

Financial Reporting

under the

Convention on Biological Diversity

Webinar for English-speaking African countries
30 October 2015
Secretariat of the Convention on Biological Diversity



COP12 / MOP7 / MOP1
PYEONGCHANG KOREA 2014





Objectives of the webinar

- Provide a first overview of the online FRF and its background
- Clarify immediate technical issues
- Identify issues for further discussion at the workshop





Outline

- Why financial reporting?
- The global context
- Mandate
- COP-12: financial targets
- **Financial reporting framework**





Why Financial Reporting?

- Data required is key input for biodiversity planning
- Means to assess progress towards national targets that contribute to global targets
- Enables global community to fine-tune further action regarding financing for biodiversity (COP XIII)





The CBD

- One of the three «Rio Conventions», signed in 1992
- Three main objectives (Article 1): Conservation ; sustainable use of biodiversity components; fair and equitable sharing of benefits of genetic resources
- Entered into force 29 December 1993
- 196 Parties
- Governing Body: Conference of the Parties
- Cartagena Protocol on Biosafety entered into force 11 September 2003; 170 Parties
- Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization; entered into force 12 October 2014; 60 Parties





The Strategic Plan for Biodiversity 2011-2020

- Adopted by COP-10 in Nagoya, Japan, October 2010
- Framework for all biodiversity-related conventions and partners
- 20 ‘Aichi Biodiversity Targets’ grouped under five strategic goals
- One of its five strategic goals is to “**mainstream biodiversity across government and society**”
- Linking biodiversity to economics and human well-being

”Take effective and urgent action to halt the loss of biodiversity in order to ensure that by 2020 ecosystems are resilient and continue to provide essential services, thereby securing the planet’s variety of life, and contributing to human well-being, and poverty eradication.”

(mission of the Strategic Plan)



Resource mobilization

- Article 20 of the Convention
- COP-10: Strategic Plan for Biodiversity 2011-2020 plus ‘implementation machinery’:
 - ✓ review, update and revise, as appropriate, NBSAPs;
 - ✓ Develop national target(s);
 - ✓ Adopt revised NBSAPs as a policy instrument;



- Aichi Target 20 of the Strategic Plan for Biodiversity 2011-2020:

Substantial increase from the current levels by 2020, at the latest, of the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources...

- UNU-IAS gap analysis of existing NBSAPs:

- many existing NBSAPs do not adequately address the mobilization of resources necessary for their implementation





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, in particular small islands developing States (...) 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



Mandate for Financial Reporting

Decision XII/3 (Resource Mobilization), paragraphs 24-26:

- Adoption of revised Financial Reporting Framework
- On-line on Clearing House Mechanism since June 2015
- 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



Organization of Financial Reporting

- National Focal Points: CBD or resource mobilization (may delegate; see guidance at <https://www.cbd.int/doc/notifications/2015/ntf-2015-067-resource-mobilization-en.pdf>)
- Global: CBD Secretariat

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





1. International Financial Resource Flows

1.1 Resources for biodiversity provided **by the reporting country to developing countries, in particular small island developing States...**

3 types of flows:

ODA – official development assistance

OOF – other official flows

Other - Private sector, NGOs, foundations, academia, etc.



Categorization of International Financial Resource Flows

ODA – (bi/multi-lateral)

ODA/OOF

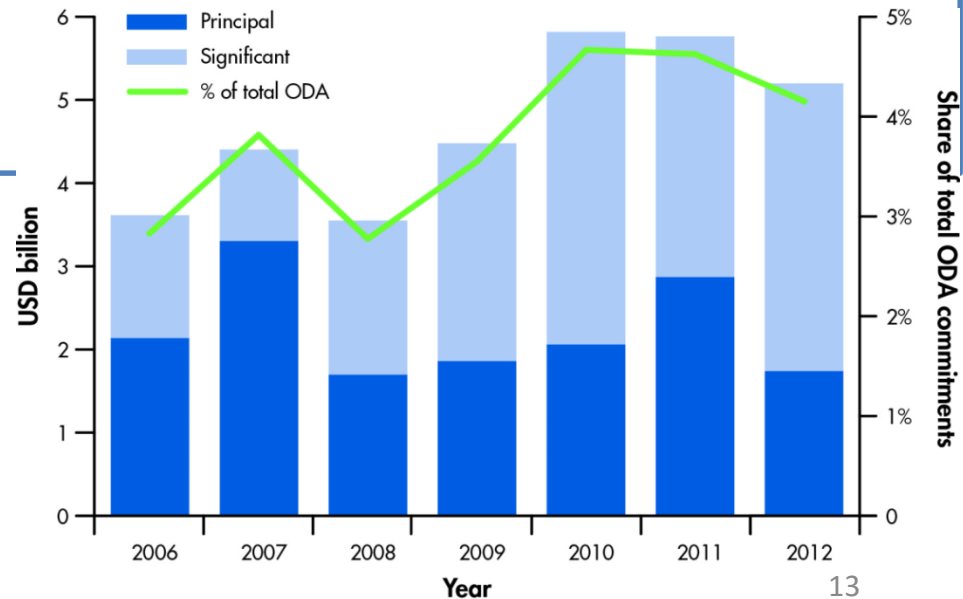
ODA/OOF Other

Commitments

Disbursements

Directly

Indirectly



International Financial Resource

Flows in the online FRF

2006-2010 baseline

Including South-south
Cooperation

Private sector, NGO,
Academia, Foundation

Year	ODA ⁱ	OOF ⁱ	Other flows ⁱ	Total
<input type="text" value="v"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	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

Nothing selected...

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

0 %

Average confidence levels: ⁱ

ODA:

Select confidence level...

OOF:

Select confidence level...

Other flows:

Select confidence level...



International Financial Resource Flows

OECD Creditor Reporting System and Rio Markers as a source of data and information for:

- Reporting domestic biodiversity expenditures
- Identifying donors
- Discovering international finance going to sectors related to biodiversity – indicating potential opportunities for mainstreaming





Other official flows

- Non-ODA public funds, which do not meet the conditions for eligibility as ODA
- South-South Cooperation would be included for “non-DAC” countries
 - Capacity building received or provided from other developing countries
 - Exchange of resources, technology, and knowledge between developing countries

Other flows



- **Private sector funding**
 - Private corporations or transactions mediated through a market
- **Non-governmental organizations (International)**
- **Foundations (International)**
- **Academia (International)**
 - University, college or other teaching institution, research institute or think-tank



1.2 Monitoring progress in mobilizing international financial flows

Data after 2010 with average confidence level (high, medium, low)

1.1.2 Monitoring progress in mobilizing international financial flows For the purposes of monitoring progress, please provide data for years after 2010

Year	ODA ⁱ	OOF ⁱ	Other flows ⁱ	Total
2011 ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
2012 ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
2013 ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
2014 ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
2015 ▾	<input type="text"/>	<input type="text"/>	<input type="text"/>	0

Average confidence levels ⁱ

ODA

Select confidence level... ▾

OOF

Select confidence level... ▾

Clear selection

High

Medium

Low



1.3 Measures to encourage Other flows

1.2 Has your country taken measures to encourage the private sector as well as non-governmental organizations, foundations and academia to provide international support for the implementation of the Strategic Plan for Biodiversity 2011-2020?

Comprehensive measures taken ▾

Clear selection

No

Some measures taken

✓ Comprehensive measures taken

n below.

ces, as applicable, to your reply to question 8 of the fifth national report guidelines, or to your report on progress in achieving Aichi
nd 19, under question 10 of the fifth national report guidelines.

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Summary on international flows



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 concept and assigning coefficients)



2. Inclusion of biodiversity in priorities or plans

- Cross-sectoral and sectoral plans
- What is meant by “inclusion”?
- Question 8 of 5th National Report guidelines

2. Inclusion of biodiversity in priorities and plans

Has your country included biodiversity in national priorities or development plans?

Select... ▼

Clear selection

Not yet started

Some inclusion achieved

Comprehensive inclusion

or evaluation of values

Inclusion of biodiversity in priorities or plans

Eastern Africa

Burundi	agriculture, education, mining, health, forest, finance, trade and industry (2014) Agriculture, forests and watersheds, fisheries, tourism, energy, water and sanitation, health and land transport, the Strategy for Growth and Poverty Reduction.
Comoros	(2009) Environmental sector, agricultural sector, livestock, education, health, rural development, fishing, forestry, mining, tourism, finance, commerce, industrial sector.
Djibouti	biodiversity considerations in laws, sectoral and cross-sectoral development strategies and plans agriculture sector, marine and coastal sector, transport sector, mines sector, tourism sector, water sector, education sector, as well as macro policy, Poverty Reduction Strategy Paper, National Environmental Management Plan, land tenure and land use policy, biotechnology sector, and environmental impact assessment of development
Eritrea	(2014)Ethiopian Climate Resilient Green Economy Strategy, Growth and Transformation Plan, agriculture, tourism, energy, education (2009)relevant sectoral and cross-sectoral institutions, the processes and measures taken by stakeholders at different levels
Ethiopia	mainstreaming processes
Kenya	tourism, education, scientific research, health, agriculture, fishing and halieutic resources, livestock, energy, forestry, mining, water, public works and meteorology, trade, industrial sector, transport
Madagascar	sectoral biodiversity coordination, cross sectoral biodiversity coordination, cross cutting national programmes and strategies, National Strategy for Sustainable Development for Malawi, Malawi Growth and Development Strategy, Malawi National Adaptation Programmes of Action, Agricultural Sector Wide Approach (ASWAp)
Malawi	sustainable agriculture
Malawi	Ministry for the Coordination for Environmental Action, Ministry of Tourism, Ministry of Agriculture, Ministry of Fisheries, Ministry of Mineral Resources, Ministry of Public Works and Habitation, Ministry of Science and Technology, Ministry of Finance, Ministry of Foreign Affairs and Cooperation, Ministry of Industry and Trade, Ministry of Planning and Development, Ministry of Education and Culture, Ministry of Health
Mauritius	
Mozambique	

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



3. Assessment and/or evaluation of values in online FRF

3. Assessment and/or evaluation of values

Has your country assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components?

Select... ▼

Clear selection

No such assessment necessary

Not yet started

Some assessments undertaken

Comprehensive assessments undertaken

- “comprehensive:” project level vs national ecosystem assessments or TEEB studies
- Question 8, or Aichi Target 2 under question 10 of 5th National Report guidelines
- *Plans to conduct valuation studies*

Assessment of Values

Eastern Africa

Comoros	<p>(2014) Biodiversity provides 40% to 50% of food needs and nearly 40% of animal protein in the country, contributes to 41% of the GDP, i.e., US\$209 million and about 90% of export revenues.</p> <p>(2001) Economic assessments of reefs</p>
Djibouti	<p>(1998) Djibouti Biodiversity: Economic Assessment</p>
Eritrea	<p>Values</p> <p>(1998) Eritrea Biodiversity: Economic Assessment</p>
Ethiopia	<p>(2014) Values of Biodiversity and Ecosystem Services</p> <p>(2009) The Value of the Ethiopian Protected Area System: Message to Policy Makers, by Ethiopian Wildlife Conservation Authority (EWCA)</p> <p>(2011) The Economics of Managing Crop Diversity On-farm: Economic analysis of Ethiopian farmers' preferences for crop variety attributes: A choice experiment approach; Farmers' perceptions on replacement and loss of traditional crop varieties: Examples from Ethiopia and implications</p>
Kenya	<p>(2014) Green Economy Assessment: economic benefits estimated USD 45 billion by 2030 as well as greater food security, a cleaner environment and higher productivity of natural resources</p> <p>(1996) The Economics of Wildlife: Case Studies from Ghana, Kenya, Namibia, and Zimbabwe</p> <ol style="list-style-type: none">1. opportunity costs of biodiversity conservation; Country Study2. Economic Constraints to the Management of Marine Protected Areas: the Case of Kisite Marine National3. Valuing the Subsistence Use of Forest Products in Oldonyo Orok Forest, Kenya
Madagascar	<p>(2014) Valeurs économiques (commerce international, industrie et artisanat, tourisme, commerce intérieur), valeurs sociales (nourriture, matériaux de construction et produits ménagers, combustibles domestiques, médecine traditionnelle, emplois), valeurs culturelles, valeurs scientifiques, valeurs des services écologiques</p> <ol style="list-style-type: none">1. Economic analysis of protected area network2. Valuing Tropical Forests: Methodology and Case Study of Madagascar3. Biodiversity and human well-being, valuation
Malawi	<p>Economic loss</p> <p>(2011) Economic Study</p>
Mozambique	<p>Economic Analysis of Natural Resources; National accounting</p>
Rwanda	<p>(2014) Total economic valuation of ecosystem services in Nyungwe watershed and Mukura forest reserve</p> <ol style="list-style-type: none">1. Economic Analysis of Natural Resource Management2. State of the Environment



4. Domestic Biodiversity Expenditures

Annual expenditures on domestic activities

- **Does not** include funds **sent to** other countries
- **Does** include expenditures **financed by international sources** (*OECD CRS database – could be helpful*)
- **Does** include funds spent **on *direct (minimally) and indirect (if possible)*** biodiversity action
- **Includes all sources** but minimally central government
- **Does** include contribution of collective action/ IPLCs if measured and expressed in monetary terms









4. Domestic Biodiversity Expenditures in online FRF

Please select currency *

Nothing selected... ▾

All values are : *

in thousands ▾

Year	Domestic expenditures	Overall confidence
2006 ▾	1000	Low ▾ 
2007 ▾	2000	Medium ▾ 
2008 ▾	1800	Medium ▾ 
2009 ▾	2200	Medium ▾ 
▾		▾
Average	1750	Medium

Domestic biodiversity expenditures: Sources and categories of flows

Minimum

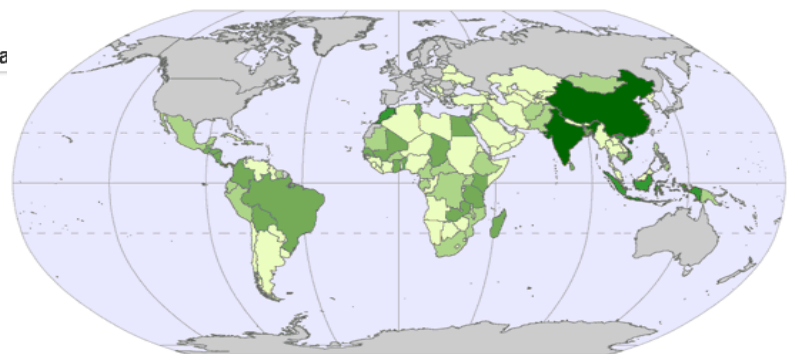
4.2 Information on sources and categories

Numbers above cover	Expenditures directly related to biodiversity	Expenditures indirectly related to biodiversity
Government budgets – central	<input type="checkbox"/>	<input type="checkbox"/>
Government budgets – state/provincial	<input type="checkbox"/>	<input type="checkbox"/>
Government budgets – local/municipal	<input type="checkbox"/>	<input type="checkbox"/>
Extra-budgetary	<input type="checkbox"/>	<input type="checkbox"/>
Private/market	<input type="checkbox"/>	<input type="checkbox"/>
Other (NGO, foundations, academia)	<input type="checkbox"/>	<input type="checkbox"/>
Collective action of indigenous and local communities	<input type="checkbox"/>	<input type="checkbox"/>



Additional methodological information, including sources of data

\$ from international flows- ODA, OOF, other



10/30/2015

Identifying and assessing biodiversity-related activities

Methodological issues

- Using statistical frameworks and related data collection
 - Classification of Environmental Protection Activities (CEPA) includes line on biodiversity; used under:
 - United Nations System of Environmental and Economic Accounting (UNSEEA; international statistical standard);
 - Classification of Functions of Government (COFOG); used for global Government Finance Statistics



Identifying and assessing biodiversity-related activities

Methodological issues (cont.)

- Identifying 'indirect' biodiversity-related activities: biodiversity concepts
- Quantifying 'indirect' biodiversity-related activities: assigning coefficients

➔ more at workshop





Private/market

- Government-owned public corporations
- Public-private partnerships
- Private businesses in key sectors
- ‘Market-based’ instruments:
 - Payment for ecosystem services
 - Biodiversity offsets
 - Green markets





Guidance on private sector

- Annual reporting by corporations (e.g. Corporate Social Responsibility reports)
- SEEA environmental protection expenditure reporting (see above)
- Questionnaires and individual interviews
- Extrapolation/estimation models from partial data
- Green capital/natural capital
- TEEB for business



NGO, foundations, academia

- Data collection:
 - Focus on “NBSAP institutions”
 - National survey on additional institutions
- Sources of data:
 - National register of NGOs foundations, and academia
 - National tax register for foundations



Collective action of indigenous and local communities

- Potentially significant domestic contribution
- Methodologies still being developed
 - Draft methodology presented at COP XII
 - “dialogue workshop” Guatemala





Guidance on collective action

- Assessing the contribution of collective action by indigenous and local communities constitutes important work
- Promoting and harnessing collective action can enhance the effectiveness of formal policies and reduce their cost
- Monetization can be useful in some cases in order to enhance visibility and recognition
- Limits to monetization: other tools and measurement units

Collective action of indigenous and local communities

4.3. Role of collective action and non-market approaches

4.3.1 Has your country assessed the role of collective action, including by indigenous and local communities, and non-market approaches for mobilizing resources for achieving the objectives of the Convention?

Some assessments undertaken ▾

4.3.2 Please provide additional information on your assessment of the role of collective action undertaken by your country. Please provide also an assessment of your confidence in the estimation (high, medium low; alternatively provide a range of estimates). If possible, provide data for several years.

Measurement Unit ⓘ

Year	Contribution	Overall confidence
Average	<input type="text" value="0"/>	No value selected

Methodological information:

As applicable, methodology used to assess the role of collective action and non-market approaches

Nothing selected... ▾

Clear selection

Conceptual and Methodological Framework for Evaluating the Contribution of Collective Action to Biodiversity Conservatio...

Other

...d on sources of data.

EN



Domestic expenditures: summary

- Critical step in assessing funding gaps and in developing national finance plans
- Cooperation with finance/statistical offices in order to avoid duplication of efforts in data collection etc.



5. Funding needs, gaps and priorities

Funding needs vs available resources

- Identified and reported periodically at the national level;
- Often part of NBSAP process, but may also be undertaken separately;
- Not only technical assessments, but also based on stakeholder consensus;



Funding needs, gaps and priorities

Costing of NBSAP

Can use numbers in 4.1 to extrapolate

1 minus 2

Priority actions from NBSAP

Currency *

Nothing selected...

Please select a currency in Part 4.

All values are : *

in thousands

Year	Funding need ⁱ	Estimated available resources ⁱ	Estimated funding gap ⁱ	Actions for priority funding ⁱ
2014 ▼	1000	800	200	<input type="text"/> EN
2015 ▼	1200	700	500	<input type="text"/> EN
2016 ▼	1500	1500	0	<input type="text"/> EN
2017 ▼	1600	1700	-100	<input type="text"/> EN
2018 ▼	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> EN
2019 ▼	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> EN
2020 ▼	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> EN

Additional methodological observations/comments, including sources of data:



How to determine funding needs?

- Using NBSAP to identify the “costable” activities that need to be implemented to achieve the national targets and associated strategies – including scope, scale, timing, and responsible actors
- Link to GEF-7 needs assessment work: see decision XII/30; notification 094/2015

<http://www.cbd.int/doc/notifications/2015/ntf-2015-094-gef-fund-en.pdf>



6. National financial plans

Planned resource availability

- Part of NBSAP?
- Actions to implement national resource mobilization strategy;
- Should coincide with national budgetary cycles and take into account the replenishment cycle of the Global Environment Facility Trust Fund;
- Must be monitored continuously at the national level.



National financial plans

From 3rd Column
question 5

Specify the actual sources

Currency *
Nothing selected... Please select a currency in Part 4.

All values are : *
in thousands

	2014	2015	2016	2017	2018	2019	2020	
Expected funding gap ⓘ	200	500	0	-100	200	0	0	
Domestic sources (total) ⓘ	100	150	0	0	100	0	0	
National Budget	EN	100	150		100			
domestic source name	EN							
international flows (total) ⓘ	100	350	0	0	100	0	0	
Japanese Funds	EN	50	100					
EU	EN	50	250		100			
international source name	EN							
Remaining gap ⓘ	100	350	0	-100	200	0	0	

$$1 - (2+3)$$



7. Measures to encourage 'other' contributions

7. Has your country taken measures to encourage the private sector as well as non-governmental organizations, foundations and academia to provide domestic support for the implementation of the Strategic Plan for Biodiversity 2011-2020?

Comprehensive measures taken ▾

Please provide additional information below.

You may wish to provide cross-references, as applicable, to your reply to question 8 of the fifth national report guidelines, or to your report on progress in achieving Aichi Biodiversity Targets 1, 2, 3, 4, 16, 18, and 19, under question 10 of the fifth national report guidelines.

EN





National financial plans

Financial Reporting Framework

Reporting on baseline and progress towards 2015

English ▾

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PART 1

PART 2

PART 3

PART 4

PART 5

PART 6

REVIEW

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Outlook to the workshop:

Three major blocks:

- Assessing biodiversity-related expenditures
- Assessing funding needs: costing the revised NBSAP
- Closing the funding gap: biodiversity finance mechanisms

Methodological guidance on: biodiversity concepts and definitions; statistical frameworks; and assigning coefficients

Thank you!

**National Financial Reports are due
By the end of 2015**



How to access data



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

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 - ▣ Flows by Provider
 - ▣ Flows by Provider and Recipient
 - ▣ **Flows based on individual projects (CRS)**
 - ▣ Aid activities targeting Global Environmental Objectives i
 - ▣ Aid projects targeting gender equality and womens empowerment (CRS) i
 - ▣ Members' total use of the multilateral system i

Aid activities targeting Global Environmental Objectives i

Customise Export Draw chart My Queries

→ Recipient	Developing Countries, Total v		
→ Sector	1000: Total All Sectors v		
→ Marker	Biodiversity v		
→ Amount type	Current Prices v		
→ Year	2013 v		
Unit		US Dollar, millions	
→ Score	Principal ▲ ▼	Significant ▲ ▼	Screened, not targeted ▲ ▼
→ Donor			
▣ DAC Members, Total	1 491.62	4 484.61	80 095.06
DAC Members, Total	Australia	57.21	245.07 47 2 798.85


To get more specific information



- 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 womens empowerment (CRS) 

 Members' total use of the multilateral system 

- Creditor Reporting System (CRS)

 Creditor Reporting System 

  Food aid from DAC donors 

  Aid for Trade 

+ Paris Declaration on Aid Effectiveness

+ African Economic Outlook

