

Resource Mobilization and Financial Reporting under the CBD

Introduction and international flows

Sub-regional workshop on financial reporting and
resource mobilization for South Asia
New Delhi, India, 16-18 September 2015

Markus Lehmann
Secretariat of the Convention on Biological Diversity





Overview

- Background on methodological work for reporting
- Reporting international funding streams





Background

Webinar:

- **Why** financial reporting?
- Global context and mandate: COP-12 targets for resource mobilization
- Structure of the reporting framework

Workshop:

- **How** to undertake financial reporting: methodologies and tools



Global expert workshop on methodologies

- Mexico City, 5 – 7 May 2015
- Decision XII/3, para 32(c): to provide voluntary guidance for Parties, with a view to facilitating:
 - financial reporting on domestic expenditures
 - and the development of national finance plans.

“...considering the lack of clarity and difficulties in estimating ‘funding need’ and ‘funding gap’ it appears that much more thought and deliberations would be required, so as to develop further guidance...”

(submission from India commenting on the draft financial reporting framework)



Global expert workshop on methodologies

- Work on several horizontal themes:

- Conceptualizing/defining the term “biodiversity-related” investment
- Coefficients - attributing the percentage of financial resources to “indirect” biodiversity activities (<100% attributable)
- Private sector – including NGOs and businesses
- Sub-national level – expenditures by provincial and local governments
- Biodiversity-harmful expenditures
- Assessing impacts in a finance context

- “Options for methodological convergence”

- It is a dynamic field
- Needed built-in flexibility in national implementation of the Strategic Plan



Recap from webinar

- Article 20 of the Convention
- COP-10: Strategic Plan for Biodiversity 2011-2020 including 20 Aichi Targets
- Aichi Target 20 on resource mobilization
- Targets for resource mobilization adopted by COP-12
- Financial Reporting Framework also adopted by COP-12
- Two 'rounds' of reporting:
 - Parties and other Governments to report on baseline and progress until 2015, by 31 December 2015...
 - ...and to report further progress in conjunction with sixth national reports



Targets for resource mobilization

Decision XII/3 (resource mobilization): adoption of financial targets, under Aichi Target 20: (paragraph 1)

- Doubling international biodiversity-related funding flows to developing countries by 2015...
- Inclusion of biodiversity in national priorities or development plans by 2015...
- Reporting domestic biodiversity expenditures, as well as funding needs, gaps and priorities, by 2015
- Preparation of national financial plans for biodiversity by 2015 and assessment and/or evaluation of the values of biodiversity
- Mobilize domestic financial resources from all sources to reduce the gap between identified needs and available resources at domestic level

Financial Reporting Framework

1. International financial resource flows
2. Biodiversity in national priorities/plans
3. Assessment of values of biodiversity
4. Domestic expenditures
5. Funding needs, gaps and priorities
6. National financial plans
7. Measures to encourage 'other' contributions
8. Availability of financial resources for financial reporting



Summary on international flows

(from webinar)



Relevance for developing countries

- Reporting official 'South-South cooperation' (under the 'OOF' column)
- Reporting activities by private sector, foundations, academia (under 'other flows')
- OECD database as a source of data and information
- Horizontal methodological issues (i.e., biodiversity concepts and assigning coefficients)

Summary on international flows

(from webinar)



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International Financial Resource Flows

2006-2010 baseline

Including South-south
Cooperation

Private sector, NGO,
Academia, Foundation

Year	ODA ⁱ	OOF ⁱ	Other flows ⁱ	Total
v				0
Average (baseline)	0	0	0	0

Methodological information:

ODA includes: ⁱ

- ☐ - Bilateral
- ☐ - Multilateral

ODA/OOF includes: ⁱ

- ☐ - Commitments
- ☐ - Disbursements

ODA/OOF includes: ⁱ

- ☐ - Directly related
- ☐ - Indirectly related

Other flows include:

- ☐ - Directly related
- ☐ - Indirectly related

Other methodological observations/comments, including sources of data: ⁱ

As applicable, methodology used to identify official resource flows: ⁱ

As applicable, coefficient used for resource flows indirectly related to biodiversity, when calculating total numbers: ⁱ

%

Average confidence levels: ⁱ

ODA:

OOF:

Other flows:

OECD Creditor Reporting System (CRS) and ‘Rio Markers’

- Biodiversity-related development finance is tracked within the CRS using the biodiversity “Rio marker” (since 1998, mandatory from 2006)
- Rio markers track policy objectives
 - i.e. activities targeting biodiversity as a *principal* objective, a *significant* objective, or not at all
- Marking guided by: Definition, eligibility criteria, typical examples and guidance
- Data allow for an approximate quantification of finance flows to biodiversity & track mainstreaming

OECD Creditor Reporting System (CRS) and ‘Rio Markers’

CURRENT BIODIVERSITY DEFINITION:

- *It promotes at least one of the three objectives of the Convention: the conservation of bio-diversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.*

CURRENT CRITERIA FOR ELIGIBILITY:

The activity contributes to

- a) *protection or enhancing ecosystems, species or genetic resources through insitu or ex-situ conservation, or remedying existing environmental damage; or*
- b) *integration of bio-diversity and ecosystem services concerns within recipient countries’ development objectives and economic decision making, through institution building, capacity development, strengthening the regulatory and policy framework, or research; or*
- c) *developing countries’ efforts to meet their obligations under the Convention*

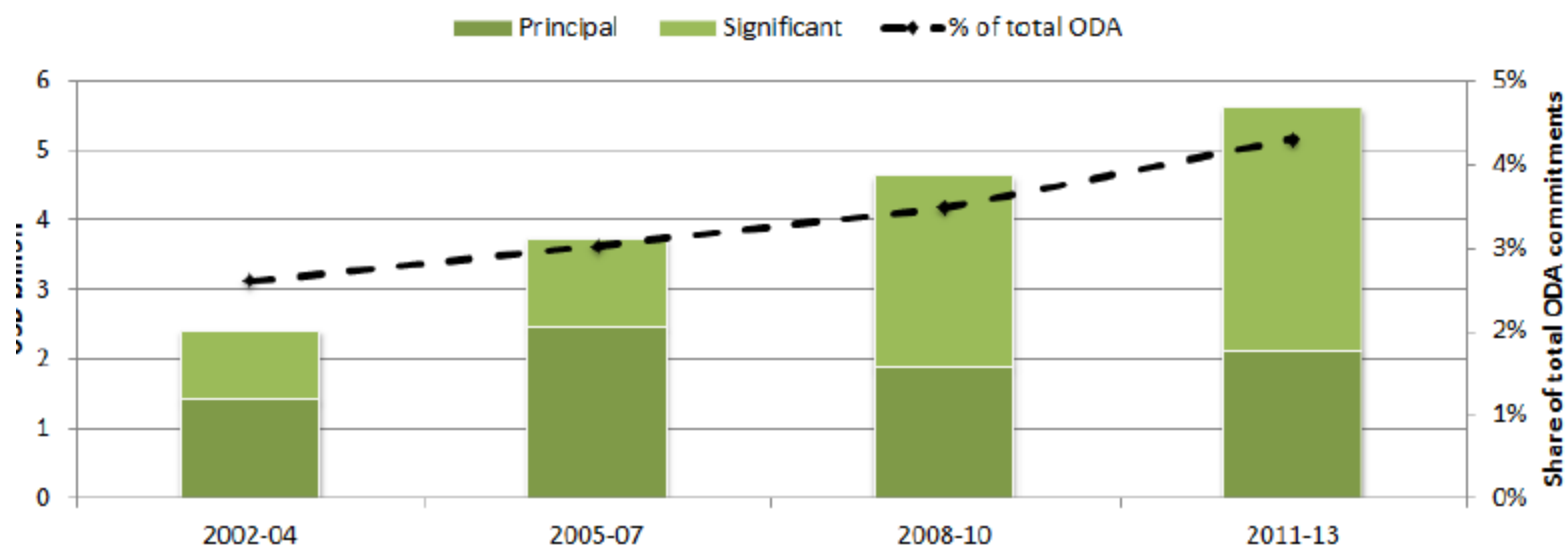
The activity will score “principal objective” if it directly and explicitly aims to achieve one or more of the above three criteria.

Work currently ongoing in the OECD to fine tune Rio marker definitions:

- Headline definitions considered relevant & internationally recognised
- Modernise descriptive language and check consistency with conventions
- Improved guidance - sub-sector level examples and rational
- Working towards common definitions
- Open and engaging to seek recipient perspectives

Bilateral biodiversity-related ODA commitments by OECD DAC members

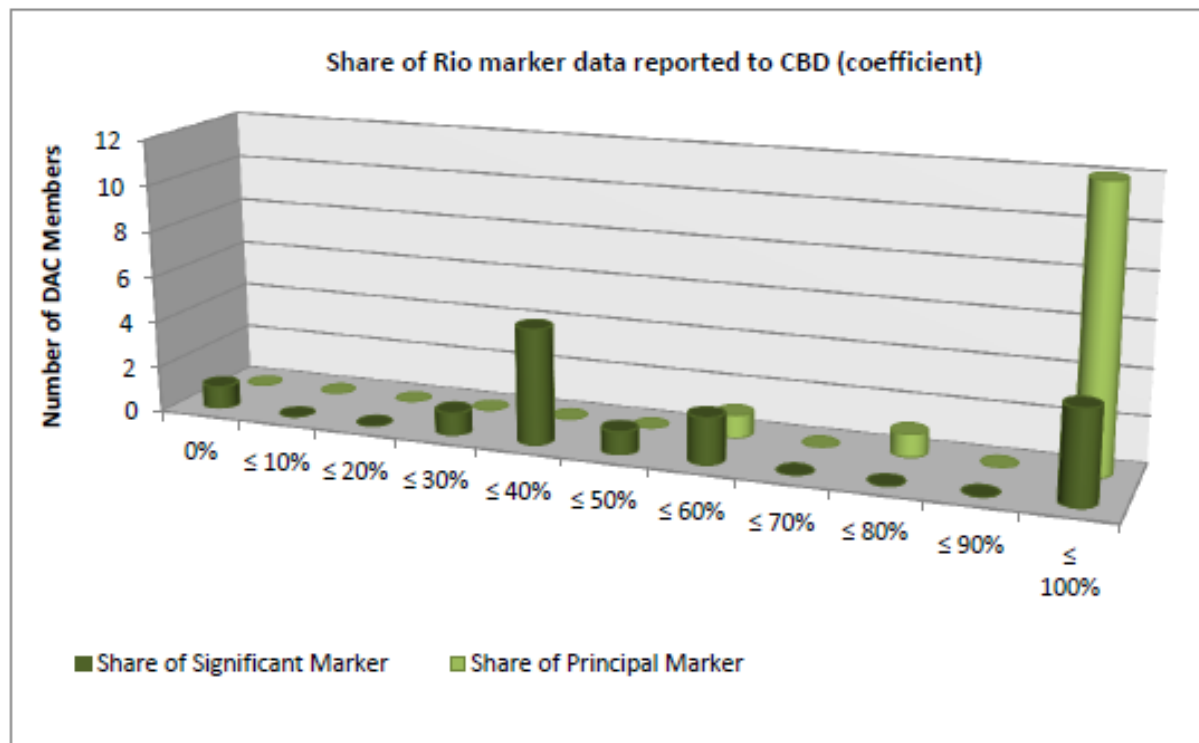
Trends in biodiversity-related development finance, three-year averages
2002-2013, bilateral commitments, USD billion, constant 2013 prices



- Most increase in ODA targeting biodiversity as a “significant” objective (63% av. 2011-13)
- Donors increasingly targeting multiple environmental objectives:
 - 76% biodiversity-related development finance also targets climate change objectives (2011-13).

Use of Rio marker data for Reporting to the CBD:

- Large number of members draw on Rio markers to provide the basis for their reporting to the CBD on bilateral ODA.
 - Most report 100% *principal*
 - Varied treatment of *significant*
- Awareness that Rio marker methodology allows for an approximate quantification of financial flows - many members applying coefficients to adjust the share of finance



- Different approaches and coefficients may relate to the nature of different member portfolios, and how the marker is applied.
- Comparability and the need for harmonisation are pressing concerns

Use of Rio marker data for reporting international flows: coefficients

- **Different rationales, different approaches...**
 - Recognition that *significant* < *principal*, ranges and approximations
 - Identify biodiversity component
- **Range of views on the reporting of components:**
 - not logical, costs cannot be separated
 - Feasibility challenging, resource intensive and complex
- **Use of coefficients prevalent but limited evidence to inform these**
- More sophisticated approaches exist, need to remain comparable
- **Transparency first step for improvement** – revised CDB reporting framework supports this

How to access data



<http://stats.oecd.org/>

stats.oecd.org

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

OECD.Stat

Data by theme Popular queries

Find in Themes >> Reset

All Themes

- General Statistics
- Agriculture and Fisheries
- Demography and Population
- Development
 - Flows by Provider
 - Flows by Provider and Recipient
 - Flows based on individual projects (CRS)
 - Aid activities targeting Global Environmental Objectives
 - Aid projects targeting gender equality and women's empowerment (CRD)
 - Members' total use of the multilateral system
 - Creditor Reporting System (CRD)
 - Paris Declaration on Aid Effectiveness
 - African Economic Outlook
- Economic Projections
- Education and Training
- Environment
- Finance
- Globalisation
- Health
- Industry and Services
- International Trade and Balance of Payments
- Labour
- Monthly Economic Indicators
- National Accounts
- Prices and Purchasing Power Parities
- Productivity
- Public Sector, Taxation and Market Regulation

Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

Recipient: Developing Countries, Total

Sector: 1000: Total All Sectors

Marker: Biodiversity

Amount type: Current Prices

Year: 2013

Unit: US Dollar, millions

Donor	Score	Principal	Significant	Screened, not large
DAC Members, Total	1 491.62		4 484.61	
Australia	57.21		245.07	
Austria	14.11		33.51	
Belgium	22.12		147.38	
Canada	1.19		54.27	
Czech Republic	0.14		3.80	
Denmark	0.20		249.29	
Finland	6.67		10.95	
France	100.71		229.43	
Germany	559.64		441.37	
Greece	0.09		0.04	
Iceland	3.12		2.05	
Ireland	0.15		41.74	
Italy	11.53		66.61	
Japan	38.06		69.88	
Korea	10.13		45.36	
Luxembourg	1.62		10.26	
Netherlands	3.53		295.80	
New Zealand	3.52		8.00	
Norway	106.76		415.10	
Portugal	0.14		1.19	
Spain	1.73		48.73	
Sweden	45.14		402.29	

Data extracted on 14 Sep 2015 15:48 UTC (GMT) from OECD.Stat

vascript:trackExitAndRedir('http://www.oecd.org', 'OECD Web Site');

How to access data

Aid activities targeting Global Environmental Objectives

[Customise](#)
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[Draw chart](#)
[My Queries](#)

→ Recipient **Sri Lanka**

→ Sector **1000: Total All Sectors**

→ Marker **Biodiversity**

→ Amount type **Current Prices**

→ Year **2013**

Unit US Dollar, millions

→ Score **Principal** **Significant**

→ Donor

■ DAC Members, Total		0.12	5.38
DAC Members, Total			
	Australia	..	0.03
	Austria	..	..
	Belgium	..	..
	Canada	..	0.97
	Czech Republic	..	..
	Denmark	..	..
	Finland	..	..
	France	..	..
	Germany	..	..
	Greece	..	..
	Iceland	..	..
	Ireland	..	..
	Italy	0.00	0.65
	Japan	..	1.21

Data extracted on 14 Sep 2015 16:12 UTC (GMT) from OECD.Stat

How to access data

Aid activities targeting Global Environmental Objectives ⁱ

 Customise ▾
  Export ▾
  Draw chart ▾
  My Queries ▾

→ Recipient **Sri Lanka** ▾
 → Sector **300: III. Production Sectors, Total** ▾
 → Marker **Biodiversity** ▾
 → Amount type **Current Prices** ▾
 → Year **2013** ▾

Unit US Dollar, millions

		→ Score	Principal ▲ ▼	Significant ▲ ▼	Screened
→ Donor					
■ DAC Members, Total			0.03	0.84	
DAC Members, Total				0.03	
	Australia		..	..	
	Austria		..	..	
	Belgium		..	..	
	Canada		..	..	
	Czech Republic		..	..	
	Denmark		..	..	
	Finland		..	..	
	France		..	..	
	Germany		..	..	
	Greece		..	..	
	Iceland		..	..	
	Ireland		..	..	
	Italy		0.00	0.65	
	Japan		..	..	

How to access data

Aid activities targeting Global Environmental Objectives ⁱ

 Customise  Export  Draw chart  My Queries

→ Recipient **Sri Lanka**
→ Sector **410: IV.1. General Environment Protection, Total**
→ Marker **Biodiversity**
→ Amount type **Current Prices**
→ Year **2013**

Unit US Dollar, millions

→ Score Principal Significant
▲ ▼ ▲ ▼

→ Donor

■ DAC Members, Total		0.05	3.13
DAC Members, Total			
	Australia	..	..
	Austria	..	..
	Belgium	..	..
	Canada	..	0.97
	Czech Republic	..	..
	Denmark	..	..
	Finland	..	..
	France	..	..
	Germany	..	..
	Greece	..	..
	Iceland	..	..
	Ireland	..	..
	Italy	..	..
	Japan	..	..

How to access data

Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

Recipient: Sri Lanka
Sector: 41020: Biosphere protection
Marker: Biodiversity
Amount type: Current Prices
Year: 2013
Unit: US Dollar, millions

	Score	Principal	Significant
Donor			
DAC Members, Total	..		2.03
DAC Members, Total			
Australia	..		..
Austria	..		..
Belgium	..		..
Canada	..		..
Czech Republic	..		..
Denmark	..		..
Finland	..		..
France	..		..
Germany	..		..
Greece	..		..
Iceland	..		..
Ireland	..		..
Italy	..		..
Japan	..		..