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Item 5 of the provisional agenda*

AID TO BIODIVERSITY AND OECD DAC WORK ON RIO MARKERS, BIODIVERSITY AND DEVELOPMENT

Note by the Executive Secretary

1. The Executive Secretary is circulating herewith an information document entitled “Aid to biodiversity and OECD DAC work on Rio markers, biodiversity and development”. The document was submitted by the Organisation for Economic Co-operation and Development (OECD), for the information of participants in the fifth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention.
2. The document is being circulated in the form and language in which it was provided to the Secretariat.

* UNEP/CBD/WGRI/5/1.

OECD DAC Statistics Aid to Biodiversity

These statistics are based on DAC members' reporting on the biodiversity marker to the Creditor Reporting System (CRS). See methodology box on last page.

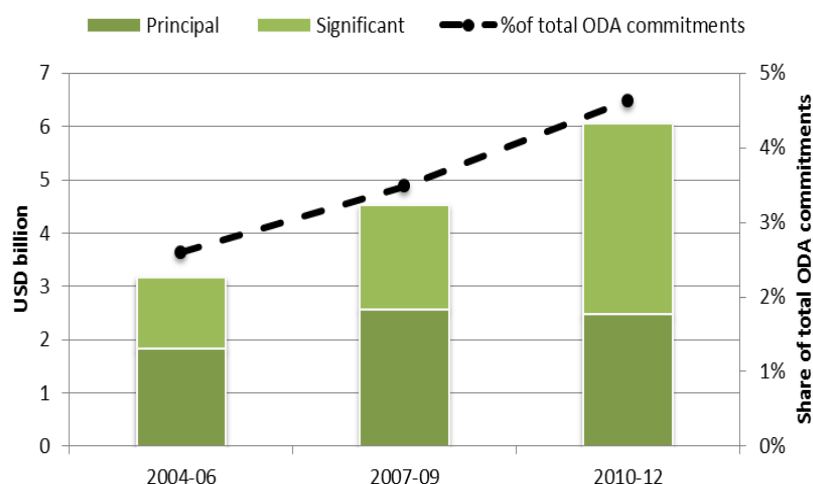
This version presents data up to 2012; 2013 data will be published towards the end of 2014. Detailed project-by-project data are available at www.oecd.org/dac/stats/rioconventions.htm.

- Total bilateral biodiversity-related aid commitments by members of the OECD's Development Assistance Committee (DAC) have increased over the past decade, reaching **USD 6.1 billion** per year on average in 2010-12, representing **5% of total bilateral official development assistance (ODA)**.
- Of the total biodiversity-related aid activities, the majority (59%, **USD 3.6 billion**) targets biodiversity as a **significant** objective, while 41% (**USD 2.5 billion**) targets biodiversity as the **principal** objective.
- **Aid activities for biodiversity often target multiple environmental objectives:** of total biodiversity-related aid, **82%** consists of activities designed to simultaneously address climate change mitigation, and/or climate change adaptation, and/or desertification concerns.
- Biodiversity-related projects are concentrated in a few sectors and activity types: **general environment protection** (e.g. environment-related policy and capacity-building); **agriculture, forestry, fishing and rural development**; and **water supply and sanitation**.
- **Asia, America and Africa** received roughly equal proportions of biodiversity-related aid in 2010-12.

How much bilateral aid is going towards biodiversity?

Chart 1. Trends in biodiversity-related aid, three-year averages

2004-12, bilateral commitments, USD billion, constant 2011 prices



Total bilateral biodiversity-related aid commitments by members of the OECD DAC reached **USD 6.1 billion** on average per year in 2010-12, representing **5% of total ODA commitments** (Chart 1).

Of total biodiversity-related aid in 2010-12, the majority targets biodiversity as a **significant** objective (**USD 3.6 billion** on average per year), while 41% (**USD 2.5 billion** on average per year) targets biodiversity as the **principal** objective.

The proportion of biodiversity-related aid targeting multiple environmental objectives has increased, from an average of 51% over 2004-09, to 82% over 2010-12. These trends suggest that DAC members are increasingly exploiting the synergies between biodiversity and climate change adaptation, mitigation, and desertification and integrating biodiversity into development co-operation portfolios – and this nexus may be driving the upward trend in total biodiversity-related aid.

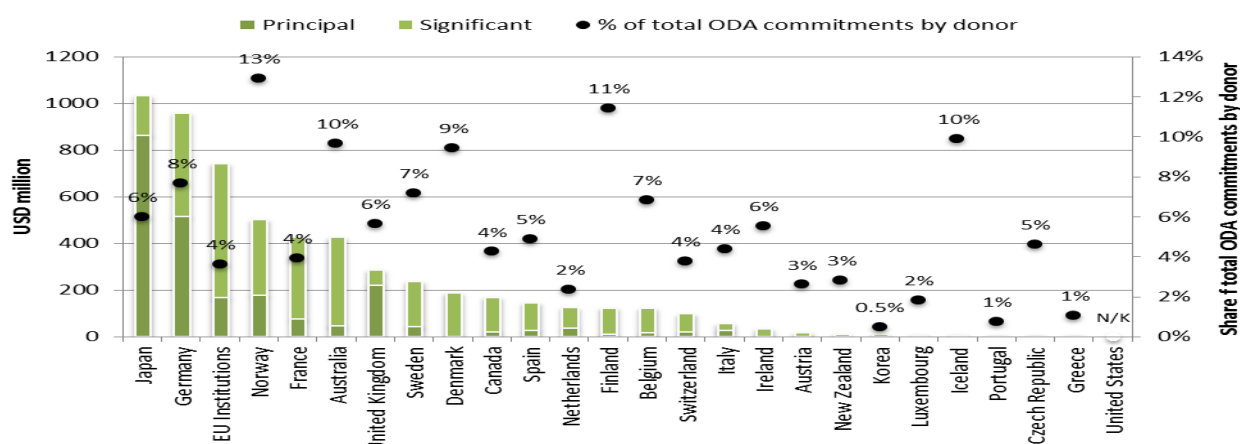
Analysis is based on data reported to the OECD DAC CRS as of March 2014.
Latest data revisions will be reflected in future CRS online updates.

Biodiversity-related aid commitments by DAC members

Japan, Germany and EU Institutions together provided 45% of total biodiversity-related aid over 2010-2012 (Chart 2). However, several smaller donors allocated the largest shares of their ODA to biodiversity-related activities; Norway leading with 13%, followed by Finland, Australia and Iceland.

Chart 2. Biodiversity-related aid by DAC member

Average 2010-12, bilateral commitments, USD million, constant 2011 prices



1. Belgium have now reported full 2012 Rio marker data to the OECD DAC, this will be incorporated into the subsequent updates of this flyer.

2. For technical reasons, data collection on aid for biodiversity for United States is not yet available. The United States is working to review its data collection methodology and will supply data for 2010 to 2012 in the coming months.

On average in 2010-2012, **78% of bilateral biodiversity-related commitments were grants**, and 22% were loans. This represents a shift towards grants since 2004-2006, when the grant share was 59%. The current grant share in biodiversity-related aid is also now close to the 80% grant share in ODA as a whole.

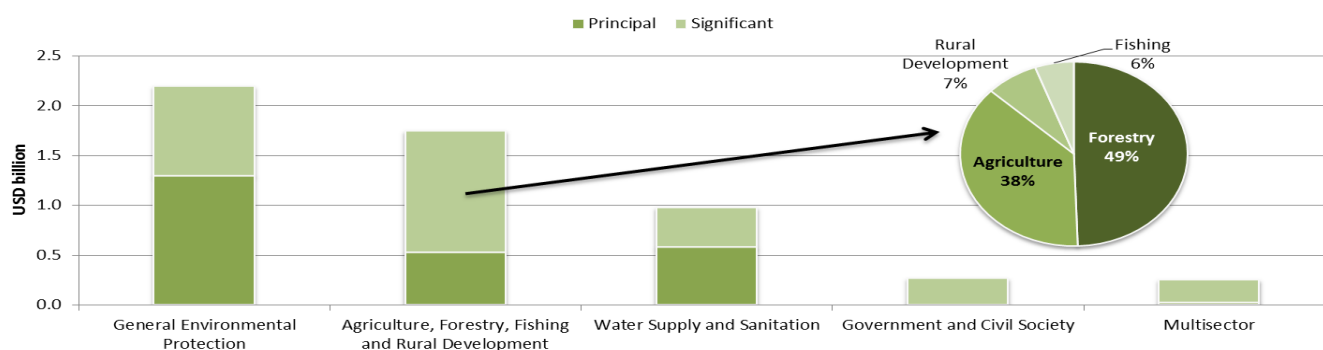
Finance for biodiversity also flows through the multilateral system. While earmarked contributions channeled through multilateral organisations are included in bilateral figures, **the marker is not applied to core contributions to multilateral agencies, such as the Global Environment Facility (GEF).**

Which sectors are targeted by bilateral biodiversity-related aid commitments?

Over 80 per cent of biodiversity-related aid in 2010-12 was in the sectors of **general environment protection, agriculture, forestry, fishing, rural development, and water supply and sanitation** (Chart 3). Of total aid to general environmental protection, 41% targets biodiversity. Over half of this goes to environmental policy and administration management, and 41% goes to a specifically coded “biodiversity” sub-sector covering the creation of natural reserves and the preservation of habitat and species. Biodiversity-related aid also represents a significant share of total aid activities in forestry (71%), fishing (39%) and, to a lesser extent, water supply and sanitation (15%) and agriculture (11%). Less than 2% of bilateral biodiversity-related aid directly targets transport, industry, mining, and construction, which are other sectors that may have important impacts upon biodiversity.

Chart 3. Five main sectors receive 91% of biodiversity-related aid¹

Average 2010-12, bilateral commitments, USD billion, constant 2011 prices



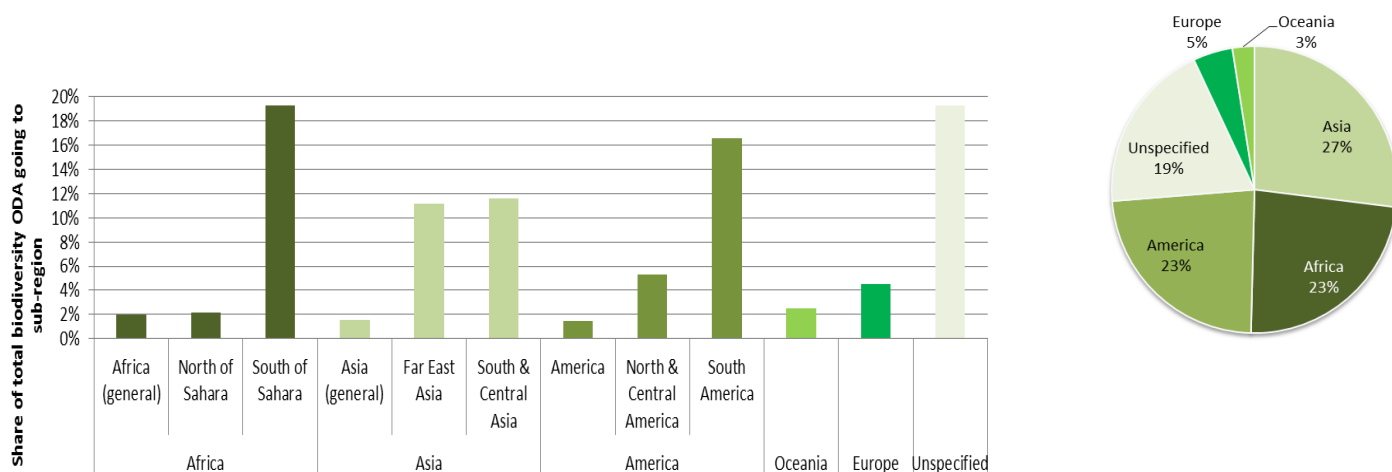
¹: Multi-sector projects include urban development and management, and multi-sector education, training and research.

Where is bilateral biodiversity-related aid flowing to?

Asia, America and Africa received roughly equal shares of bilateral biodiversity-related aid in 2010-12 (Chart 4). Since 2004-06, Asia's share has fallen, while that of **South America** has risen considerably both in absolute and relative terms (Chart 4). Biodiversity-related aid to South America increased from USD 252 million per year in 2004-06 to USD 1002 million in 2010-12, lifting its share of total biodiversity-related aid from 8% to 17%, so that it now substantially exceeds South America's 8% share of total bilateral ODA commitments.

Chart 4. Geographical distribution of bilateral biodiversity-related aid

Average 2010-12, bilateral commitments, USD million, constant 2011 prices



Considerably larger shares of biodiversity-related aid are “unspecified” by region and/or income group than those for total ODA (Charts 4 and 6). “Unspecified” covers aid that is not earmarked to a country, region or income group, but rather contributes to biodiversity-related funds and programmes managed by development co-operation agencies, international organisations, NGOs and research institutions.

The top 5 recipients of total bilateral biodiversity-related ODA between 2007 and 2012 have been **India, China, Vietnam, Brazil** and **Indonesia** (Chart 5), which together have received 31% of total biodiversity-related aid over this period. Completing the top 10 recipients are Morocco, Bangladesh, Turkey, Ethiopia and Kenya.

Chart 5. Top 10 recipients of total biodiversity-related ODA
2007-12, bilateral commitments

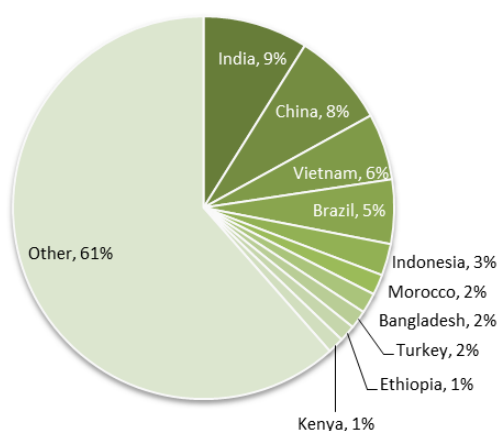
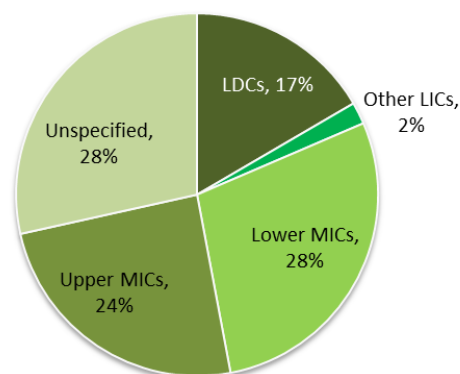


Chart 6. Biodiversity-related ODA by income group
2007-12, bilateral commitments



Annex

Biodiversity-related aid by DAC members in 2012

USD million, bilateral commitments, constant 2012 prices

Bilateral contributions in 2012			
Marker-based statistics, commitments, USD million			
	Principal objective	Significant objective	Total
Australia	63.0	318.6	381.6
Austria	5.2	10.3	15.5
Belgium	17.5	82.0	99.5
Canada	30.2	317.5	347.7
Czech Republic	1.0	4.2	5.2
Denmark	0.0	120.7	120.7
EU Institutions	280.6	621.9	902.5
Finland	1.5	41.9	43.3
France	124.5	319.5	443.9
Germany	577.1	393.7	970.8
Greece	0.5	0.0	0.5
Iceland	2.2	1.8	4.0
Ireland	0.5	35.5	36.0
Italy	16.1	45.2	61.3
Japan	331.8	118.2	450.0
Korea	2.3	3.4	5.7
Luxembourg	1.0	11.3	12.3
Netherlands	79.4	58.9	138.3
New Zealand	0.5	4.0	4.5
Norway	32.4	463.4	495.8
Poland
Portugal	0.2	0.5	0.7
Slovak Republic
Slovenia
Spain	4.2	10.7	15.0
Sweden	77.4	197.7	275.1
Switzerland	22.8	64.7	87.5
United Kingdom	49.0	22.3	71.3
United States ¹	N/K	N/K	N/K
Total	1721.0	3267.9	4988.9

1. For technical reasons, data collection on aid for biodiversity for the United States is not yet available. The United States is working to review its data collection methodology and will supply data for 2012 in the coming months.

Box: Rio marker methodology

Background

Since 1998 the DAC has monitored aid targeting the objectives of the Rio Conventions through its Creditor Reporting System (CRS) using the "Rio markers". Every aid activity reported to the CRS should be screened and marked as either (i) targeting the Conventions as a "*principal*" objective or a "*significant*" objective, or (ii) not targeting the objective. There are four Rio markers, covering: biodiversity, desertification, climate change mitigation, and climate change adaptation. The adaptation marker was introduced in 2010.

Markers indicate donors' policy objectives in relation to each activity. Activities marked as having a *principal* biodiversity objective would not have been funded but for that objective; activities marked "*significant*" have other prime objectives but have been formulated or adjusted to help meet biodiversity concerns. The biodiversity marker allows an approximate quantification of aid flows that target biodiversity objectives. In marker data presentations the figures for principal and significant objectives are shown separately and the sum referred to as the "estimate" or "upper bound" of biodiversity-related aid.

Definition and Criteria for Eligibility

Biodiversity-related aid is defined as activities that promote at least one of the three objectives of the Convention: the conservation of biodiversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.

An activity can be marked with the biodiversity Rio marker if it contributes to:

- protection of or enhancing ecosystems, species or genetic resources through in-situ or ex-situ conservation, or remedying existing environmental damage; or
- integration of biodiversity and ecosystem services concerns within recipient countries' development objectives and economic decision making, through institution building, capacity development, strengthening the regulatory and policy framework, or research; or
- developing countries' efforts to meet their obligations under the Convention.

Measuring and Monitoring External Financing for Development in support of Biodiversity

Robust and transparent statistics on external financing for development in support of biodiversity are important both to enable **development finance to be allocated and channelled more effectively**, and to build trust and **hold countries to account on their commitments to increase biodiversity finance to developing countries**.

The OECD DAC Creditor Reporting System and Rio markers

The OECD's Development Assistance Committee (DAC) has been measuring and monitoring external financing for development targeting the objectives of the Rio Conventions, including biodiversity, since 1998 through the "Creditor Reporting System" using the "Rio markers".

The Rio markers indicate donors' policy objectives for every bilateral aid activity. OECD DAC members' bilateral commitments are screened and marked as either (i) targeting biodiversity as a '*principal*' objective or a '*significant*' objective, or (ii) not targeting biodiversity objectives at all. **The markers allow for an approximate quantification of the financial flows targeting the objectives of the Rio Conventions.**

Rio marker data is collected within the overall DAC statistical framework that is based on standardised definitions and classifications, enabling robust and comparable data collection across countries. Finance flows are captured together with over 50 fields of descriptive information including on which sectors, countries, regions and income groups are targeted, and how this aid is flowing, i.e. as grants or loans.

For information on the Rio markers, analysis and to access activity-level data please visit:

www.oecd.org/dac/stats/rioconventions.htm

Improving OECD DAC biodiversity-related development finance statistics

The OECD DAC Joint Task Team of the Network on Environment and Development Co-operation (ENVIRONET) and Working Party on Development Finance Statistics (WP-STAT) is actively working to improve the quality, coverage, use and communication of OECD DAC environment and development finance statistics, including the "Rio markers". The overarching goal is to ensure that DAC methodologies and data remain **the reference for the international community in measuring Official Development Assistance (ODA) and non-export credit Other Official Flows (OOF) related to biodiversity**, climate change, desertification and other environmental concerns.

The Task Team seeks to achieve this goal by:

- **Facilitating improved use and understanding of the Rio markers**, including through training workshops with developed and developing country policy makers and others.
- **Improving the quality, coverage and robustness of the Rio markers** and their implementation.
- Supporting international communities to clarify their information needs and **to use or to build on the existing DAC data and systems**, avoiding duplicative systems.
- **Increasing transparency and supporting greater accountability** in reporting to the Rio Conventions

For further information, please contact Valerie.Gaveau@oecd.org and Stephanie.Ockenden@oecd.org

www.oecd.org/dac/environment-development/statistics.htm#taskteam

DAC ENVIRONET Work on Biodiversity and Development Policy

The OECD DAC ENVIRONET is preparing a **Scoping Paper on Biodiversity and Development Co-operation**. The paper will provide a foundation on the development side for future joint OECD work on Biodiversity and Development between ENVIRONET and the Environment Policy Committee's Working Party on Biodiversity, Water and Ecosystems (WPBWE) in 2015-16.

This paper will be completed in 2014 and aims to outline the **current state-of-play of development co-operation** in promoting the **integration of biodiversity into development**. It is divided into the following four sections:

1. **Official Development Finance to Biodiversity – Trends and Patterns**
2. **Mainstreaming Biodiversity into Development Planning and Policy**
3. **Tools to Address Trade-Offs and to Manage for Results**
4. **Donor Practice in Partner Countries: Alignment and Harmonisation**

Preliminary messages from an assessment of bilateral aid to biodiversity (part 1 above):

Bilateral ODA to biodiversity is generally increasing, in part as OECD DAC members are increasingly exploiting synergies between climate change and biodiversity

Total bilateral biodiversity-related ODA commitments by OECD DAC members reached USD 6.1 billion on average in 2010-12, representing 5% of total bilateral ODA. Of this, 79% of biodiversity-related ODA also targeted climate change objectives.

Significant bilateral development co-operation activities for biodiversity are supporting capacity building

Almost 40% of biodiversity-related ODA activities are estimated to target capacity building in 2010-12, such as strengthening policy frameworks and institutions; research, education and training; and the management of, provision of, and access to finance.

ODA alone is not enough to fill the biodiversity finance gap in developing countries

While ODA will remain important to developing countries in their efforts on biodiversity, even when scaled up, it will only be one of many different sources of funding required to fill the biodiversity finance gap. As an illustration of magnitude, while bilateral ODA to biodiversity averaged USD 6.1 billion per year over 2010-12, a High Level Panel, established by the CBD to cost the resource requirements for achieving the 20 Aichi Targets in the 2011-2020 Strategic Plan for Biodiversity, estimated an overall cost of USD 150 billion to USD 440 billion per year.

ODA needs to act as a catalyst to leverage other forms of biodiversity finance to fill the financing gap in developing countries

Possible measures that are already working in some developing countries include environmental fiscal reform, markets for green products, conservation trust funds, and payments for ecosystem services.