

Resource Mobilization and Financial Reporting under the CBD

Introduction and international flows

Sub-regional workshop on financial reporting and resource mobilization for South East Asia

Manila, Philippines, 30 November to 1 December 2015

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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 cross-cutting 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
- Cross-cutting methodological issues (i.e., biodiversity concepts and assigning coefficients)

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**)

International financial resource flows

On OOF and ‘south-south-cooperation’

“(…) For the purpose of this reporting framework, information on resources provided by other, “non-donor” countries, i.e. through “South-South Cooperation”, would also be included in this column, as appropriate.”

(see decision XII/3, Annex II, additional explanations to table 1.1.1)

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
▼				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... ▼

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

- protection or enhancing ecosystems, species or genetic resources through insitu or ex-situ conservation, or remedying existing environmental damage; or*
- 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*
- developing countries’ efforts to meet their obligations under the Convention*

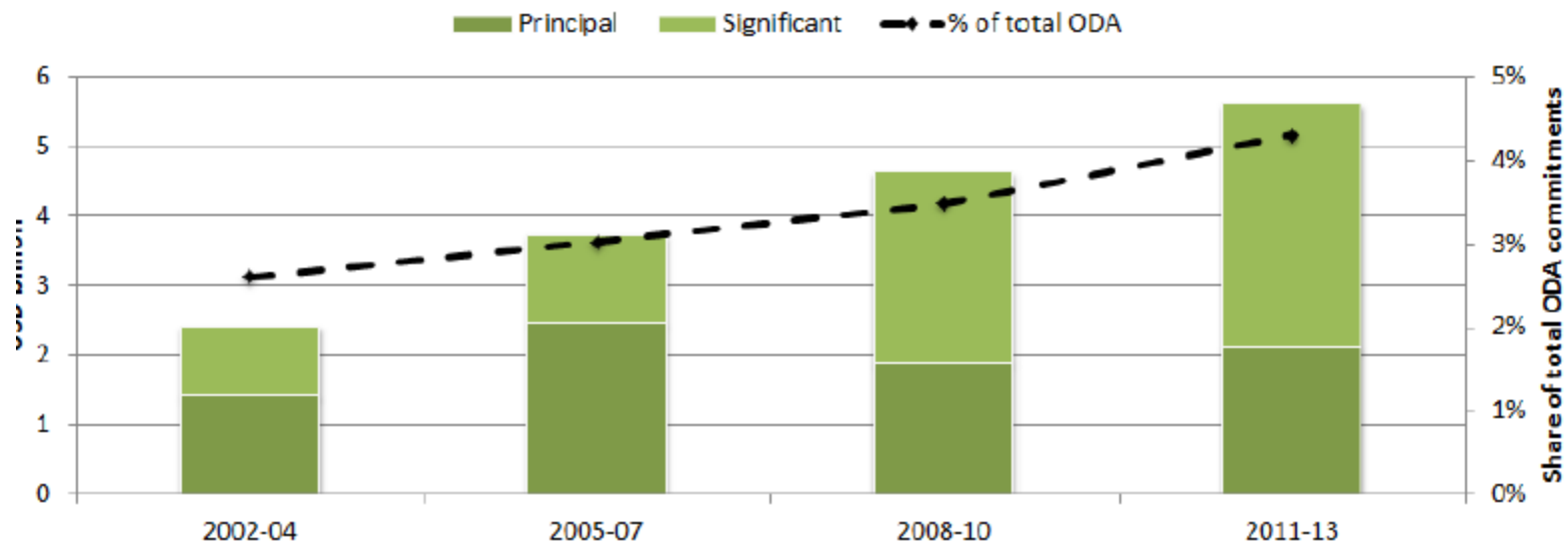
The activity will score “principal objective” if it directly and explicitly aims to achieve one or more of the above three criteria.

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

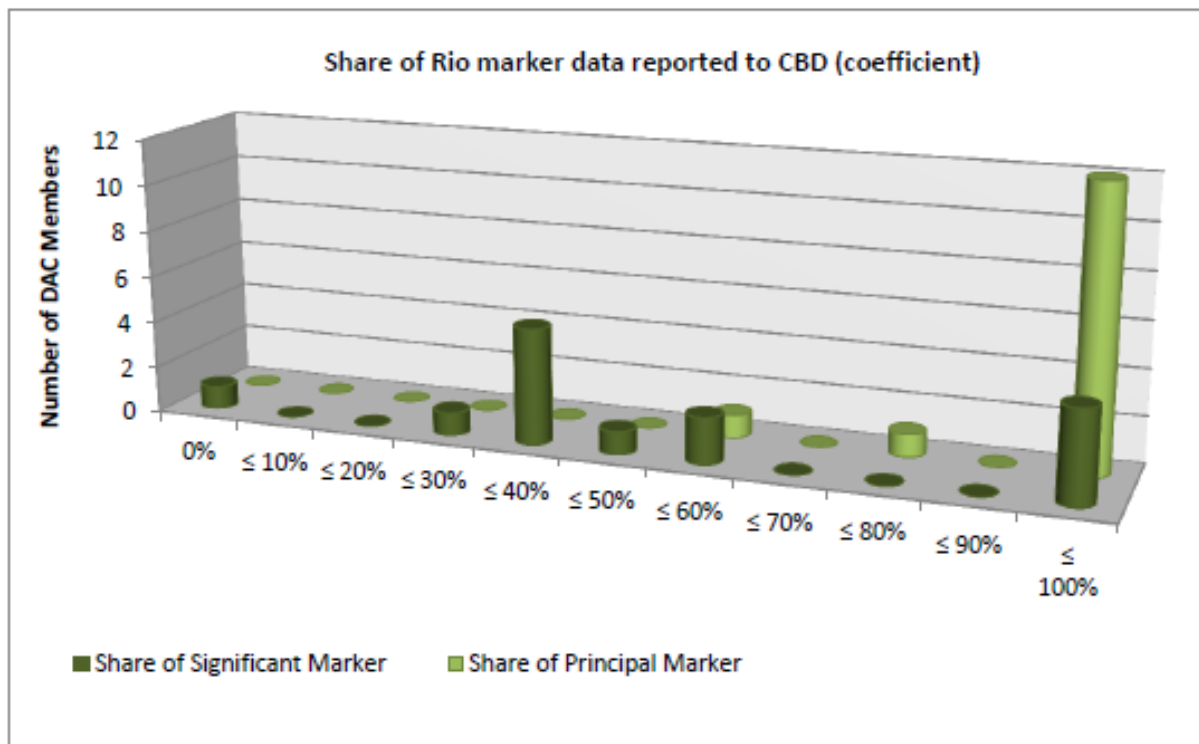
Trends in biodiversity-related development finance, three-year averages
2002-2013, bilateral commitments, USD billion, constant 2013 prices



- 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/>

Data by theme Popular queries

Find in Themes >> Reset

All Themes

General Statistics

Agriculture and Forestry

Demography and Population

Development

- Flows by Provider
- Flows by Provider and Recipient
- Flows based on individual projects (CRS)
 - Aid activities targeting Global Environmental Objectives (CRS)
 - Aid projects targeting gender equality and womens empowerment (CRS)
- Creditor Reporting System (CRS)
- Members' total use of the multilateral system
- Paris Declaration on Aid Effectiveness
- African Economic Outlook

Economic Projections

Aid activities targeting Global Environmental Objectives ⁱ

Customise Export Draw chart My Queries

→ Recipient	Far East Asia, Total		
→ Sector	1000: Total All Sectors		
→ Marker	Biodiversity		
→ Amount type	Current Prices		
→ Year	2013		
Unit	US Dollar, millions		
→ Score	Principal	Significant	Screened, not targeted
	▲ ▼	▲ ▼	▲ ▼
→ Donor			
■ DAC members, Total	257.50	318.87	
Australia	32.45	41.54	
Austria	0.68	0.42	
Belgium	0.45	4.87	
Canada	..	0.05	
Czech Republic	0.06	1.03	

How to access data

Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

Recipient: Philippines
Sector: 1000: Total All Sectors
Marker: Biodiversity
Amount type: Current Prices
Year: 2013
Unit: US Dollar, millions

Donor	Score	
	Principal	Significant
DAC members, Total	10.57	10.12
Australia	0.49	2.25
Austria	..	0.42
Belgium	0.19	2.31
Canada	..	0.01
Czech Republic	..	..
Denmark	..	..
Finland	..	..

How to access data

For details

1. Click
2. Sort table by biodiversity marker

Creditor Reporting System (CRS)

Unit: US Dollar, millions

	2005	2006	2007	2008	2009	2010	2011	2012	2013
→ Donor									
■ All Donors, Total	616.697	348.248	221.054	843.246	992.439	566.275	338.322	361.402	
■ DAC Countries, Total	593.727	220.143	186.124	774.199	911.904	523.466	198.578	329.743	
Australia	3.497	3.201	2.530	4.243	2.755	4.943	10.330	13.624	
Austria	0.941	0.672	0.866	1.095	0.950	0.825	0.910	0.906	
Belgium	0.216	0.434	0.378	0.592	0.356	0.170	0.945	0.601	
Canada	9.925	0.684	1.424	2.493	0.638	0.456	3.255	3.811	
Czech Republic	..	..	..	..	..	..	0.141	0.012	
Denmark	17.776	0.538	1.016	1.643	..	0.926	1.042	0.009	

How to access data



Exercise

- Find out the amount of ‘significant’ biodiversity-relevant ODA provided to your country
- Find out the most important projects and sectors