

Resource Mobilization and Financial Reporting under the CBD

Introduction and international flows

Subregional Capacity-building Workshop on Financial Reporting and Resource Mobilization for Eastern European and Central and West Asian Countries

Tbilisi, Georgia, 25-26 February 2016

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Secretariat of the Convention on Biological Diversity



COP12 / MOP7 / MOP1
PYEONGCHANG KOREA 2014





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, where feasible, 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

- <https://chm.cbd.int/submit/resourceMobilisation>
- For any technical question:
financialreporting@cbd.int

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**)

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*

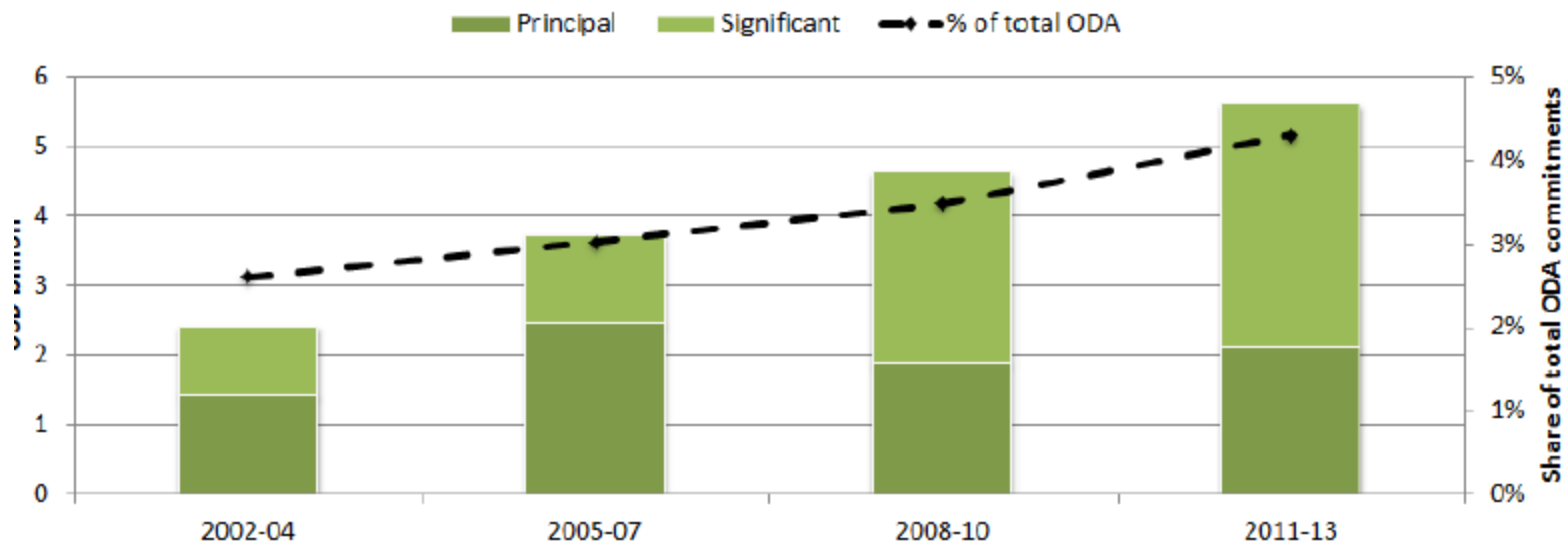
The activity will score “principal objective” if it directly and explicitly aims to achieve one or more of the above three criteria.

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

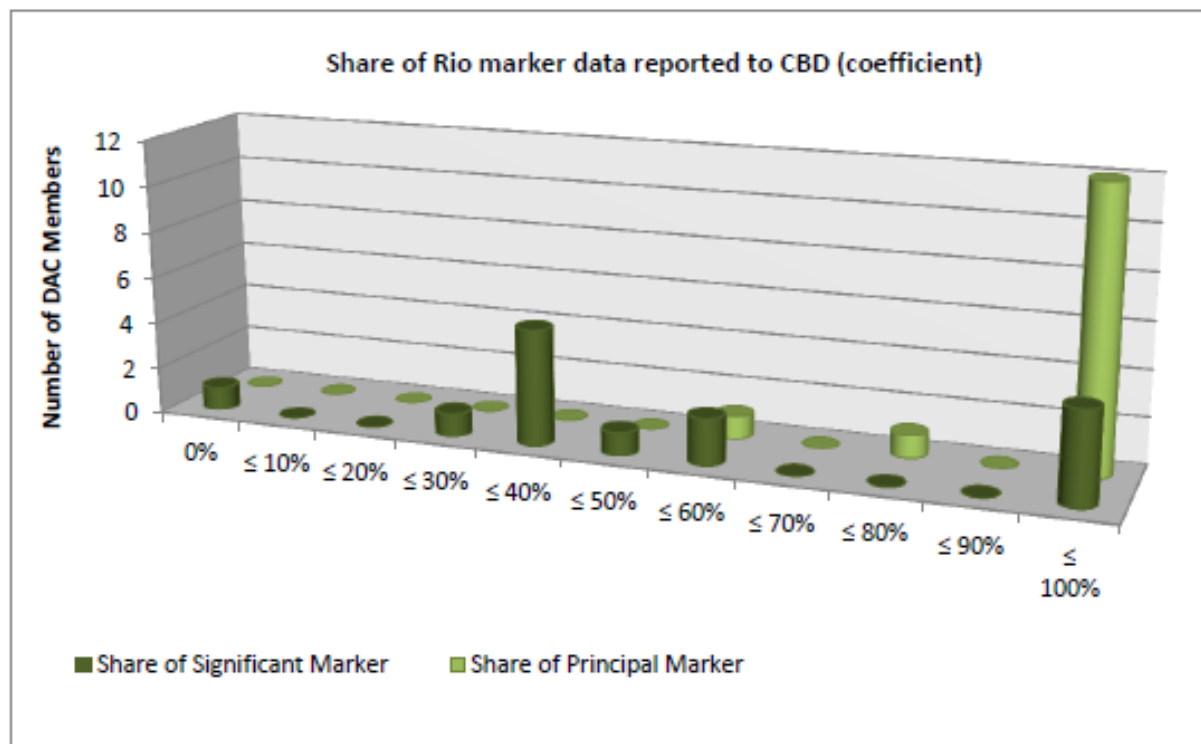
Trends in biodiversity-related development finance, three-year averages
2002-2013, bilateral commitments, USD billion, constant 2013 prices



- 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/>



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Demography and Population

Development

Flows

Flows

Flows on individual projects (CRS)

Credit Reporting System (CRS)

Aid projects targeting gender equality (CRS)

Aid activities targeting Global Environmental Objectives (CRS)

Members' total use of the multilateral system

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

Aid activities targeting Global Environmental Objectives

Customise Export Draw chart My Queries

Recipient South & Central 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	Not screened
	▲ ▼	▲ ▼	▲ ▼	▲ ▼
Donor				
DAC members, Total	122.72	313.11	19 910.57	5 317.81
Australia	0.34	18.71	363.98	54.01
Austria	7.46	4.42	5.97	113.19
Belgium	0.10	0.05	19.92	.
Canada	..	1.05	374.07	.
Czech Republic	0.05	0.18	9.76	.
Denmark	..	26.71	214.64	30.58
Finland	..	2.73	160.33	.
France	0.08	0.00	818.31	264.03
Germany	43.43	36.89	1 988.47	309.74
Greece	1.46	0.23
Iceland	0.96	.
Ireland	8.69	5.35

How to access data ?



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

Economic Projections

Education and Training

Environment

Finance

Globalisation

Health

Industry and Services

Aid activities targeting Global Environmental Objectives ⁱ

Customise Export Draw chart My Queries

Recipient	Georgia			
Sector	1000: Total All Sectors			
Marker	Biodiversity			
Amount type	Current Prices			
Year	2013			
Unit	US Dollar, millions			
Score	Principal	Significant	Screened, not targeted	Not screened
	▲ ▼	▲ ▼	▲ ▼	▲ ▼
Donor				
DAC members, Total	7.06	3.60	376.56	22.15
Australia	..	..	0.00	..
Austria	..	1.99	..	4.02
Belgium	..	..	0.00	..
Canada	..	..	0.14	..
Czech Republic	0.05	0.11	2.79	..
Denmark	..	..	0.36	0.18
Finland	..	..	2.43	..
France	..	..	2.60	0.74
Germany	5.68	0.56	82.19	11.60
Greece	0.42	..

How to access data ?

Data by theme Popular queries

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Flows by Provider

Flows by Provider and Recipient

Flows based on individual projects (CRS)

Creditor Reporting System (CRS)

Aid projects targeting gender equality and womens empowerment (CRS)

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Members' total use of the multilateral system

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Health

Industry and Services

International Trade and Balance of Payments

Labour

Aid activities targeting Global Environmental Objectives ⁱ

Customise Export Draw chart My Queries

→ Sector	1000: Total All Sectors
→ Donor	DAC members, Total
→ Marker	Biodiversity
→ Amount type	Current Prices
→ Year	2013

Unit US Dollar, millions

→ Score	Principal	Significant	Screened, not targeted	Not screened
	▲ ▼	▲ ▼	▲ ▼	▲ ▼

→ Recipient	Principal	Significant	Screened, not targeted	Not screened
■ Europe, Total	27.28	72.06	5 482.25	4 974.53
Albania	13.15	6.48	216.82	39.25
Belarus	..	0.43	88.10	10.29
Bosnia and Herzegovina	0.00	1.30	330.81	360.22
Former Yugoslav Republic of Macedonia	11.27	4.46	213.19	13.34
Moldova	..	1.64	382.69	19.14
Montenegro	..	5.75	142.19	107.52
Serbia	..	8.77	376.50	823.18
States Ex-Yugoslavia	..	..	2.22	0.54
Turkey	0.18	1.14	1 679.04	2 974.32
Ukraine	0.45	19.40	515.31	579.15
South & Central Asia, Total	122.72	313.11	19 910.57	5 317.81
Middle East, Total	20.17	61.35	8 417.22	439.44



How to access data?



For details

Creditor Reporting System (CRS)

Customise Export Draw chart My Queries

Recipient	Georgia									
Sector	1000: Total All Sectors									
Flow	Official Development Assistance									
Channel	ALL Channels									
Amount type	Constant Prices									
Flow type	Commitments									
Type of aid	All Types, Total									
Unit: US Dollar, millions, 2013										
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Donor										
All Donors, Total	420.977	829.313	401.882	1 282.466	1 225.582	749.220	711.881	926.663	634.241	813.563
DAC Countries, Total	279.667	587.945	228.501	824.513	666.795	466.588	324.491	292.251	263.824	330.002
Australia	..	..	..	..	..	..	..	0.005	0.005	0.008
Austria	7.358	1.179	58.787	1.643	1.181	1.410	2.961	10.968	6.010	3.874
Belgium	3.148	1.846	1.637	2.002	0.016	0.199	0.104	0.030	0.002	0.000
Canada	1.485	2.695	0.054	4.165	0.053	..	0.050	..	0.142	0.179
Czech Republic	..	..	..	..	..	..	1.403	2.537	2.946	2.979
Denmark	..	..	..	0.581	11.162	4.781	10.135	0.238	0.537	0.901
Finland	0.880	2.496	0.516	3.287	5.727	5.139	5.310	2.765	2.431	2.734
France	35.709	5.027	4.639	11.652	7.395	7.094	31.133	3.801	3.336	21.017
Germany	80.914	66.866	22.087	154.074	36.862	164.972	73.593	79.128	100.030	29.151

1. Click
2. Right click table and download into excel
3. Sort by biodiversity marker

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