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### AD HOC OPEN-ENDED WORKING GROUP ON REVIEW OF IMPLEMENTATION OF THE CONVENTION

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### REVIEW OF IMPLEMENTATION OF THE STRATEGY FOR RESOURCE MOBILIZATION

*Note by the Executive Secretary\*\**

#### I. INTRODUCTION

1. In its decisions X/3 A-B, the Conference of the Parties referred the following two issues for consideration by the Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention at its fourth meeting:

(a) Basis upon which targets for resource mobilization for the implementation of the Convention on Biological Diversity are to be adopted at eleventh meeting of the Conference of the Parties (decision X/3 A, paragraph 10);

(b) Preparation of reviews of implementation of the Convention's Strategy for Resource Mobilization<sup>1</sup> to be undertaken by the eleventh meeting of the Conference of the Parties, in accordance with decision IX/11 B (decision X/3 B, paragraph 3).

2. By paragraph 10 of decision X/3 A, the Conference of the Parties invited Parties to submit, through the Executive Secretary, information to the Working Group on Review of Implementation regarding their views about the basis upon which targets are to be adopted at the eleventh meeting of the Conference of the Parties. Submissions were received from Ecuador, the European Union, India, Japan, and Kuwait, in response to the notification SCBD/ITS/YX/75582 (2011-070), and are available at: <http://www.cbd.int/financial/news/>.

3. Through paragraph 4 of decision X/3 B, the Conference of the Parties invited Parties and relevant organizations to submit views, information and experience on the implementation of the Strategy for Resource Mobilization, for consideration by the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention at its fourth meeting. Submissions were received from Ecuador, India,

\* UNEP/CBD/WG-RI/4.1

\*\* This document was reviewed by the COP Bureau at its meeting on 5 April 2012. Following the guidance provided by the COP Bureau, the ADVANCE COPY posted earlier was revised and re-posted for consideration of the Working Group on Review of Implementation at its fourth meeting.

<sup>1</sup> Decision IX/11 B, annex.

Kuwait, the European Union together with Denmark, France, Germany, Italy, Spain, the Netherlands, and United Kingdom, in response to the notification SCBD/ITS/YX/75583 (2011-071), and are available at: <http://www.cbd.int/financial/news/>.

4. In the context of decisions X/3 A-B, an informal dialogue seminar was held in Quito, from 6 to 9 March 2012. The seminar was co-hosted by the Governments of Ecuador, Japan, Sweden, Norway and India to explore and contribute to understanding and seek to clarify areas of convergence and divergence regarding ways to scale up the mobilization of financial resources. Participants included about 80 representatives from Governments, development agencies, United Nations organizations, non-governmental organizations, social movements, farmer organizations, local communities and indigenous peoples organizations, scientists and the private sector. Participation was based on nominations received from parties and non-parties through the Secretariat of the Convention. Conveners were the Governments of Sweden, Ecuador, Norway, India, Japan, and the Secretariat. The seminar did not draft formal recommendations, but made progress in enhancing understanding among participants with a view to facilitate discussions at the fourth meeting of the Open-ended Working Group on Review of Implementation and the eleventh meeting of the Conference of the Parties. The seminar included a mix of keynote presentations, case-studies and small group discussions. A Co-chair's summary is provided as an information document (UNEP/CBD/WG-RI/4/INF/9).

5. However, there was consensus in the seminar on the terminology related to “innovative financial mechanisms.” The participants agreed that this term is inappropriate, as it denotes a wide variety of mechanisms, including both public and private approaches, and both established and truly new alternatives. As a constructive suggestion to avoid misunderstandings, it was proposed that a generic term such as “biodiversity financing mechanism” be used. This would also help name specific mechanisms when possible.

6. In further contribution to the preparations for the eleventh meeting of the Conference of Parties on resource mobilization, the Governments of the United Kingdom and India co-sponsored a global assessment of the resources required to implement the Strategic Plan for Biodiversity 2011-2020 and achieve the Aichi Biodiversity Targets by a high-level panel of experts. Recognizing that the TEEB (The Economics of Ecosystems and Biodiversity) study helped reveal the costs of inaction in relation to biodiversity loss, and also highlighted the potential for investments in biodiversity and ecosystem services, the Panel will focus on the resource requirements to meet the Aichi Targets at a global level. In this context it aims to support discussions on resource mobilization at the eleventh meeting of the Conference of the Parties. The Government of India invited Mr. Pavan Sukhdev to chair the high-level panel Study Leader of the study The Economics of Ecosystems and Biodiversity (TEEB). The high-level panel will consist of up to eight members and include both economists and scientists supported by a number of research projects, commissioned by the United Kingdom, which will complement other ongoing work to study the potential costs of achieving the various Aichi Biodiversity Targets, including the GEF-6 needs assessment. Accordingly, Parties, other Governments and relevant organizations were invited to nominate experts to serve on the high-level panel. Further information, for the selection of panel members can be found at [www.cbd.int/financial/assessment](http://www.cbd.int/financial/assessment).

7. The present note has been prepared to assist with the consideration of the two issues mentioned in paragraph 1 above by the Working Group on the Review of Implementation of the Convention, drawing upon the submissions of Parties. Section II provides a compilation of views from Parties on the basis upon which targets are to be adopted at eleventh meeting of the Conference of the Parties, in response to paragraph 10 of decision X/3 A. Section III summarizes information received from Parties on the status of implementation of the Strategy for resource mobilization with respect to its goals 2, 5, 7 and 6. Finally, section IV contains draft recommendations for consideration by the Working Group.

## II. BASIS UPON WHICH TARGETS ARE TO BE ADOPTED

8. The mission of the Strategy for Resource Mobilization states that “The target of the strategy for resource mobilization is to substantially enhance international financial flows and domestic funding for biological diversity in order to achieve a substantial reduction of the current funding gaps in support of the effective implementation of the Convention’s three objectives and the 2010 target. This target for global resource mobilization should be viewed as a flexible framework for the development of measurable targets and/or indicators addressing all relevant funding sources, according to national priorities and capacities, and taking into account the special situation and needs of developing countries.”

9. In paragraph 7 of decision X/3 A, the Conference of the Parties elaborated a set of indicators for monitoring the implementation of the strategy for resource mobilization, and, in paragraph 8 (i) of the same decision, decided to adopt targets at its eleventh meeting, provided that robust baselines have been identified and endorsed and that an effective reporting framework has been adopted.

10. Paragraph 9 of the same decision indicates that the Conference of the Parties considers the following for the development of targets:

(a) Increase the annual international financial flows by 2020 to partner countries to contribute to achieving the Convention’s three objectives;

(b) All Parties provided with adequate financial resources, will have, by 2015:

(i) Reported funding needs, gaps and priorities;

(ii) Assessed and/or evaluated the intrinsic value, ecological, genetic, social economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components;

(iii) Prepared national financial plans for biodiversity;

(c) Increase the number of initiatives for the removal, reform or phase-out of incentives, including subsidies harmful to biodiversity, which could be used for the promotion of positive incentives that are consistent and in harmony with the Convention and other international obligations.

11. In its submission, Ecuador suggested five additional basis: transactions of environmental service payment schemes based on opportunity costs of determined activities; number of positive experiences in which innovative financing mechanisms have been used, and have also shown the involvement of various sectors, including private sector; responsible and equitable governance frameworks for application of innovative financial mechanisms to allow local participation in both the development and the appropriation of the mechanisms and to achieve their application at different scales; appropriate valuation of the investment in resources and human capital for the proper involvement of any financial resources to be mobilized; strategic public investment that encourages private companies to invest in better technologies for the environment.

12. The European Union indicated that the term “bases” could relate to the need to discuss fundamental principles that should underpin the strategy’s target(s) and the conditions that must be fulfilled in order to be able to adopt the targets, and suggested the following fundamental principles that should underpin the strategy’s targets:

(a) The targets should be realistic in terms of feasibility and affordability;

(b) The baselines should be robust;

(c) The indicators should be clear, simple and easily measurable, and take account of financial flows which benefit biological diversity including those which also benefit other purposes.

13. Regarding baselines, the European Union stated that it is important to consider both a baseline amount and a baseline year or period, and made suggestions for following for considering robust baselines. On effective reporting framework, European Union pointed out the need to clarify how and when this reporting framework will be adopted and referred to a number of recommendations concerning the development of reporting frameworks from the scoping study on the feasibility of the adopted indicators for the Strategy for Resource Mobilization. In addition, European Union indicated that discussions on funding targets during the eleventh meeting of the Conference of the Parties should recognize the need for increase in public funding, but also the potential of innovative financing mechanisms, and suggested several principles when evaluating the opportunities and challenges related to goal 4 of the Strategy for Resource Mobilization.

14. India pointed out that the issue of target adoption/setting needs to be set against the background of resource mobilization exercises that are being undertaken to implement the key biodiversity priorities enunciated by the 2020 biodiversity targets. Target setting needs to be rooted in national baselines on the basis of institutional strategies implicit in national biodiversity strategies and action plans, and provide sufficient indication to donor communities and the private sector about the technical and economic feasibility of the 2020 biodiversity targets in national context. Thus, funding targets should be realistic, effective and strategic to the realization of the 2020 biodiversity targets.

15. India also suggested that the eleventh meeting of the Conference of the Parties focus on institutional improvements and on streamlining of existing instruments for target-setting since institutional mechanisms hold the key to delivering the 2020 biodiversity targets. Regarding economic instruments, it highlighted the importance of ensuring that existing instruments which have potential to improve biodiversity conservation are targeted for improvement, as this will have immediate and salutary impacts. The focus of target setting for access and benefit sharing mechanisms should be on improving existing mechanisms instead of introducing new systems.

16. Japan stressed the importance of appropriate and adequate information/data for target-setting, and suggested that the following need to be taken into account when considering the target level:

- Recent changes in the world economic situation, and increasing difficulties in fiscal condition of donor countries in particular;
- Spontaneous efforts of developing countries;
- Contributions also from countries having achieved remarkable economic growth;
- Utilization of private sector funds.

17. Kuwait proposed establishing national and regional environmental funds for countries not eligible for accessing financial support from the Global Environment Facility, and the primary function of national and regional environmental funds should be to support the implementation of the 2011-2020 Strategic Plan for Biodiversity. Kuwait also identified a number of opportunities for regional collaboration, such as exchanging of information and experiences, application of same environmental methodology, creation of environmental database and clearing house mechanism, and setting of environmental priorities.

#### *Information concerning innovative financial mechanisms*

18. Following the notification 2011-069 in response to decision X/3 paragraph 8(c), the Secretariat received submissions from Canada, European Union, India, Japan, Mexico, Moldova, Norway, Russia as well as OECD, GDI, IUCN, UNCCD/GM, BBOP, TNC, CEEweb, IFRIK, Global Forest Coalition, and Forest Peoples Programme. All the submissions are available at: <http://www.cbd.int/financial/news/>, and were compiled into one collection of submissions on innovative financial mechanisms in September

2011. The submissions will be used as background information in preparing the periodic Global Monitoring Report on implementation of the Strategy for Resource Mobilization.

19. As referred to in paragraph 4 above, views of multi-stakeholders, including from the context of Right of Mother Earth were discussed at an informal dialogue seminar in Quito, from 6 to 9 March 2012, specifically in the context of decision X/3 paragraphs 8 (b) and (c). A detailed summary by the co-chairs provides further details on this subject.

20. Based on the above submissions further debate on innovative financial mechanisms may evolve around two issues: addressing the concern about the potential negative impacts of innovative financial mechanisms; and exploring best options to move forward.

#### *Reporting Framework and Baselines*

21. In response to the requests to the Executive Secretary in Decision X/3, paragraph 8(e) and (h) the Secretariat prepared a Preliminary Reporting Framework and options for baselines as contained in Add.1 of this document. The document was made available to Parties and comments were invited through notification 2011-190 issued on 30 September 2011. In light of the comments received, the methodological guidance and reporting framework have been revised. The revised document can be accessed from <http://www.cbd.int/financial/doc/srm-guidance-2012-01-en.pdf>.

22. The reporting framework is part of the methodological and implementation guidance for the indicators for monitoring the implementation of the Convention's strategy for resource drawing upon a range of information inputs from Parties and experts as detailed in the addendum to the present note (UNEP/CBD/WG-RI/4/6/Add.1). The document is divided into seven sections: section II reviews the indicators adopted in decision X/3 A, noting the types of data needed and potential overlaps; section III discusses the data needed for the application of the indicators, presenting this according to the Preliminary Reporting Framework; section IV proposes a classification of biodiversity activities for optional use; section V provides additional methodological guidance; section VI is on consideration of baselines; and section VII is on further steps.

### **III. REVIEW OF IMPLEMENTATION OF THE STRATEGY FOR RESOURCE MOBILIZATION: GOALS 2, 5, 7 AND 6, 8**

23. This section attempts to provide a summary of the submissions from Parties. However, the small number of submissions restricts the ability to carry out a comprehensive review of the implementation of goals 2, 5, 7 and 6, 8 of the Strategy for Resource Mobilization.

#### **Goal 2: Strengthen national capacity for resource utilization and mobilize domestic financial resources for the Convention's three objectives**

24. Goal 2 of the strategy for resource mobilization is focused on mobilizing domestic financial resources, from financial planning, capacity building, and funding programmes to budgetary allocations, economic incentives and enabling conditions for private sector involvement. According to its submission, India has experimented with a multi-mode strategy for resource mobilization for biodiversity conservation. This includes public financing, project financing of specific projects based on funds provided by bilateral agencies and multilateral development financial institutions like the World Bank. India has also assessed the potential of using existing fiscal instruments like taxes for biodiversity conservation. India has set up a National Biodiversity Fund under the National Biodiversity Act 2002 to enable the national access and benefit sharing mechanism.

25. In its submission, Kuwait explored the establishment of a national environmental fund to provide necessary support for implementing environmental projects. This requires a decree or directive to create the fund and establish administrative and scientific authorities for the fund. The fund can draw on annual

budgetary allocations from ministry of finance, and other sources of funding. Such sources range from scientific research institutions, national funds for economic development, governmental endowment funds for development, government research departments, ministries, share of development projects in the public sector and private sector such as banks, financial, investment and major industrial institutions, as well as environmental taxes from the oil and industry sectors, fees for leisure fishing, camping and other environmental services offered by ecotourism, and charges collected from violations and fines. Kuwait suggested that the fund need to have a committee or several legal and scientific committees in order to determine its objectives, funding conditions and procedures.

26. Ecuador highlighted the importance of innovative financial mechanisms in bringing the values of biodiversity to the society and economy. Innovative financial mechanisms are considered as economic incentives to achieve positive outcomes for conservation and involve the private sector. In other words, innovative financial mechanisms seek to influence the behaviour of a wide range of economic sectors in order to align different interests with those of conservation objectives. Ecuador has begun to use incentives to get companies or sectors to achieve cleaner technologies and more environmentally sustainable production processes, through public policies or economic incentives. These processes range from certification schemes, to improve companies' competitiveness by looking at cost-efficiency or creation of markets or mechanisms for services provided by ecosystems (e.g., funds for water, incentives for carbon mitigation, etc.). In this regard, Ecuador has established the forest protection programme "Socio Bosque", Yasuni ITT Initiative, among others.

27. Denmark referred to the financing information for nature and biodiversity described in its fourth national report, including public expenditure for nature protection 2000-2005, overview of publicly-financed initiatives for 2010-2015, as well as the Agreement on Green Growth (2009). The total government expenditure on nature conservation including county and municipality expenditures was DDK 2,528 million in 2005, up from DDK 2,118 million in 2000.

28. According to the submission from European Union, the European Commission adopted, on 3 May 2011, the Communication to the European Parliament, the Council, the Economic and Social Committee, and the Committee of the Regions "Our life insurance, our natural capital: an EU Biodiversity Strategy to 2020", which recognizes that meeting the EU global biodiversity commitments will depend on the availability and efficient use of financial resources. This will require that the Commission and Member States work to:

- ensure a better uptake and distribution of existing fund for biodiversity;
- rationalize available resources and maximize co-benefits of various funding sources;
- diversify and scale up various sources of funding, including through the development and use of innovative financing mechanisms.

29. The European Commission also adopted on 20 September 2011 a *Roadmap to a Resource Efficient Europe* recognizing that the EU economic prosperity and wellbeing depends on its natural capital, and reiterating that the Commission will promote the use of innovative financial and market-based instruments and explore their wider potential, including possible establishment of a biodiversity financing facility and payments for ecosystem services, to address challenges to ecosystems and biodiversity at national, EU and international level. The roadmap also indicates that the Commission will put forward proposals to foster investments in natural capital to seize the full growth and innovation potential of Green Infrastructure and the 'restoration economy'.

30. The EU Environment Council has taken a series of action towards mobilizing resources for biodiversity. On 13 December 2010, it highlighted the need for strong EU leadership both from the Member States and the Commission on follow-up efforts at global level in order to assess the existing resource inputs and needs for the achievement of goals and objectives under the Strategy for Resource Mobilization and the targets under the Strategic Plan for Biodiversity 2011-2020. On 21 June 2011, it

endorsed the EU Biodiversity Strategy to 2020 and stressed the need to mobilize additional resources from all possible sources and ensure adequate funding through, *inter alia*, the future EU financial framework, national sources and innovative financial mechanisms, for the effective implementation of the Strategy and regular financing for the Natura 2000 network. On 19 December 2011, the Environment Council called on the Commission and Member States to deliver on the commitments made at the tenth meeting of the Conference of the Parties, and reaffirmed the need of valuing natural capital to create, among others, possibilities to integrate the economic value of biodiversity and ecosystem services in public and private sector decision-making and national accounting systems and invited the Commission to work further towards this end.

31. France referred its National Biodiversity Strategy (2011-2020) launched on 19 May 2011 and a number of commitments made for 2011-2013, particularly in the area of financing. In 2011, a working group led by the Center for Strategic Analysis analyzed subsidies harmful to biodiversity and identified potential avenues for reform. A report on damaging public aid was published in October 2011.

32. In Germany, the German Ministry for Environment established a national fund to support the implementation of the National Strategy on Biodiversity with an annual disbursement of 15 million Euros in 2010. The Federal Agency on Nature Conservation (BfN) published several guidelines for financing of biological diversity at the national level.

33. In Italy, the Ministry of Environment jointly with the Ministry of Foreign Affairs organized a meeting with different Ministries in July 2010 for a first exchange about the drafting of a National Resource Mobilization Strategy, and during this first meeting a working group on resource mobilization strategy was established. The working group will foresee the establishment of a contact group that will work on “baseline” for national biodiversity resources and expenditures, and will also try to strengthen the contribution at the global level by collaborating with the Development Cooperation of the Italian Ministry of Foreign Affairs.

34. The Netherlands commissioned a national ecosystem assessment study, as well as a national TEEB study. In the Netherlands, twenty regional funds have been set up to finance projects, like landscape management and nature restoration, with resources from sponsorships, donations and other gifts. The Green Funds Scheme in the Netherlands has raised more than 7 billion euros for 5000 green projects (1995-2007). Green projects are stimulated by tax exemption for investors (private and institutional) and support projects at lower interest rates. The Dutch Government also explores other financial options such as payment for ecosystem services.

35. Spain adopted the Strategic Plan for Natural Heritage and Biodiversity 2011-2017 on 16 September 2011, which includes forecasts, targets and measures for the implementation of the strategy for resource mobilization at the national level. Law 42/2007 of December 13 has established the Natural Heritage Trust, which will act as co-financing instrument designed to ensure territorial cohesion and the achievement of the objectives of this Act. The draft national millennium ecosystem assessment has generated robust and scientifically validated information on ecosystem changes that can have a direct impact on human welfare.

36. As an increasing number of countries have begun to undertake national ecosystem assessment and national economic studies on biodiversity, capacities of involved ministries and agencies can be expected to increase over time. However, relevant institutions for effective resource mobilization and utilization are generally not well defined, adding to difficulties for an appropriate assessment of strengthening institutional capacities under objective 2.1 of the strategy for resource mobilization. In this context undertaking institutional mapping/analysis as part of developing country-specific resource mobilization strategies in the frame of revising national biodiversity strategies and action plans would be useful.

37. While the preparation of biodiversity strategies and action plans has become a near-universal trend in developing longer-term vision and strategies for national biodiversity management, several countries have started to formulate near-term programmes to give implementation effect to national biodiversity strategies and action plans, such as engagement plan, business plan or national financial plans, as called for under objective 2.2 of the strategy for resource mobilization. Rolling national financial plans in the context of national biodiversity strategies and action plans provide a useful tool to call local, national, regional and international stakeholders to implement national biodiversity strategies and action plans

38. Nearly all Parties have undertaken some measures to integrate biodiversity and ecosystem services into national and sectoral planning, and to a much less extent, considered biodiversity and ecosystems services in relevant sectoral budgets. So far no process has been initiated in order to consider how sectoral integration and mainstreaming can be best promoted, such as general principles and specific approaches unique to individual sectors.

39. Economic incentives are tools that Parties may employ to influence decision-making of relevant stakeholders, such as lower levels of government, private sector and biodiversity organizations, in order to promote the Convention's three objectives. In the absence of market mechanisms, effective intervention tools available to Parties are public expenditures and taxation. Tax measures, such as tax exemptions and introduction of new taxes on economic activities that have adverse impacts on biodiversity and ecosystem services, are conducive to achieving the Convention's objectives, but appear to be inadequate. Public expenditures have thus become a focus for considering economic incentives, including public procurement, intergovernmental transfers, decentralization and subsidy reforms.

40. There have been uneven developments in the implementation of objective 2.5 of the strategy for resource mobilization that seeks to consider the enhancement of existing, or the establishment of new, domestic funds and funding programmes through voluntary contributions. Many developing country Parties have explored the idea of domestic funds and funding programmes in their national biodiversity strategies and action plans, but only a few Parties have succeeded in establishing and enhancing domestic environmental funds and funding programmes. Successful stories in this regard are often associated with an extraordinary external funding opportunity.

41. Objective 2.6 of the strategy for resource mobilization seeks to establish enabling conditions for private sector involvement in supporting the Convention's three objectives, including the financial sector. The prevailing approach so far is to raise awareness to biodiversity among businesses to enhance their philanthropic donations for biodiversity objectives, not on mainstreaming biodiversity and ecosystem services in the market systems in which private sector operates and thrives. Voluntary initiatives and market creation by the private sector have emerged in a number of countries, but market condition for biodiversity and ecosystem services remains among the least developed areas under the strategy for resource mobilization, mainly due to inadequate attention paid by the Governments.

#### **Goal 5: Mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities including the linkage between Convention's work programmes and Millennium Development Goals**

42. Goal 5 of the strategy for resource mobilization seeks to promote consideration of biodiversity and ecosystem services by the whole range of international, regional and national stakeholders that are in a position to provide financial support to biodiversity projects, including multilateral and bilateral donor organizations, developing country Parties, the United Nations development system, as well as international financial institutions and development banks, funding partners at the regional and subregional levels, and international organizations, non-governmental organizations, indigenous peoples' organizations and public institutions for biodiversity and ecosystem services. This was echoed in the Indian submission that identified three sources of biodiversity financing: local, regional, national and international public financing (including ODA and non ODA public funding), international and national



private finance for biodiversity conservation and sustainable utilization, and climate financing sources including adaptation financing.

43. Denmark was able to produce a comprehensive accounting for Danish development assistance related to biodiversity, and submitted detailed document entitled as “The Danish assistance in relation to the Rio Conventions 2001 – 2010”. The publication contains information on development cooperation, environment and climate, bilateral efforts, multilateral efforts, support to international environmental organizations, and assistance through the private sector.

44. European Union indicated that biodiversity is an integral part of European Union’s development cooperation policy and activities. The European Commission’s Communication on Policy Coherence for Development states that the EU should “enhance funding earmarked for biodiversity and strengthen measures to mainstream biodiversity in development assistance”. The Commission Communication of 29 June 2011 on ‘A Budget for Europe 2020’ recognizes that concerns about biodiversity and ecosystem services should be mainstreamed in all development projects and programmes, focusing on sectors such as agriculture, water and sanitation, and that synergies between biodiversity and climate financing should be increased through ecosystem-based approaches to climate mitigation and adaptation. The Commission and Member States are currently discussing the next EU Multiannual Financial Framework for 2014-2020, with the aim of mainstreaming biodiversity objectives in the relevant financial instruments, including for agriculture, fisheries, regional, and external policy.

45. According to the French submission, Agence Française de Développement (AFD) has developed and diversified its portfolio of projects focused on the establishment of protected areas and the design of management plans and sustainable management of natural resources. AFD contributed 86.4 million euros in 2010 commitment to biodiversity, including a large section devoted to the preservation and sustainable management of Congo Basin forests. The French Global Environment Facility (FGEF), whose administrative and financial management is provided by the AFD and with its strategy and decisions made by an inter-ministerial steering committee (Economy, Foreign Affairs, Ecology, Research), has spent 30% of its commitments to protecting biodiversity in 2010, and 46% of annual commitments in 2011. France has also contributed to the France-IUCN agreement for approximately \$ 6.5 million.

46. Germany submitted that since the mid-1980s, the Government has supported over 500 programs and projects worldwide that have contributed to the conservation and sustainable use of biological diversity. BMZ is continuously working on mainstreaming of biodiversity in its various cooperation programmes, and supports its partners in mainstreaming biodiversity in other policy areas with a special focus on the linkages of biodiversity and the millennium development goals e.g. through preserving agrobiodiversity, generating income by marketing sustainable products of biological diversity and equitable sharing of benefits arising from the use of genetic resources, sustainable management of protected areas, and the valuation of ecosystem services.

47. In its submission, the Netherlands indicated that it is actively supporting, in its international cooperation, projects in developing countries that involve financial arrangements like payment for ecosystem services schemes, whereby local communities are paid for the conservation and sustainable use of ecosystem services. Besides assisting in the establishment of local financial arrangements, the Netherlands is one of the initiators of the Green Development Initiative (GDI) that aims to significantly increase financial resources for biodiversity conservation and sustainable use by stimulation of voluntary private funding of sustainable land management practices. The GDI proposes to set up a certification scheme to certify land management plans and practices that deliver measurable, tangible biodiversity and social development outcomes above a business as usual scenario. The revenues will compensate or reward users for their activities leading to sustainable use or conservation of biodiversity.

48. Spanish policy of international cooperation is set out in the Master Plan for Spanish Cooperation – a four-year formulation containing the general and basic guidelines of the Spanish development policy. The current Master Plan for Spanish Cooperation (2009-2012) recognizes sustainability as the basis for development and has established it as the second specific objective to “promote the conservation and sustainable use of ecosystem services provided to improve the living conditions of the population.” This framework ensures mainstreaming of environment into all cooperation activities in Spain, and systematic use of tools that integrate environmental consideration throughout the entire project cycle (diagnosis, identification, formulation, monitoring and evaluation). Spain has been active in contributing to various funds and programmes of cooperation, such as granting of aid to nonprofit organizations, Carbon Partnership Facility Forest World Bank, UN-REDD Programme of FAO, UNDP and UNEP, the Climate Investment Funds, and the Forest Fund Facility for Africa, the Secretariat of the Convention on Biological Diversity and Life Web, the Trust Fund Yasuni ITT Initiative launched by the Government of Ecuador.

49. United Kingdom has undertaken the UK National Ecosystem Assessment (UK NEA) - the first analysis of the UK’s natural environment in terms of the benefits it provides to society and continuing economic prosperity, and released a White Paper on the Natural Environment (NEWP) “The Natural Choice: securing the value of nature” in 2011. The Darwin Initiative assists countries that are rich in biodiversity but poor in financial resources to meet their objectives under one or more of the three major biodiversity conventions through the funding of collaborative projects which draw on UK biodiversity expertise. Since its launch at the Rio Summit in 1992, over £80 million has been invested in more than 700 projects worldwide. In 2011 the UK Government scaled up the financial resource available to this initiative, making more than £25 million available over the next four year for Darwin projects. The country provides an International Climate Fund (ICF) of £2.9 bn to deliver international climate finance for developing countries from 2011-2015, and has a ring-fenced £100m contribution to the ICF specifically to be spent on forests in support of REDD+. The UK also announced that it will establish a new voluntary approach to offsetting in England and will test this in six pilot areas for two years.

50. Many promising examples of mainstreaming have been observed for various multilateral and bilateral donor organizations, the United Nations development system, as well as international financial institutions and development banks, funding partners at the regional and subregional levels, and international organizations, non-governmental organizations, indigenous peoples’ organizations and public institutions for biodiversity and ecosystem services. Nevertheless, there has been no coherent framework or platform for biodiversity financing in which all willing donors and development agencies can contribute on a voluntary basis. In its national biodiversity strategy 2011-2020, France has established a subscription and commitment mechanism to formalize the mobilization of all stakeholders. Each subscriber can make a commitment to action, within the framework of their respective abilities and resources, to contribute to the achievement of the mission, strategic goals and targets by working and succeeding together.

#### **Goal 7: Enhance implementation of access and benefit-sharing initiatives and mechanisms in support of resource mobilization**

51. The negotiation and successful conclusion of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention in 2010 was an important opportunity to raise awareness and build capacity of different stakeholders to implement the Protocol and promote exchange of experiences and good practices. The Indian submission suggested that financial resources that are used for realizing the goals of access and benefit sharing should not only focus on ensuring revenue flows, but also in ensuring these flows are redistributed amongst local communities.

52. France planned to contribute up to a million Euros to the Nagoya Protocol Implementation Fund, and has accepted, through le Fonds pour l’Environnement Mondial (FFEM), funding to the tune of

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900,000 euros for a project in Southern Africa on the certification of natural products to conserve biodiversity and support local development of populations. At the national level, France has organized a study on the relevance and feasibility of access and benefit sharing instruments, and held a number of seminars at the initiative of the Ministry of Sustainable Development, business associations and research centers. As part of the national biodiversity strategy adopted in May 2011, France has committed to set up a working group to develop in 2012 a proposal for a national legal framework on access and benefit sharing.

53. European Union submitted that it is engaged in funding various projects with a view to enhance regional and national capacity in the selection, development and use of biodiversity and related indicators to ensure progress towards the 2020 biodiversity targets as well as facilitating the Nagoya Protocol implementation by helping the establishment of the Nagoya Protocol clearing-house mechanism as well as capacity building initiatives for developing countries.

54. According to the German submission, BMZ hosts the multi donor ABS Capacity Development Initiative, which was launched in 2006 by Netherlands and Germany to support the African Group in the negotiations of an ABS agreement. Since the adoption of the Nagoya Protocol in 2010, the ABS Capacity Development Initiative focuses on supporting developing countries in implementing suitable ABS measures at the national and (sub-) regional level. The goal is to establish and promote functioning ABS partnerships with the private sector, to the benefit of biodiversity conservation and the livelihoods of the providers of genetic resources at the local level. The Initiative is also active in the Caribbean and Pacific region (<http://www.abs-africa.info/>), with Denmark, Norway, Germany, the Institute de l'énergie et de l'environnement de la Francophonie and the European Union as donors.

55. United Kingdom plans to contribute US\$ 500,000 to the Nagoya Protocol Implementation Fund. The United Kingdom has commissioned research to understand the impact of its implementation of the Protocol. The project will identify the sectors within the country who make use of genetic resources; consider the extent to which the United Kingdom is a provider of genetic resources; consider various options open to it in implementing the provisions of the Nagoya Protocol, as well as the potential impact of each option on the identified sectors.

56. Future awareness raising, capacity building and information sharing will continue to evolve around the enhanced implementation of the Nagoya Protocol. The Nagoya Protocol also has a built-in provision that encourages users and providers to direct benefits arising from the utilization of genetic resources towards the conservation of biological diversity and the sustainable use of its components. Parties also agreed to consider the need for and modalities of a global multilateral benefit-sharing mechanism to address the fair and equitable sharing of benefits derived from the utilization of genetic resources and traditional knowledge associated with genetic resources that occur in transboundary situations or for which it is not possible to grant or obtain prior informed consent, and that the benefits shared by users of genetic resources and traditional knowledge associated with genetic resources through this mechanism shall be used to support the conservation of biological diversity and the sustainable use of its components globally.

**Goal 6: Build capacity for resource mobilization and utilization and promote South-South cooperation as a complement to necessary North-South cooperation,**

**Goal 8: Enhance the global engagement for resource mobilization in support of the achievement of the Convention's three objectives**

57. Goals 6 and 8 of the Strategy for Resource Mobilization stress the importance of capacity-building and awareness-raising in support of resource mobilization, including through South-South cooperation as a complement to necessary North-South cooperation. Regional and sub-regional workshops on biodiversity and finance have evolved to be the principal means for capacity building and awareness-raising for resource mobilization. With generous financial support from the Netherlands,

European Union, Japan and Spain, the Secretariat has been able to organize a series of subregional workshops on biodiversity and finance with participation of national focal points and their representatives of both the Convention and the Global Environment Facility, who also attended the GEF Expanded Constituency Workshops organized and financed by the GEF. The focus of the 2011 series of sub-regional workshops was on exploration of funding options in support of the newly adopted 2011-2020 Strategic Plan of the Convention, and the 2012 series of sub-regional workshops seeks to promote follow-up activities in relation to decisions X/3 A-Band in preparation of the forthcoming intergovernmental meetings such as the eleventh meeting of the Conference of the Parties. With an average cost that is only one eighth that of a workshop of same scale, the series of subregional workshops helped outreach all but two recipient constituencies of the financial mechanism.

58. The EU Biodiversity public-awareness-raising Campaign was launched in March 2010, built around the slogan “Biodiversity – we are all in this together”, aiming at persuading people of all ages and backgrounds to become personally involved in biodiversity protection. A Campaign website and advertising in media were followed by events launched in several countries. In 2010 around 3.5 million web page views were recorded, and more than 190,000 persons from 130 countries had declared themselves “biodiversity supporters” on the Facebook campaign application. The Wake-up call video had been viewed by more 1.5 million persons. The campaign continued during 2011, and focused on on-line presence (website, social media) and activities organized by partners such as the European Union representations. In 2011 the campaign activities were aimed at engaging people to do something in real life. Through a new application, people were invited to commit to do something to help preserve biodiversity. A number of publications and videos were also launched. For 2012, a number of activities are planned to celebrate the 20th anniversary of the Habitats Directive/Natura 2000 and the LIFE Regulation. High level events in a few Natura 2000 sites, LIFE project events in ca. 100 sites and celebratory brochures, including on Natura 2000, are among those.

59. According to the French submission, FGEF established in 2006 the Small Initiatives Programme (IPP) to support civil-society organizations involved in the protection of biodiversity and the fight against climate change in African countries, through the financing of small size projects. In 2012, AFD will implement a specific window for NGOs on sustainable use of biodiversity by village communities. The objectives include, as part of conservation efforts and sustainable management of biological resources, the South-South cooperation, the fight against poverty and gender issues. France contributes 25 million euros to the second phase of the Critical Ecosystem Partnership Fund (CEPF) (2007-2012), which finances projects and capacity building of nongovernmental organizations operating in developing countries for conservation and sustainable management of biodiversity.

60. Germany indicated that the Federal Ministry for Economic Cooperation and Development (BMZ) is supporting South-South and triangular cooperation. For instance, with Brazil, triangular cooperation focuses on strengthening institutional capacities in order to achieve results-based South-South cooperation. Brazil and Germany are working together to implement projects in developing countries, for example by supporting an environmental technology centre in Peru. Germany together with the European Commission launched and strongly supported the global study on “The Economics of Ecosystems and Biodiversity (TEEB)”. One of the main goals of TEEB was to raise public awareness of the crucial importance of biological diversity and the goods and services that it provides for human wellbeing and the local, national and global economy.

61. The Indian submission suggested that an international meeting of donors and multilateral financial institutions may be convened to assess possibility of resource mobilization for the 2020 biodiversity targets. This suggestion can also be used to raise public awareness of the importance of biological diversity and the goods and services that it provides at all levels in support of resource mobilization in response to objective 8.1 of the Strategy for Resource Mobilization.

62. The subregional workshops organized in collaboration with the GEF Country Support Programme have emerged to a cost-effective tool to build national and regional capacities on resource mobilization skills, financial planning and effective resource utilization and management, and support awareness raising activities, and to promote exchange of experience and good practice in financing for biological diversity, as suggested in objectives 6.1 and 6.3 of the strategy for resource mobilization. These workshops are targeted primarily at national focal points of the Convention and its financial mechanism and a limited number of civil society representatives who are financed for the GEF Expanded Constituency Workshops. Only few resource mobilization focal points have been able to attend these workshops.

63. There are a growing number of examples of South-South Cooperation, particularly Triangular Cooperation for biodiversity and ecosystem services, but no widely-acceptable modalities of South-South Cooperation have been developed, including the role of South-South Cooperation in international development cooperation. The entry point may lie in the catalytic role of triangular cooperation, considering the provisions of Article 20 of the Convention.

#### IV. SUGGESTED RECOMMENDATIONS

64. The present note highlighted two issues that were identified by the tenth meeting of the Conference of the Parties for consideration by the Ad Hoc Open-Ended Working Group on Review of Implementation of the Convention at its fourth meeting. Regarding target-setting, several suggestions have been received from Parties with respect to basis on which targets to be adopted. Against this background, the Working Group may wish to consider the following recommendation.

The Ad Hoc Open Ended Working Group on the Review of Implementation of the Convention

1. *Invites* Parties to use the preliminary reporting framework (UNEP/CBD/WG-RI/4/6/Add.1) updated by the Secretariat based on the discussions in the Working Group;

2. *Expresses its gratitude* to the Governments of Ecuador, Japan, Sweden, Norway and India for jointly hosting the informal seminar dialogue together with the Secretariat on Scaling-up Biodiversity Finance, held in Quito, from 6 to 9 March 2012 and takes note of the co-chair's summary of the dialogue (UNEP/CBD/WG-RI/4/INF/9);

3. *Welcomes* the establishment of a high-level panel on global assessment of resources for implementing the Strategic Plan for Biodiversity 2011-2020 as further contribution to the preparations for the eleventh meeting of the Conference of Parties, and expresses gratitude to Governments of United Kingdom and India for co-sponsoring the panel;

4. *Requests* the Executive Secretary to:

(a) Explore the possibility of establishing, together with the Global Environment Facility, a finance portal on biodiversity to serve as a gateway to assist parties with information on the financial mechanism to the Convention and on the mobilization of resources to support developing countries in the implementation of strategic plan 2011-2020 as part of the global monitoring work;

(b) Report on consultations with the Organisation for Economic Cooperation and Development (OECD) on ways to strengthen utilization of "Rio Markers" and ways to integrate this information in future national reports in response to decision paragraph 12 of X/3;

(c) Organize regional and expert workshops as appropriate to assist Parties gather information at national level using the preliminary reporting framework as well as exploring relevant financing mechanisms, including the guiding principles and safeguards;

5. *Takes note* of the submissions on the review of implementation of goals 2, 5, 7 and 6, 8 of the Strategy for Resource Mobilization. The submissions, though limited in number but rich in content, indicate a positive trend in taking action to mobilize resources for biodiversity and ecosystem services.

The Working Group may also wish to recommend that the Conference of the Parties, at its eleventh meeting, adopt a decision along the following lines:

*The Conference of the Parties*

1. *Encourages* Parties to undertake institutional mapping/analysis as part of developing country-specific resource mobilization strategies in the framework of the revision of their national biodiversity strategies and action plans;

2. *Adopts* the reporting framework (UNEP/CBD/WG-RI/4/6/Add.1) updated by the Secretariat based on the discussions at the fourth meeting of the Working Group on the Review of Implementation of the Convention;

3. *Recommends* to the Parties to tentatively use an average for the years 2006-2010 as the baseline for resource mobilization;

4. *Decides* to use the broader term “biodiversity financing mechanisms (BFM)” to replace the term “innovative financing mechanisms”, to encompass the broad spectrum of mechanisms that are already applied and possible for biodiversity financing and could be scaled-up to meet the Convention’s Strategy for Resource Mobilization;

5. *Requests* the Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention to further review the preliminary reporting framework at its fifth meeting based on information received from Parties on funding needs, gaps and priorities;

6. *Invites* Parties and Governments to submit their first report using the preliminary reporting framework prior to the fifth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention in a timely manner for their consideration by the subsidiary body;

7. *Invites* Parties and relevant partner organizations to examine their role in establishing enabling conditions, particularly for private sector involvement in supporting the Convention’s objectives, including the use of sustainability criteria in government procurements and credits lines and by promoting adjustments to current economic instruments and incentives with a view to substitute perverse impact with net positive gains on biodiversity and submit information on their experiences to the Executive Secretary (also see UNEP/CBD/WG-RI/4/9);

8. *Takes note* of the positive collaboration between the Convention Secretariat and the Global Environment Facility in organizing a series of subregional workshops on resource mobilization, and expresses its gratitude to the European Union, Japan, the Netherlands, and Spain for their generous financial support.

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