <http://www.cbd.int/financial/fiscalreform.shtml>

⁴⁰ UNEP/CBD/WGRI/5/INF/4

Framework Convention on Climate Change and its Kyoto Protocol to take into account biodiversity when developing any funding mechanisms for climate change.

83. Uganda indicated about US\$ 2 million per year from small projects on testing the effectiveness of payment for ecosystem services (PES). South Africa reported that the budget of Working for Water grew by 151% from R477 million in 2009 to R1.196 billion in 2013. Brazil-European Union dialogue on payment for ecosystem services organized several technical studies, workshops and publications on international and national experiences. Japan passed the Act on fulfilment of multifunctional roles of agriculture which legislates the scheme of the Japan direct payment system in June 2014 and will be enforced in April 2015. United Kingdom (Defra) published the PES Action Plan and Best Practice Guide in May 2013. The Action Plan promotes practical and innovative development of PES schemes and considers the actions that can be taken to enable them. It considers capacity-building actions for Government, the key policy areas of opportunity for PES and the monitoring and evaluation needs of PES schemes. The Best Practice Guide collates a number of instructive domestic and international case studies demonstrating the various challenges and solutions associated with a PES approach. Defra is also supporting a number of PES pilot research projects to demonstrate the approach exploring the potential for PES in the domestic context.⁴¹

84. Over 50 countries, most of them developed or emerging nations, have introduced biodiversity offsets as a legal obligation or as an option laid down by regulations and implemented them in various forms. A proposal for establishing a European compliance market with a size probably equivalent to that of the US market could yield \$10 billion per annum by 2020 in potential resources from the compliance markets of developed countries (as opposed to just \$70 million for voluntary compensation). “Superoffsetting” amounting to 10% of the total cost of compensation operations would therefore generate \$1 billion per annum by 2020.⁴²

85. Ten per cent of the world’s forests or one third of timber production forests are under “good management” certification, but less than 2% of tropical forests are certified. 30% of the industrial roundwood produced globally is certified, but less than 2% of tropical timber is. The potential resources allocated to biodiversity for timber are estimated to be \$5 to 20 billion per annum by 2020. Certified coffee accounted for 8% of world coffee exports in 2009 and could reach 20 to 25% by 2015, generating a premium of \$50 to 100 million by 2020. The potential to leverage resources through certification in the agriculture sector – including fisheries – could reach \$5 to 10 billion in 2020.⁴²

86. In Europe, 62 foundations provided 1,956 environmental grants in 2011, amounting to €417.7 million. The thematic issue category receiving the most funding was biodiversity & species preservation, accounting for 24.2% of grants by value. Combined with ‘terrestrial ecosystems & land use’ (12.3%), the ‘natural environment’ categories account for more than a third of the value of all grants given (€152.5 million). According to the Foundation Center estimates, environmental funding by U.S. foundations stayed consistent at \$2.7 billion between 2007 and 2009. The overall environmental movement experienced a 2.4% drop in funding in 2010 but bounced back in 2011 reaching an all-time high of \$2.8 billion. Biodiversity & species preservation account for 14% of the total environmental grants, terrestrial ecosystems & land use 12%, fresh water / inland water ecosystems and coastal & marine ecosystems 20%.⁴³

87. The leading group on innovative financing for development, a platform with 64 member countries alongside international organizations and NGOs, continues to see tangible results from innovative sources and innovative mechanisms. For instance, air ticket levy by nine countries has raised 1.35 billion US\$ since 2006, financial transaction tax in France allocated 60 million Euros to development in one year (2012-2013), Germany’s allocations from the European CO2 Emission Trading System (ETS) is expected to be 3.2 billion Euros by 2015 for the special fund for energy and climate, Contribution from the national lottery, Belgium allocated 88 million Euros from the national lottery to a Special Fund for Food Security

⁴¹ <http://www.cbd.int/financial/pes.shtml>

⁴² <http://leadinggroup.org/article1207.html>

⁴³ <https://www.cbd.int/financial/charities/>

and Agriculture. The Group published an expert study on innovative initiatives for biodiversity financing, exploring green markets, converting harmful subsidies and offsetting.⁴⁴

88. A World Bank and IMF paper⁴⁵ demonstrated enormous potential of climate financing proposals. A CO₂ charge of \$25/ton could raise revenues of around \$250 billion from OECD countries in 2020, while costing less than 0.1 per cent of GDP on average (if revenues are used productively). Charges for international aviation and maritime fuels could raise upwards of \$20 billion a year. The Green Climate Fund was designated as an operating entity of the financial mechanism of the UNFCCC, in accordance with its Article 11.

15. ACCESS AND BENEFIT SHARING IN SUPPORT OF RESOURCE MOBILIZATION

Indicator: number of access and benefit-sharing initiatives and mechanisms, consistent with the Convention and, when in effect, with the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of the Benefits Arising from their Utilization, including awareness-raising, that enhance resource mobilization

Status and trends

89. The number of access and benefit-sharing initiatives has increased modestly in the past two years, leading to the much anticipated entry into force of the Nagoya Protocol on access to genetic resources and benefit-sharing. Less than one third of Parties have experienced cases of access and benefit-sharing agreements in their own countries. These cases are observed across all the regions, and also appear to concentrate in those countries that have high biodiversity richness, demonstrating some comparative advantages in using access and benefit sharing instruments. In a sample of 44 countries with access and benefit-sharing agreements, 65 per cent of them are located in the top 40 countries (about one fifth of CBD membership) of the GEF benefits index for biodiversity. Latin America has seen higher frequency of agreements on access to genetic resources and benefit-sharing than other regions. Most agreements on access to genetic resources and benefit-sharing offer financial payments in the range between a few ten thousands dollars and near one million dollars.⁴⁶

Highlights

90. The strategy for resource mobilization identifies the following: to raise awareness and build the capacity of different stakeholders to implement access and benefit-sharing initiatives and mechanisms; to promote exchange of experiences and good practices in access and benefit-sharing.

91. Between January 2009 and December 2013, 175 permits have been issued in Australia under the access and benefit-sharing provisions of the Environment Protection and Biodiversity Conservation Regulations 2000 (fifth national report). In South Africa, 79 notifications for the discovery phase of bioprospecting have been registered. Fifteen bioprospecting permits have been approved and 69 Material Transfer Agreements and 19 Benefit Sharing Agreements have been approved by the Minister of Water and Environmental Affairs (fifth national report).

92. Several fourth national reports included information on the ABS Capacity Development Initiative, established in 2006 to support the development and implementation of national regulations on access and benefit-sharing by engaging members of the African, Caribbean and Pacific Group of States (ACP Group of States) and other countries on the African continent.⁴⁷ This innovative initiative has been supported by the Federal Ministry for Economic Cooperation and Development (Bonn, Germany), the Institut de la Francophonie pour le développement durable (Québec, Canada), the Norwegian Ministry of Foreign Affairs, the Government of the Kingdom of Denmark, the European Union, the Secretariat of the African,

⁴⁴ <http://leadinggroup.org/rubrique20.html>

⁴⁵ www.imf.org/external/np/g20/pdf/110411c.pdf

⁴⁶ UNEP/CBD/WGRI/5/INF/4

⁴⁷ <http://www.abs-initiative.info/>

Caribbean and Pacific Group of States (ACP), and provides an example of best practice on how donors have come together to support thematic issues of the Convention on Biological Diversity.

93. The Nagoya Protocol Implementation Fund (NPIF) was established by the Global Environment Facility Council in 2011 to promote the early entry into force and effective implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.⁴⁸ The NPIF received contributions of total \$16 million from the Governments of Japan, France, Norway, Switzerland and the United Kingdom, and supported a total of 50 countries by means of eight country-based projects, three regional projects and one global project with the investment of \$12.5 million leveraging \$30.6 million in cofinancing in the past two years. The May 2014 Council meeting decided to extend the operation of the NPIF to 31 December 2020 to allow continuation of project preparation for and implementation of the Project Identification Form (PIF) approved projects.⁴⁹

⁴⁸ GEF/C.46/12, 30 April 2014.

⁴⁹ UNEP/CBD/COP/12/14/Add.1, 16 July 2014