

Resource Mobilization and Financial Reporting under the CBD

Assessing biodiversity-related expenditures

Sub-regional workshop on financial reporting and resource
mobilization for South East Asia
Manila, Philippines
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1. Why?

Quantifying domestic biodiversity related expenditures is critical to understanding how to most effectively increase and leverage financial resources **to meet national objectives** provided in revised National Biodiversity Strategies and Action Plans (NBSAPs), based on the Strategic Plan for Biodiversity 2011-2020.



1 (a) Domestic Biodiversity Expenditures

Annual expenditures on domestic activities
(2006-onwards)

- **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







2. Domestic Biodiversity Expenditures in 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

3. Domestic biodiversity expenditures: Sources and categories of flows

Minimum

4.2 Information on sources and categories

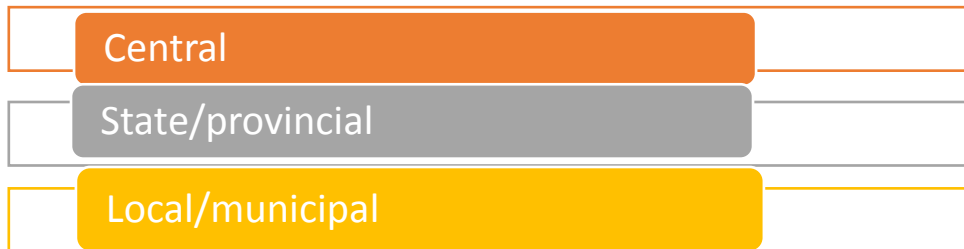
Numbers above cover	Expenditures directly related to biodiversity i	Expenditures indirectly related to biodiversity i
Government budgets – central i	<input type="checkbox"/>	<input type="checkbox"/>
Government budgets – state/provincial i	<input type="checkbox"/>	<input type="checkbox"/>
Government budgets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

Additional methodological information, including sources of data [i](#):



3 (a) Sources of flows

1. Government



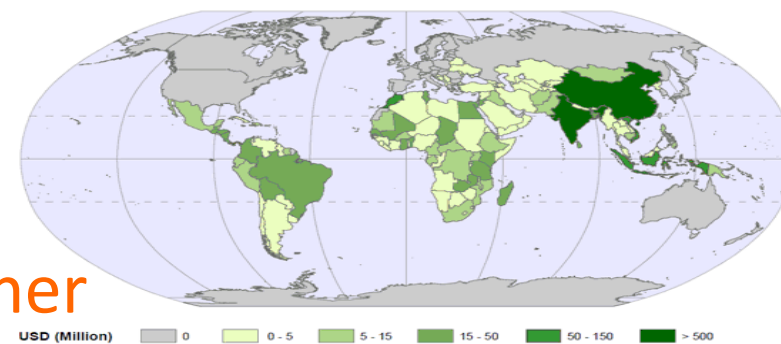
2. Extra budgetary

3. Private market; other (NGO, foundations, academia)

4. Collective action of indigenous and local communities



\$ from international flows- ODA, OOF, other

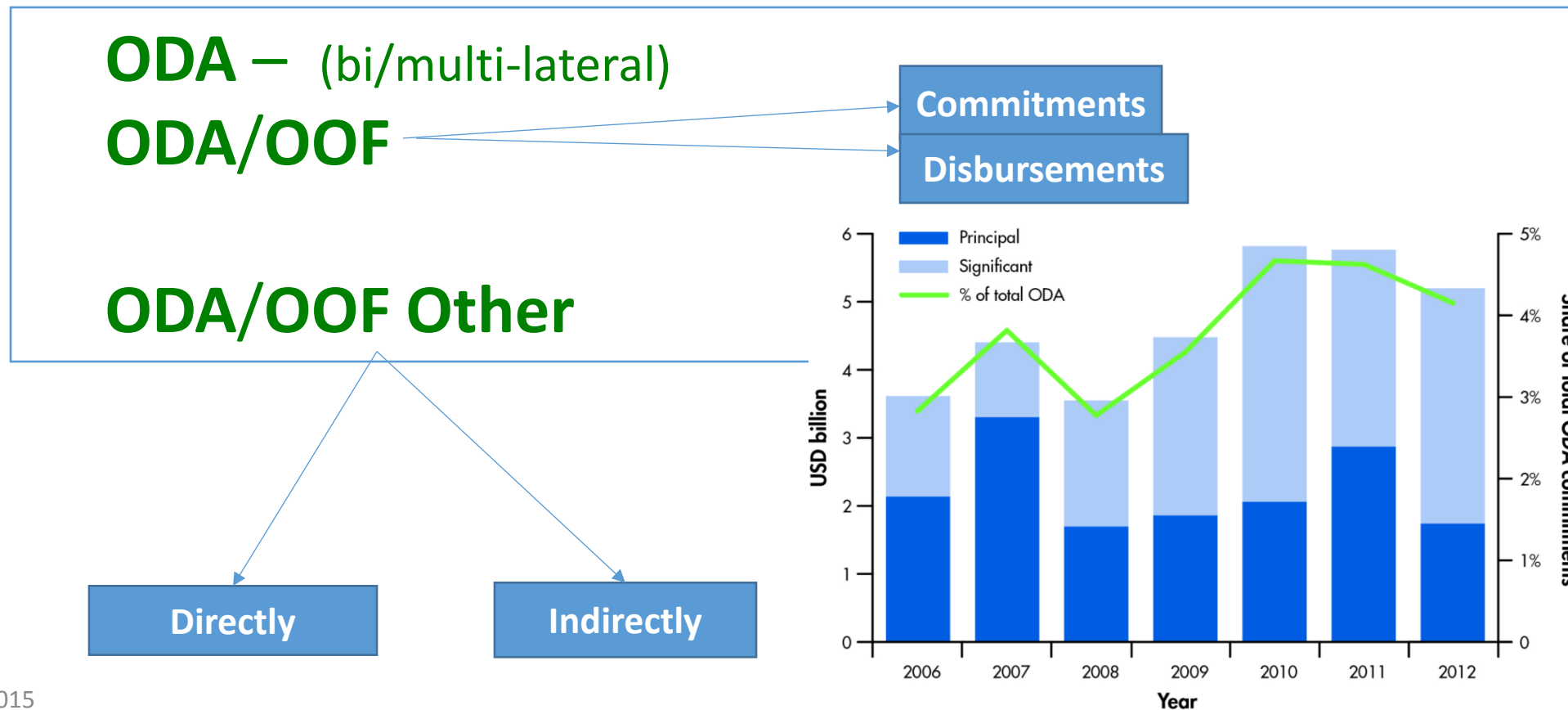


Recipients of biodiversity related aid, USD million, constant 2011 prices, Source: OECD and UNEP-WCMC



3 Extra budgetary

Resources provided by the reporting country to developing countries for biodiversity





4. Private sector : Conclusions of the Mexico workshop (Data Sources)

- Corporate Social Responsibility reports
- SEEA environmental protection expenditure reporting, questionnaires and individual interviews, extrapolation/ estimation models from partial data
- TEEB for business, corporate natural capital accounting, and embedding Total Official Support for Sustainable Development (TOSSD) in wider reporting.
- Quantity and quality of data reported by the private sector: terminology and methodological issues (e.g., differentiate between mitigation, revenue linked expenses and biodiversity investments; whether or not to include offsets in private sector expenditure).
- Longer-term work: enhancing engagement with statistical offices (e.g. SEEA) and clarifying questions related to terminology on what should be included or excluded (e.g., clarifying the difference between compliance, following certain regulations and the business case for investing in biodiversity;
- Engage with 'early movers' from different sectors and consider the potential for global mandatory ESG reporting (based on a mandate from COP).



4 (a) Private sector EU example

- Data collection under CEPA (Classification of environmental protection activities) includes questionnaires sent to companies
- Total environmental protection expenditure gives an idea of:
 - the money spent by each sector on environmental protection activities directly and indirectly
 - also those buying environmental services from other economic units and financing environmental protection expenditure that is carried out by other units



4 (b) Private sector EU example

- *SERIEE (European System for the collection of economic information on the environment)* guide to compile expenditure account:
 - identify existing data sources,
 - extract and organize these data,
 - re-arrange the data and compile the CEPA tables and main expenditure aggregates,
 - manage, publish and disseminate the CEPA data,
 - evaluate data sources and contribute to their improvement,
 - establish and maintain relations to basic data providers and to users.



5. 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. However, socio-cultural values cannot be measured adequately through monetary valuation.
- Methodological framework proposed by ACTO study
- Possible other methodologies identified by the Guatemala dialogue workshop: Multiple Evidence Base approach; participatory mapping and GIS, video and photo stories, bio-cultural community protocols, Community Based Monitoring and Information Systems (CBMIS)

Pragmatic approach: expenditures of pertinent government programmes that promote ILC action ?



6. Scope and definition - Conclusions of the Mexico workshop

- Classification systems generally refer to the three objectives of the Convention
- Flexibility needed due to targets being defined nationally but some standard guidance and boundaries would reduce variability and could help facilitate the tracking of resources
- Build on existing reporting processes and associated datasets: Is pertinent data already collected through other processes at national level, such as national statistical offices (NSO) or other as statistical authorities? The classifications used may then provide a useful starting point for analysis.
 - could reduce the need to navigate complexities of different government agencies in the process of data collection
- These systems have a hierarchical taxonomy that allows for aggregation and disaggregation, and the identification of relevant entries in the classification. There would be need to provide guidance on where to determine the “cut-off” point for excluding activities from the secondary biodiversity category – that is, a determination of what is truly “out of scope” is needed.



6 (a) Scope and definition

Environmental Expenditures

Biodiversity Expenditures

Non-Biodiversity

Primary
(Principal)
3 CBD Objectives -
primary intent

Secondary
(Significant)
Any of 20 Aichi
Targets cited as
intent

out of scope
(e.g. Pure
Renewables, etc.)





6 (b) EU tracking methodology

(Proposed for EU central budget)

- protected areas
- species conservation measures
- infrastructure investments
- conservation of genetic diversity
- control of invasive alien species
- sustainable agriculture and agri-environment measures
- sustainable forestry and forest environment measures
- sustainable fisheries and marine management actions
- tourism and recreation
- pollution control
- climate change mitigation and adaptation
- access and benefit-sharing
- research, surveys, monitoring and data management
- education, training and capacity-building
- development and implementation of policies, plans, and strategies..





6 (c) India:

- **Core:** “direct and immediate biodiversity impact”
- **Non-core:** “non-direct”
- **Peripheral:** biodiversity relevant schemes of Ministries/Departments other than the MoEFCC.





7. Using international frameworks

Conclusions of the Mexico workshop

Two important international classifications:

- As part of SEEA, the Classification of Environmental Activities (CEA) and its two groups covering the two types of environmental activities: environmental protection activities and resource management activities
- Initially developed by the OECD, the Classification of the Functions of Government (COFOG) classifies government expenditure data from the System of National Accounts by the purpose for which the funds are used. The breakdown of environmental protection (COFOG 05) is again based upon the Classification of Environmental Protection Activities (CEPA).
- CEA Group I (Environmental Protection) and COFOG 05 use the 2000 Classification of Environmental Protection Activities (CEPA).



7 (a) COFOG - Government budgets

external/pubs/ft/gfs/manual/gfs.htm

Homepage | Activate Warran... | Extended Warran... | Yellow Pages.ca | ebay | Music | Shop Toshiba | WildT...

Government Finance Statistics Manual 2014 (GFSM 2014) – Pre-publication Draft

The pre-publication draft of the Government Finance Statistics Manual 2014 updates the internationally recognized guidelines for the compilation of statistics required for fiscal analysis that were established by the earlier manuals (*Government Finance Statistics Manual 2001* and *A Manual of Government Finance Statistics 1986*).

Government Finance Statistics Manual 2001 (GFSM 2001)

Describes an integrated Government Finance Statistics (GFS) system that is harmonized, to the extent possible, with the *System of National Accounts, 1993*. Currently available in [English](#) | [Arabic](#) (1278 kb pdf file), [Chinese](#) | [French](#) | [Russian](#) | [Spanish](#).

Quarterly Government Finance Statistics - Guide for Compilers and Users

This *Guide* is a reference for compilers and users of Government Finance Statistics. We hope that it will contribute to more timely, accurate, and more internationally comparable data and an improved understanding of the complex issues involved.

The Public Sector Debt Statistics – Guide for Compilers and Users

The *Public Sector Debt Statistics-Guide for Compilers and Users (PSDSG)* provides comprehensive guidance for the measurement, compilation, analytical use, and presentation of public sector debt statistics. The *PSDSG* was produced by the IMF in conjunction with other members from the Task Force on Finance Statistics (TFFS).

Government Finance Statistics: Compilation Guide for Developing Countries

[English](#) | [French](#) | [Spanish](#)

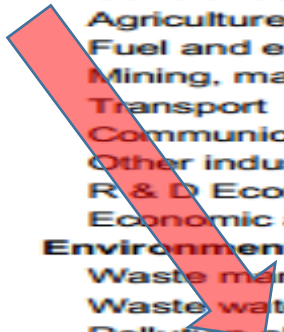
The GFS Compilation Guide provides detailed information on how to gradually introduce the guidelines of the Government Finance Statistics Manual 2001 and best practices into the compilation and dissemination of fiscal statistics. The key issues in the compilation of statistics for government institutions in developing countries are discussed, and illustrated with many examples, figures, and tables.



7 (b) COFOG Classification of the Functions of Government

7	Total expenditure
701	General public services
7011	Executive and legislative organs, financial and fiscal affairs, external affairs
7012	Foreign economic aid
7013	General services
7014	Basic research
7015	R & D General public services
7016	General public services n.e.c.
7017	Public debt transactions
7018	Transfers of a general character between different levels of government
702	Defense
7021	Military defense
7022	Civil defense
7023	Foreign military aid
7024	R & D Defense
7025	Defense n.e.c.
703	Public order and safety
7031	Police services
7032	Fire protection services
7033	Law courts
7034	Prisons
7035	R & D Public order and safety
7036	Public order and safety n.e.c.
704	Economic affairs
7041	General economic, commercial, and labor affairs
7042	Agriculture, forestry, fishing, and hunting
7043	Fuel and energy
7044	Mining, manufacturing, and construction
7045	Transport
7046	Communication
7047	Other industries
7048	R & D Economic affairs
7049	Economic affairs n.e.c.
705	Environmental protection
7051	Waste management
7052	Waste water management
7053	Pollution abatement
7054	Protection of biodiversity and landscape
7055	R & D Environmental protection
7056	Environmental protection n.e.c.

706	Housing and community amenities
7061	Housing development
7062	Community development
7063	Water supply
7064	Street lighting
7065	R & D Housing and community amenities
7066	Housing and community amenities n.e.c.
707	Health
7071	Medical products, appliances, and equipment
7072	Outpatient services
7073	Hospital services
7074	Public health services
7075	R & D Health
7076	Health n.e.c.
708	Recreation, culture and religion
7081	Recreational and sporting services
7082	Cultural services
7083	Broadcasting and publishing services
7084	Religious and other community services
7085	R & D Recreation, culture, and religion
7086	Recreation, culture, and religion n.e.c.
709	Education
7091	Pre-primary and primary education
7092	Secondary education
7093	Postsecondary nontertiary education
7094	Tertiary education
7095	Education not definable by level
7096	Subsidiary services to education
7097	R & D Education
7098	Education n.e.c.
710	Social protection
7101	Sickness and disability
7102	Old age
7103	Survivors
7104	Family and children
7105	Unemployment
7106	Housing
7107	Social exclusion n.e.c.
7108	R & D Social protection





7 (c) Classification on environmental activities (CEA) under SEEA

Two main categories

Group I: Environmental protection (EP)

-Activities aiming at protecting the environment against pollution, losses in quality and any kind of physical degradation (qualitative perspective)

Group II: Resource management (RM)

- Activities aiming at managing natural resources and avoiding/reducing their depletion (quantitative perspective)



7 (d) Classification of Environmental Activities: overview of groups and classes

CEA

Group I: Environmental protection (EP)

- 1 Protection of ambient air and climate
- 2 Wastewater management
- 3 Waste management
- 4 Protection and remediation of soil, groundwater and surface water
- 5 Noise and vibration abatement (excluding workplace protection)
- 6 Protection of biodiversity and landscapes
- 7 Protection against radiation (excluding external safety)
- 8 Research and development for environmental protection
- 9 Other environmental protection activities

Group II: Resource management (RM)

- 10 Management of mineral and energy resources
- 11 Management of timber resources
- 12 Management of aquatic resources
- 13 Management of other biological resources (excluding timber and aquatic resources)
- 14 Management of water resources
- 15 Research and development activities for resource management
- 16 Other resource management activities



7 (e) Classification of Environmental Activities: overview of groups and classes

6 Protection of biodiversity and landscapes

- 6.1 Protection and rehabilitation of species and habitats
- 6.2 Protection of natural and semi-natural landscapes
- 6.3 Measurement, control, laboratories and the like
- 6.4 Other activities

7 (f) CEA – COFOG correspondence

CEA	COFOG Correspondence
Group Classes I: Environmental protection (EP)	
1 Protection of ambient air and climate	05.3 - Pollution abatement
2 Wastewater management	05.2 - Waste water management
3 Waste management	05.1 - Waste management
4 Protection and remediation of soil, groundwater and surface water	05.3 - Pollution abatement
5 Noise and vibration abatement (excluding workplace protection)	05.3 - Pollution abatement
6 Protection of biodiversity and landscapes	05.4 - Protection of biodiversity and landscape
7 Protection against radiation (excluding external safety)	05.3 - Pollution abatement
8 Research and development for environmental protection	05.5 - R&D Environmental protection
9 Other environmental protection activities	05.6 - Environmental protection n.e.c.
Group Classes II: Resource management (RM)	
10 Management of mineral and energy resources	04.4.1 - Mining of mineral resources other than mineral fuels (CS)
11 Management of timber resources	04.2.2 - Forestry (CS)
12 Management of aquatic resources	04.2.3 - Fishing and hunting (CS)
13 Management of other biological resources (excluding timber and aquatic resources)	04.3 - Fuel and energy
14 Management of water resources	04.2.1 - Agriculture (CS) 06.3 - Water supply
15 Research and development activities for resource management	04.8.2 - R&D Agriculture, forestry, fishing and hunting (CS) 04.8.3 - R&D Fuel and energy (CS) 04.8.4 - R&D Mining, manufacturing and construction (CS)
16 Other resource management activities	Group: 06.5 - R&D Housing and community amenities 04.7.4 - Multi-purpose development projects (CS)



8. Methodology to provide coefficients

- Coefficients are important in the context of expenditures/activities that are ‘indirectly’ related, using for instance SEEA CEPA for orientation (outside chapter 6)
- In light of the broad range of coefficients applied in existing assessments, achieving methodological convergence would require a **stepwise approach**.

8(a) France: proposed attribution for international expenditures

(using the Rio marker methodology)

Activity Type	Examples	Proportion of total financing attributable as “favourable to biodiversity”
Projects Rio Biodiversity Marker 2	Protected Areas Support to Environmental NGOs Biodiversity Trust Funds Direct Budget Assistance for Biodiversity	100%
Projects Rio Biodiversity Marker 1	Sustainable Forest Management REDD+ Sustainable Fisheries Management Ecological Restoration	80%
Projects Rio Biodiversity Marker 1	Agro-ecology Pastoralism and nomadic livelihoods Organic and Fair Trade Supply Chains Sustainable watershed management Water treatment Integrated water systems management	30%
Projects Rio Biodiversity Marker 1	Urban biodiversity development Responsible waste treatment Reduced impact waste Credit availability for environment (non-climate related)	5%
Communication	Activities with a biodiversity component	50%
Knowledge generation	Studies dedicated to biodiversity	100%

8 (b) Switzerland

ESTIMATED RELEVANCE FOR THE CBD OBJECTIVES

BIODIVERSITY FACTOR

	Value (0-1)	%
BUDGETARY ITEM SUPPORTS CBD'S OBJECTIVES TO ITS FULL EXTENT	1.00	100%
BUDGETARY ITEM SUPPORTS CBD'S OBJECTIVES SIGNIFICANTLY	0.75	75%
ABOUT HALF OF THE BUDGETARY ITEM SUPPORTS CBD'S OBJECTIVES	0.50	50%
BUDGETARY ITEM CONTRIBUTES TO CBD'S OBJECTIVES FOR THE SMALLER PART	0.25	25%
A MINOR PART OF THE BUDGETARY ITEM CONTRIBUTES TO CBD'S OBJECTIVES	0.10	10%
A MARGINAL PART OF THE BUDGETARY ITEM CONTRIBUTES TO CBD'S OBJECTIVES	0.05	5%

Germany



8 (c) Guidance on coefficients (Mexico workshop)

- Relevant activities should be identified and disaggregated beyond the subclass on ‘protection of biodiversity and landscape protection’
- If it is too costly to (further) disaggregate, coefficients could be applied
- Before disaggregating, one should look:
 - relevance of the expenditure
 - feasibility of disaggregation
 - associated cost
 - administrative burden
- The checklist could be further fine tuned in light of specific national targets
- Achieve transparency: develop practical national guidance and comparative analysis of existing sets of national guidance on assigning coefficients could be undertaken



9. Domestic expenditures: outlook

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



9 (a) Funding needs, gaps and priorities

Costing of NBSAP

Can use numbers in 4.1 to extrapolate

Priority actions from NBSAP

1 minus 2

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

All values are : *
in thousands

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

Additional methodological observations/comments, including sources of data:

Thank you!

12/1/2015



Convention on
Biological Diversity





Exercise: towards an indicative checklist

“An indicative checklist could be developed consisting of a sub-set of SEEA CEPA categories, beyond the sub-class on ‘protection of biodiversity and landscape protection’, for further analysis and disaggregation.”



Exercise: towards an indicative checklist

The in-or-out principle in statistics; e.g.:

13 Management of other biological resources (excluding timber and aquatic resources)

Includes the activities and actions aiming at minimizing the intake of biological resources other than timber and aquatic resources through in-process modifications as well as the use of alternative resources and any other kind of measure. Replenishment activities like repopulation of wild flora and fauna stocks are included when aimed at maintaining/ increasing the consistency of stocks (not the biodiversity → CEA 6). Activities and actions concerning measurement, control, laboratories and the like are also included, as well as education, training and information and administration and regulation activities.

Other biological resources are stocks and reserves of non-cultivated animals and plants (excluding timber and aquatic resources). The class includes all the activities and actions with the purpose of managing, maintaining and increasing the stock of the resources. Activities aimed at the protection of biodiversity of wild flora and fauna are excluded (→ CEA 6).



Group work: towards an indicative checklist of activities that are indirectly relevant to biodiversity

From the perspective of your countries' biodiversity spending profile:

- Pick up to 7 (seven) CEA items (classes or sub-classes) that would be relevant for further analysis
- Assign a tentative (range of) coefficient(s)