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Item 9 of the provisional agenda*

RESOURCE MOBILIZATION

Note by the Executive Secretary

I. INTRODUCTION

1. In decision XII/3, paragraph 1, the Conference of the Parties adopted targets for resource mobilization under Aichi Target 20 of the Strategic Plan for Biodiversity 2011-2020 and, in order to give effect to these targets, decided on a series of operational activities, detailed below, to be undertaken by Parties, other Governments, relevant international organizations and initiatives, and the Executive Secretary. The present document provides conclusions resulting from the implementation of these activities (preliminary conclusions in the case of financial reporting), and presents elements of a draft recommendation for consideration by the Subsidiary Body on Implementation. The detailed analyses are provided in documents UNEP/CBD/SBI/1/7/Add.1 and UNEP/CBD/SBI/1/7/Add.2, while full reports are provided as information documents.

II. FINANCIAL REPORTING

2. In paragraph 3 of the same decision, the Conference of the Parties decided to review, at its thirteenth meeting, progress towards the targets for resource mobilization, and their adequacy, and to consider the need for appropriate action, based on information provided by Parties through the Financial Reporting Framework, including their respective identified resource needs, and taking into account their absorption capacities. In paragraph 24 of the decision, the Conference of the Parties adopted the revised Financial Reporting Framework, intended for use by Parties for providing baseline information and reporting on their contribution to reach the global financial targets as adopted by the Conference of the Parties (annex II to the decision). As requested by the decision, the financial reporting framework was made available online¹ and, by 15 February 2016, 26 reports had been received and posted online at <https://chm.cbd.int/search/reporting-map?filter=resourceMobilisation>. In addition, three reports were received in hard copy with information that was pertinent to the financial reporting framework and was included in the detailed analysis contained in document UNEP/CBD/SBI/1/7/Add.1.

3. Document UNEP/CBD/SBI/1/7/Add.1 provides a preliminary analysis of the information provided through the financial reporting framework. Below is a succinct summary by target for resource mobilization:

* UNEP/CBD/SBI/1/1/Rev.1.

¹ <https://chm.cbd.int/signin?returnUrl=%2Fsubmit%2FresourceMobilisation> .

- *Target 1 (a) (doubling international flows)*: Due to the limited number of reports received and the fact that 2015 data seems to be, in most cases, not yet available, and that even the 2014 data may, in some cases, not be final, no firm conclusions can be drawn yet. Some of the 2014 data is encouraging, but a significant increase would still seem to be needed to achieve collective doubling by 2015;

- *Target 1 (b) (inclusion of biodiversity)*: despite the limited number of reports received, some cautious optimism seems to be in order, as all reporting countries indicate at least some progress;

- *Target 1 (c) (reporting domestic biodiversity-related expenditures as well as funding needs, gaps, and priorities)*: Given the small number of reporting Parties and on a strict interpretation, the target was not met by 2015. However, among reporting countries, progress seems to be satisfactory with regard to the reporting of domestic expenditures (80 per cent of reporting countries), but many countries seem to face difficulties with regard to the reporting of funding needs (approximately 25 per cent), gap (approximately 20 per cent) and priorities (approximately 10 per cent);

- *Target 1 (e) (preparation of national finance plans, and assessment of values)*: Countries seem to face even more difficulties with regard to the preparation of finance plans (less than 15 % of reporting countries), but progress seems to be satisfactory on the assessment of values, with over 90 per cent of reporting countries reporting at least some progress;

- *Target 1 (f) (mobilization of domestic financial resources)*: This target does not have a 2015 timeline, and progress against this target would therefore be assessed during the second reporting round, in conjunction with sixth national reports. The difficulties mentioned above would also affect the eventual gauging of progress against this target.

4. According to the explanations provided by some countries, the difficulties in reporting funding needs, gaps, and priorities, and in developing and reporting national finance plans seem to be frequently related to delays in processes on which this work would build, such as the revision of the National Biodiversity Strategy and Action Plan (NBSAP) or the preparation of finance plans with the support of the UNDP BIOFIN initiative.

III. CAPACITY-BUILDING AND TECHNICAL SUPPORT

5. In decision XII/3, the Conference of the Parties requested the Executive Secretary to organize workshops, in cooperation with relevant organizations and initiatives, with a view to catalysing and supporting the provision of technical guidance and capacity-building on financial reporting, the identification of funding needs, gaps, and priorities, and the development of national resource mobilization strategies, and, in line with the programme of work on incentive measures, on the implementation of the milestones for the full operationalization of Aichi Biodiversity Target 3 (para. 32(a)).

6. Pursuant to these requests, the Executive Secretary developed a capacity-building programme on financial reporting and resource mobilization. The programme consisted of the following elements, which were delivered in a staggered manner: (a) a series of joint CBD-GEF Expanded Constituency Workshops on CBD implementation and Financial Reporting; (b) a series of subregional workshops on financial reporting and resource mobilization, which were preceded by (c) a series of webinars on financial reporting. While the joint CBD-GEF workshops were intended to raise awareness and highlight the strategic importance of financial reporting and resource mobilization, the webinars and subsequent subregional workshops were intended to disseminate, and build capacity in applying, the methodological guidance developed by earlier workshops. Document UNEP/CBD/SBI/1/INF/17 provides detailed information on the delivery of the capacity-building programme. Follow-up technical support on financial reporting was provided on a per demand basis to individual countries, through financialreporting@cbd.int.

7. These capacity-building and technical support activities were supported and complemented by the work of several organizations and initiatives. The GEF secretariat cooperated closely in the

organization of the joint CBD-GEF workshops and in the organization of some of the subregional workshops. The United Nations Development Programme, through its Biodiversity Finance Initiative (BIOFIN), provided technical and financial support to the development of the methodological guidance of the Mexico workshop (see next section), participated actively in the subregional workshops and provides technical support to the preparation of the financial reports in BIOFIN countries. Swedbio co-organized and provided financial support to the Guatemala dialogue workshop on Assessment of Collective Action of Indigenous Peoples and Local Communities in Biodiversity Conservation and Resource Mobilization (see paragraph 20 below). In addition, a significant number of Governments hosted the individual workshops, and several regional organizations cooperated closely in their delivery.

IV. OPTIONS FOR STRENGTHENING BIODIVERSITY-RELATED FINANCIAL INFORMATION SYSTEMS

8. In paragraph 27 of decision XII/3, the Conference of the Parties at its twelfth meeting requested the Executive Secretary to develop, for consideration by the Subsidiary Body on Implementation at its first meeting, options for strengthening systems of information on biodiversity-related international financial resource flows to developing countries, as well as on domestic resource flows, making use of the Financial Reporting Framework, with a view to further increasing transparency and accessibility of information to support the implementation of Article 20 of the Convention.

9. This request relates to the request of the Executive Secretary, expressed in paragraph 32(b) of the same decision, to initiate technical work by organizing a technical expert workshop on identifying, accessing, compiling and aggregating domestic and international biodiversity-related investments and impacts (hereinafter the “Mexico workshop”). This workshop was held in Mexico City, from 5 to 7 May 2015 and options for strengthening biodiversity-related financial information systems can be identified along the lines of the conclusions of this workshop, pertaining to: (a) synergizing financial reporting under the Convention with existing data collection and reporting processes, and (b) the undertaking of further methodological work for strengthening biodiversity-related financial information systems.

A. Synergizing with existing data collection and reporting processes

10. The Mexico workshop underlined the importance to build on existing reporting frameworks as well as associated processes and data sets, both internationally and nationally. With regard to biodiversity-related international financial resource flows to developing countries, explicit reference was made to the Rio markers of the Development Assistance Committee of the Organisation for Economic Development and Cooperation (OECD DAC), which are already used by many Parties in reporting.

11. With regard to domestic biodiversity-related resource flows, reference was made to the Classification of Environmental Protection Activities (CEPA), which is used in several globally recognized statistical frameworks and associated reporting processes by countries at the national and international levels, including both public and private actors; namely, the United Nations System of Environmental-Economic Accounting (SEEA); the Classification of Functions of Government (COFOG) and the *Government Finance Statistics Yearbook* published by the International Monetary Fund (IMF); and the Framework for the Development of Environment Statistics (FDES). CEPA includes a dedicated class for biodiversity-related expenditures, while other classes may include expenditures that indirectly contribute to biodiversity objectives. When this classification, or equivalent national classifications, and the associated statistical frameworks are already applied and used at the national level, relying on them and strengthening their associated data collection and reporting processes could generate synergy and avoid the duplication of work for the purpose of biodiversity-related financial data collection and reporting.

12. The emerging process for monitoring and reporting progress in achieving the commitments on the means of implementation of the Sustainable Development Goals and the Addis Ababa Action Agenda² for financing sustainable development also seems to be important. An Inter-agency Task Force on Financing for Development was established, in which the Convention Secretariat is represented, and its first report is planned to present options for the monitoring framework for the follow-up and review of the commitments. This emerging framework and work process may again provide opportunities for synergies and alleviating the reporting burden of countries, and it would be useful to continue to engage with this process and to explore how to best create an interface between the Financial Reporting Framework and the emerging monitoring process for the outcomes of the financing for development process.

B. Further methodological work for strengthening biodiversity-related financial information systems

13. The Mexico workshop reviewed and analysed methodologies for identifying and assessing biodiversity-related funding streams, and identified possible next steps to be taken to address critical (data and methodological) gaps and challenges. The analysis was undertaken across a range of “horizontal” or cross-cutting issues that were identified to be relevant as currently both posing methodological challenges and opportunities for methodological convergence.

14. *Scope and coefficients:* how to define biodiversity-related activities and associated expenditures, in particular activities that relate to biodiversity objectives in an “indirect” manner. The Mexico workshop suggested taking a stepwise approach. As a first step, as countries embark on reporting on their biodiversity-related international funding provided to developing countries and on their biodiversity-relevant domestic expenditures, it would be important (a) to develop practical national guidance on how to identify and attribute relevant funding streams, building as appropriate on existing systems and good practices, such as the statistical classifications and frameworks above, and (b) to communicate this guidance through the reporting framework with a view to establishing or improving transparency and enabling replicability. On the basis of this information, a comparative analysis of existing sets of national guidance could be undertaken as a next step, and a process could be established towards achieving methodological convergence, for instance in the form of a technical expert group. This could eventually lead to developing an indicative checklist consisting, in addition to the biodiversity class, of a subset of other SEEA CEPA or COFOG classes that are also deemed to be of particular potential relevance for biodiversity purposes. For the national analysis, this checklist could be further fine-tuned in the light of the national targets adopted in revised NBSAPs, as well as national statistical classifications used, and could then also provide a system for attribution (co-efficients) of activities, and associated expenditures, that are indirectly relevant.

15. *International funding provided through multilateral institutions.* A joint working group of multilateral development banks, led by the European Investment Bank, is currently developing a methodology to track and report multilateral biodiversity finance flows, scheduled to be presented at the Conference of the Parties at its thirteenth meeting.

16. *Private sector contributions.* While there are a few (emerging) approaches, assessing private sector contributions to biodiversity is one of the more challenging aspects of tracking and planning biodiversity expenditures. Improving the reporting of private sector financial contributions is long-term work addressing for instance terminology and methodological issues. Sharing the underlying methodological information of approaches used, through the financial reporting framework, could improve transparency and enable replicability of approaches used. Further analytical work could also look at existing business reporting frameworks and initiatives, with a view to identifying possible entry

² Addis Ababa Action Agenda of the Third International Conference on Financing for Development (General Assembly resolution 69/313 of 27 July 2015, annex).

points for identifying and reporting business biodiversity-related expenditures, for instance in the context of Corporate Social Responsibility (CSR) reporting.³

17. *Subnational level expenditures.* Identifying and assessing subnational biodiversity-related expenditures poses particular challenges. Again, sharing the underlying methodological information through the financial reporting framework could improve transparency and enable replicability of approaches used.

18. *Addressing expenditures that are harmful for biodiversity.* The milestones for the full operationalization of Aichi Biodiversity Target 3 call, inter alia, for the finalization, by 2016, of national analytical studies that identify candidates for elimination, phase-out or reform of incentives, including subsidies, that are harmful for biodiversity. As addressing harmful expenditures (i.e., their elimination, phase out, or reform) often require difficult reforms and thus remain a sensitive domestic political issue, a workshop to examine approaches in greater detail, in particular through country experiences and guidance, was identified as a useful means to move this item forward.

19. *Assessing the contribution of collective action by indigenous and local communities.* In paragraph 29 of decision XII/3, the Conference of the Parties at its twelfth meeting recognized, in the financial reporting framework, the role of collective action, including by indigenous and local communities, and non-market-based approaches for mobilizing resources for achieving the objectives of the Convention, and resolved to include activities that encourage and support such approaches into reporting under the Convention. Furthermore, in paragraph 30(c) of the same decision, the Conference of the Parties invited Parties, other Governments and relevant stakeholder organizations to consider providing, through the Financial Reporting Framework and other means, information on the contribution of collective action to biodiversity conservation, including on experiences and lessons learned in applying pertinent methodologies.

20. In paragraph 31 of the same decision, the Conference of the Parties requested the Executive Secretary to facilitate the exchange of views and experiences on collective action of indigenous and local communities as referred to in paragraph 30(c) of decision XII/3, and to make this information available through the clearing-house mechanism of the Convention and to the Subsidiary Body on Implementation for its consideration at its first meeting, for update and provision of relevant guidelines. Pursuant to this request, a Dialogue Workshop on Assessment of Collective Action of Indigenous Peoples and Local Communities in Biodiversity Conservation and Resource Mobilization was held in Panajachel, Guatemala, from 11 to 13 June 2015. Document UNEP/CBD/SBI/1/7/Add.2, section B, provides a summary of the conclusions of the meeting, and document UNEP/CBD/SBI/1/INF/6 contains the full report of the two co-chairs of the workshop.

21. The workshop underlined the fact that the monitoring and assessment of the contribution of collective action is highly context-specific, requiring a broad range of methodological approaches which can be applied in a tailored manner in accordance with local circumstances. Approaches are already applied and hold potential for upscaling and replication, but further methodological work, including pilot projects and associated studies, seems to be needed to refine methodologies and to develop good practice cases. The Subsidiary Body may wish to recommend inviting Parties and relevant organizations to support this work, including by providing technical and financial assistance. In the light of the particular expertise and representation needed, and with a view to creating synergies, use could be made of existing work processes and arrangements under the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions.

22. In the short run, indicative guidance on methodologies for assessing the contribution of collective action and its integration in financial reporting under the Convention could rest on agreed general principles based on the themes identified at the workshop, which would govern the design and

³ See UNEP/CBD/SBI/1/5/Add.2 and UNEP/CBD/SBI/1/INF/12 for an analysis of business reporting for biodiversity, including a review of existing reporting schemes.

application of such methodologies. This would be complemented by an indicative, non-exhaustive list of methodological approaches. In line with the request in paragraph 31 of decision XII/3, elements of such voluntary guidelines are provided in annex III to the draft decision presented in the present document.

V. SYNTHESIS OF INFORMATION ON EXISTING LEGISLATION AND POLICIES GOVERNING BIODIVERSITY FINANCING MECHANISMS

23. In paragraph 17 of decision XII/3, the Conference of the Parties urged Parties to consider undertaking, as appropriate, a review and assessment of existing legislation and policies governing biodiversity financing mechanisms, with a view to identifying opportunities for mainstreaming biodiversity and strengthening current policies and their complementary safeguards, and to make information on this work available to the Executive Secretary, including practical experiences and lessons learned. The reference to safeguards relates to the adoption, in the same decision, of the voluntary guidelines on safeguards in biodiversity financing mechanisms (see decision XII/3, para. 15 and annex III).

24. In paragraph 18 of the same decision, the Conference of the Parties requested the Executive Secretary to compile a synthesis of the information provided by Parties pursuant to paragraph 17 above, for consideration by the Subsidiary Body on Implementation, at its first meeting. In light of the absence of submissions received further to these elements of decision XII/3, the Secretariat analysed the 159 fifth national reports that were submitted by 31 December 2015 with a view to identifying and extracting information on national implementation progress that would respond to paragraph 17 of decision XII/3. A synthesis and analysis of the information extracted is provided in document UNEP/CBD/SBI/1/7/Add.2, section A, and the full compilation of the pertinent excerpts from Parties' fifth national reports is provided in document UNEP/CBD/SBI/1/INF/4. The following conclusions were drawn from the analysis and were reflected, for consideration by the Subsidiary Body, in the draft recommendation presented in the present document:

(a) There is relatively little information on the role of environmental fiscal reform and the related implementation of Aichi Biodiversity Target 3; while some progress is seemingly being made towards implementation of this target and the application of the associated milestones adopted by the Conference of the Parties at its twelfth meeting, it also seems that more could be done;

(b) There is relatively little pertinent information provided on the use markets for green products and business-biodiversity partnerships;

(c) Many countries seek to engage and further incentivize indigenous peoples and local communities in achieving biodiversity conservation and sustainable use. However, there is little information provided, including good practices or lessons learned, on how the application of safeguards can ensure that the potential effects of biodiversity financing mechanisms on indigenous and local communities' rights and livelihoods are addressed effectively.

VI. DRAFT RECOMMENDATION

25. In the light of the above, the Subsidiary Body on Implementation may wish to adopt a draft recommendation along the following lines:

The Subsidiary Body on Implementation,

Recalling the invitation by the Conference of the Parties at its twelfth meeting to report on national contributions to reach the global financial targets,⁴ using the financial reporting framework,⁵

⁴ Decision XII/3, para. 1.

⁵ Decision XII/3, para. 25. See <http://chm.cbd.int/submit/resourceMobilisation>.

Recalling also that some of these targets were to be achieved by 2015,

Noting with concern the limited number of completed financial reporting frameworks received in time for consideration by the Subsidiary Body at its first meeting,

Also noting with concern the limited reporting on some elements of the targets, in particular on funding needs, gaps and priorities (target 1 (c)), and on national finance plans (target 1 (d)),

1. *Urges* Parties that have not yet done so to report, using the financial reporting framework, by 31 August 2015, in time for the preparation of documentation for the thirteenth meeting of the Conference of the Parties;

2. *Invites* Parties, with a view to improving transparency and enabling replicability and the development of global methodological guidance, to make available, through the financial reporting framework, any national methodological guidance developed on (a) how to define biodiversity-related activities and how to account for associated funding streams, in particular for activities that are indirectly related to biodiversity; (b) how to identify and assess the contributions of non-governmental organizations, academia, and the private sector, subnational governments, and of collective action of indigenous peoples and local communities; and (c) how to identify and assess funding needs and gaps;

3. *Requests* the Executive Secretary:

(a) To update, for consideration by the Conference of the Parties at its thirteenth meeting in the context of paragraph 3 of decision XII/3, the analysis of financial reports received,⁶ in the light of new submissions received by August 2016;

(b) To update, as appropriate and on an ongoing basis, the guidance provided in the report of the Mexico workshop with any new methodological information received pursuant to paragraph 2 above, with a view to providing up-to-date voluntary guidance to Parties in order to facilitating financial reporting, as foreseen in paragraph 32(c) of decision XII/3;

4. *Recommends* that the Conference of the Parties at its thirteenth meeting adopt a decision along the following lines:

The Conference of the Parties,

Taking note with appreciation of the report of the international technical expert workshop on identifying, accessing, compiling and aggregating domestic and international biodiversity-related investments and impacts,⁷ held in Mexico City from 5 to 7 May 2015, as well as the report of the co-chairs of the Dialogue Workshop on Assessment of Collective Action of Indigenous Peoples and Local Communities in Biodiversity Conservation and Resource Mobilization,⁸ held in Panajachel, Guatemala, from 11 to 13 June 2015,

Expressing its appreciation to the Biodiversity Finance Initiative of the United Nations Development Programme as well as SwedBio for co-organizing the Mexico workshop and the Guatemala workshop, to the Governments of Mexico and Guatemala, respectively, for hosting the workshops, and to the European Union and the Governments of Germany, Japan, Sweden, and Switzerland for their financial support,

Welcoming the financial contributions of the Government of Japan and the European Union, as well as the in kind contributions of the Governments of Antigua and Barbuda, the

⁶ UNEP/CBD/SBI/1/7/Add.1.

⁷ UNEP/CBD/SBI/1/INF/20.

⁸ UNEP/CBD/SBI/1/INF/6.

Bahamas, Belarus, Cabo Verde, Cook Islands, Gabon, Georgia, India, Jordan, Namibia, Nicaragua, Paraguay, Peru, the Philippines, Sri Lanka, and Uganda to the provision of capacity-building and technical support on financial reporting and resource mobilization,

Taking note with appreciation of the cooperation of the ASEAN Center for Biodiversity and the Secretariat of the Caribbean Community in organizing subregional capacity-building workshops,

Welcoming the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa, 13–16 July 2015), which was endorsed by the General Assembly in its resolution 69/313 of 27 July 2015, as well as the establishment of the Inter-agency Task Force on Financing for Development and its work towards the monitoring framework for the follow-up and review of the commitments of the Addis Ababa Action Agenda,

Recalling the important role of revised national biodiversity strategies and action plans as a basis for identifying national funding needs and priorities, and for the effective mobilization of financial resources, including, as appropriate, for the implementation of the Protocols under the Convention, and for the synergistic implementation of other biodiversity-related conventions,

Cognizant of the various ongoing challenges many Parties face in their financial reporting, in particular in identifying their funding needs, gaps, and priorities, and in developing and reporting their national finance plans, and *recognizing* the need for further work towards indicative methodological guidance at the global level, building on the conclusions of the Mexico workshop, with a view to enhancing transparency and data accessibility, as well as the need for further capacity-building and technical support,

Recognizing that existing approaches for the monitoring and assessment of the contribution of collective action of indigenous peoples and local communities hold potential for upscaling and replication, but require further methodological work, including pilot projects and associated studies, to refine methodologies and to develop good practice cases, and *recalling* in this connection paragraph 30 of decision XII/3,

Cognizant of the potential contribution of implementing Aichi Biodiversity Target 3 for the mobilization of financial resources,

Financial reporting

(a) *Congratulates* the Parties that have provided information through the financial reporting framework, listed in annex I to the present draft decision;

(b) *Takes note* of the analysis of the information provided by Parties through the financial reporting framework, in particular the progress towards the targets adopted in decision XII/3;⁹

(c) *Invites* Parties that have not yet done so to provide the necessary baseline information and report progress against the 2015 targets by 1 July 2017, using the financial reporting framework, and *also invites* Parties to update, as appropriate, their financial reporting frameworks as confirmed/final data for 2015 becomes available, with a view to improving the robustness of the baseline;

⁹ To be completed in the light of the updated analysis referred to in paragraph 3 (a) above.

(d) *Urges* Parties that have finalized the revision and update of their national biodiversity strategy and action plans to identify their funding needs, gaps, and priorities, on the basis, as appropriate, of the revised national biodiversity strategy and action plans and other complementary information, and to develop their national finance plans for the effective implementation of revised national biodiversity strategy and action plans, as a matter of priority, and to report thereon by 1 July 2017;

(e) *Requests* the Executive Secretary, in line with paragraphs 26 and 28 of decision XII/3, to make the financial reporting framework for the second round of reporting¹⁰ available online by 1 July 2017, and invites Parties to report, using the online financial reporting framework, on their further contribution to the collective efforts to reach the global targets for resource mobilization, against the established baseline, in conjunction with their sixth national reports, by 31 March 2019;

Capacity-building and technical support

(f) *Invites* the Biodiversity Finance Initiative and other organizations and initiatives to continue providing technical support and capacity-building for interested Parties, in particular developing country Parties, including small island developing States and countries with economies in transition, and including countries that are not core countries of the Biodiversity Finance Initiative, on the identification of funding needs, gaps and priorities, the development of national resource mobilization strategies, and of financial reporting;

(g) *Also invites* relevant organizations and initiatives, including, as appropriate, the Biodiversity Finance Initiative, to provide technical support and capacity-building for the implementation of national resource mobilization strategies;

(h) *Requests* the Executive Secretary to continue cooperating with relevant organizations and initiatives, such as the Biodiversity Finance Initiative, in providing capacity-building and technical support in accordance with paragraphs (e) and (f) above, and to continue to provide tailored technical support to financial reporting by Parties, on a per demand basis, through financialreporting@cbd.int;

Strengthening biodiversity finance information systems

(i) *Takes note* of the work of the Development Assistance Committee of the Organisation for Economic Co-operation and Development to refine the Rio marker methodology, and *invites* the Committee to continue and intensify this work, with a focus on the biodiversity marker;

(j) *Also takes note* of the work of multilateral development banks, led by the European Investment Bank, to develop a methodology for tracking and reporting multilateral biodiversity finance flows, and *invites* them to finalize this work and apply the methodology expeditiously;

(k) *Invites* Parties to consider, as appropriate, establishing or enhancing cooperation with regional or national statistical offices, or other national organizations recognized as statistical authorities, with a view to generating synergy, in financial reporting to the Convention, with existing national and international processes on compiling and reporting financial data, and avoid duplication of work;

¹⁰ Decision XII/3, annex II, section III.

(l) *Also invites* Parties, with a view to improving transparency and enabling replicability and the development of global methodological guidance, to make available, through the financial reporting framework, any national methodological guidance developed, as well as experiences and lessons learned, on (i) how to define biodiversity-related activities and how to account for associated funding streams, in particular for activities that are indirectly related to biodiversity, (ii) how to identify and assess the contributions of non-governmental organizations, academia, and the private sector, and subnational governments, and of collective action of indigenous peoples and local communities, and non-market-based approaches, and (iii) how to identify and assess funding needs and gaps;

(m) *Requests* the Executive Secretary:

(i) To explore, through the Inter-agency Task Force on Financing for Development, options for linking financial reporting under the Convention with the emerging monitoring process for the follow-up and review of the commitments of the Addis Ababa Action Agenda;

(ii) To convene, subject to the availability of financial resources and in cooperation with relevant international and regional organizations and initiatives, an international expert workshop on financial reporting methodologies, consisting of government-nominated experts with balanced regional representation, as well as experts from relevant organizations and initiatives, with terms of reference as spelled out in annex II to the present draft decision;

(iii) To compile and analyse, building on the conclusions of the Mexico workshop, the methodological information received pursuant to paragraph (k) above, with a view to identifying options for methodological convergence on the issues identified in the terms of reference of the expert workshop, including a draft indicative checklist of classes in existing relevant statistical classifications that are deemed to be of particular potential relevance for biodiversity purposes, as well as a limited number of good practice cases, and make this compilation and analysis, together with the report of the Mexico workshop, available to the expert workshop for its consideration;

(iv) To make the outputs of the expert workshop available as voluntary guidance to Parties in completing the financial reporting framework, as well as to the Subsidiary Body on Implementation for consideration at its second meeting;

Collective action of indigenous peoples and local communities

(n) *Adopts* the indicative guidelines on assessing the contribution of collective action of indigenous peoples and local communities, contained in annex III to the present draft decision;

(o) *Invites* Parties, other Governments, and relevant stakeholder organizations to consider establishing pilot projects on the contribution of collective action of indigenous peoples and local communities by making use of existing work processes such as the work on indicators relevant to traditional knowledge and customary sustainable use¹¹ or the implementation of the plan of action on customary sustainable use endorsed by the Conference of the Parties at its twelfth

¹¹ Decision XII/12 A, paragraph 6-9.

meeting,¹² and *further invites* Parties to submit related information through the financial reporting framework and other means to the Executive Secretary;

(p) *Requests* the Executive Secretary to compile and analyse the information received pursuant to paragraph (l) above and, taking into account the indicative guidelines in annex III to the present draft decision as well as the report of the Guatemala workshop,¹³ to develop elements of a framework for identifying, monitoring, and assessing the contribution of indigenous peoples and local communities to the achievement of the Strategic Plan and the Aichi Biodiversity Targets, for consideration by the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions at its tenth meeting;

(q) *Requests* the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions at its tenth meeting to further consider and finalize the elements of a framework for assessing the contribution of indigenous peoples and local communities to the achievement of the Strategic Plan and the Aichi Biodiversity Targets submitted by the Executive Secretary, with a view to the adoption of the framework by the Conference of the Parties at its fourteenth meeting;

Milestones for the full implementation of Aichi Biodiversity Target 3

(r) *Urges* Parties and other governments to implement measures for the full implementation of Aichi Biodiversity Target 3, taking into account, as a flexible framework, the milestones adopted by the Conference of the Parties at its twelfth meeting, consistent and in harmony with the Convention and other relevant international obligations, and taking into account national socioeconomic conditions;¹⁴

(s) *Recalls* its invitation to Parties to report progress in achieving these milestones, as well as any additional milestones and timelines established at the national level, through their national reports or, as appropriate, through the online reporting framework on implementing the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets, and *invites* Parties to also include information on national analytical studies that identify candidates for elimination, phase-out or reform of incentives, including subsidies, that are harmful for biodiversity, and that identify opportunities to promote the design and implementation of positive incentive measures;

(t) *Requests* the Executive Secretary to convene, subject to the availability of financial resources, an international workshop on the full implementation of Aichi Biodiversity Target 3, consisting of government-nominated experts with balanced regional representation, as well as experts from relevant organizations and initiatives, with a view to reviewing and analysing information, including case studies on, good practices for, and lessons learned from, concrete and practical experiences in implementing Aichi Biodiversity Target 3 and the milestones for its implementation, and to develop a set of consolidated good practice cases and lessons learned which could act as voluntary guidance for Parties, for consideration by the Subsidiary Body on Implementation at its second meeting and review by the Conference of the Parties at its fourteenth meeting;

(u) *Requests* the Executive Secretary to compile and analyse relevant information, including the information submitted pursuant to paragraph (s) above as well as relevant studies from international organizations and initiatives, and to make the compilation and analysis available to the international workshop on the full implementation of Aichi Biodiversity Target 3;

¹² Decision XII/12 B, para. 1.

¹³ UNEP/CBD/SBI/1/INF/6.

¹⁴ Decision XII/3, para. 21 and annex I.

Safeguards in biodiversity financing mechanisms

(v) *Requests* the Executive Secretary to compile and analyse information, including good practices or lessons learned, on how the application of safeguards can ensure that the potential effects of biodiversity financing mechanisms on indigenous and local communities' rights and livelihoods are effectively addressed, including by making use of the voluntary guidelines on safeguards in biodiversity financing mechanisms, and make this compilation and analysis available to the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions at its tenth meeting;

(w) *Requests* the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions at its tenth meeting to consider the compilation and analysis prepared by the Executive pursuant to paragraph (u) above, and to develop recommendations for consideration by the Conference of the Parties at its thirteenth meeting.

*Annex I***LIST OF PARTIES THAT PROVIDED INFORMATION THROUGH THE FINANCIAL REPORTING FRAMEWORK BY 31 AUGUST 2016**

Bosnia and Herzegovina, Colombia, Croatia, Cuba, Czech Republic, Democratic Republic of the Congo, Denmark, Egypt, Eritrea, Estonia, France, Germany, India, Japan, Latvia, Luxembourg, Malawi, Mexico, Netherlands, Panama, Peru, Poland, Republic of Korea, Rwanda, Slovenia, Spain, Suriname, United Kingdom of Great Britain and Northern Ireland, Uruguay.

[to be completed]

*Annex II***TERMS OF REFERENCE OF THE INTERNATIONAL WORKSHOP ON FINANCIAL REPORTING METHODOLOGIES**

1. The workshop shall review and analyse existing national, regional or international methodological guidance, as well as associated experiences and lessons learned:

(a) On how to define biodiversity-related activities and how to account for associated funding streams, in particular for activities that are indirectly related to biodiversity, including guidance that makes use of national, regional or international statistical classifications and associated data collection and reporting processes, and, based on this review and analysis, develop an indicative checklist consisting of classes in existing relevant statistical classifications that are deemed to be of particular potential relevance for biodiversity purposes, as a starting point for further analysis and disaggregation at the national level;

(b) On how to identify and assess the contributions of non-governmental organizations, academia, and the private sector, and subnational governments, making use as appropriate of existing reporting initiatives and frameworks, and, based on this review and analysis, identify a limited number of good practices that could act as voluntary guidance to Parties;

(c) On how to review and analyse existing national, regional or international methodological guidance, as well as associated experiences and lessons learned on how to identify and assess funding needs and gaps, including by costing of revised national biodiversity strategy and action plans, and, on

the basis of this review and analysis, identify a limited number of flexible and practical tools for undertaking this task.

2. The workshop shall base its work on (a) the report of the Mexico workshop, (b) a compilation and analysis, prepared by the Executive Secretary, of pertinent information received through the financial reporting framework, as well as information received from international and regional organizations and initiatives.

Annex III

INDICATIVE GUIDELINES ON ASSESSING THE CONTRIBUTION OF COLLECTIVE ACTION BY INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

1. *Importance of collective action.* The collective action of indigenous peoples and local communities can contribute to achieving the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets. In particular, traditional knowledge can provide an important contribution to decision-making and reporting processes. The ways and means of holding and transmitting traditional knowledge need to be recognized and fully included when reporting on the contribution of collective action by indigenous peoples and local communities.

2. *Context specificity.* The monitoring and assessment of the contribution of collective action is highly context specific, requiring a broad range of methodological approaches which can be applied in a tailored manner in accordance with local circumstances. An indicative, non-exhaustive list of possible methodological approaches whose added value could be further explored is provided in the appendix below.

3. *Multiplicity of values.* The multiple perspectives and worldviews on value, as articulated through social roles and social-biological relationships that are specific to each territory and knowledge system need to be recognized in assessing the contribution of collective action. In some cases, the benefits of collective action can be reported in monetary terms, provided that it results in sustainable use of biodiversity, but in many instances socio-cultural values cannot be measured adequately in monetary terms.

4. *Methodological pluralism and complementarity.* Different methodologies may generate different data which can be used as complementary sources of information. Bridging methodologies could bring together data on larger scales with bottom-up assessments that transmit significant aspects of the local cultural contexts and worldviews.

5. *Process-orientation.* Indigenous peoples and local communities need to be fully involved in the process of developing and applying methodologies for assessing their collective actions.

6. *Linkages to work on customary sustainable use.* Assessing the contribution of collective action can contribute to protect and promote the intergenerational transfer of traditional knowledge, innovations and practices, as this transfer is based on collective actions related to customary sustainable use and the conservation of biodiversity.

7. *Technical and financial assistance.* There is a need to provide technical and financial assistance for indigenous peoples and local communities and developing countries Parties for measuring and reporting collective action, and to establish pilot projects to develop and test multiple methodologies.

Appendix

Indicative, non-exhaustive list of methodologies for assessing the contribution of collective action

- The “Conceptual and Methodological Framework for Evaluating the Contribution of Collective Action to Biodiversity Conservation”, developed by the Government of Bolivia with the support of

the Amazon Cooperation Treaty Organization (ACTO), proposes a three-module approach, linking geospatial modelling, institutional analysis and ecological assessment.¹⁵

- The Multiple Evidence Base approach sets out a process of knowledge mobilization that can bring together scientific and traditional knowledge systems.
- Community-Based Monitoring and Information Systems (CBMIS) are a bundle of methods, developed by local communities based on their own monitoring needs, which is used for monitoring the indicators for traditional knowledge under the Convention.
- The Indigenous and Community Conserved Areas (ICCA) Consortium has many tools and methods for capturing the contribution of collective action, such as participatory mapping and GIS, video and photo stories, bio-cultural community protocols, and toolkits for environmental monitoring and assessment of threats to indigenous and community conserved areas.

¹⁵ See UNEP/CBD/COP/12/INF/7.