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

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Item 6 of the provisional agenda*

STRATEGY FOR RESOURCE MOBILIZATION: REVIEW OF IMPLEMENTATION

1. In decision IX/11, the Conference of the Parties adopted the strategy for resource mobilization 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 for the period 2008-2015.
2. In paragraph 7 of decision XI/4, the Conference of the Parties adopted preliminary targets to achieve an overall substantial increase in total biodiversity-related funding for the implementation of the Strategic Plan for Biodiversity 2011-2020 from a variety of sources using average annual biodiversity funding for the years 2006-2010 as a preliminary baseline. In paragraph 22 of the same decision, the Conference of the Parties decided to review, at its twelfth meeting, progress towards the achievement of Aichi Biodiversity Target 20, with the aim of adopting a final target for resource mobilization.
3. Decision XI/4 identifies a range of issues for consideration by the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention and subsequently by the twelfth meeting of the Conference of the Parties, including review of strategic goals, global monitoring report, financial reporting, operationalization of Aichi Target 3, innovative financial mechanisms, and the high-level panel. The present note has been prepared and structured in line with these requests, and it also provides information on the Second Informal Dialogue Seminar on Scaling up Finance for Biodiversity (Quito 2) as well as the draft recommendations.
4. This note is supported by a series of additional documents and information documents, including, *inter alia*: modalities and milestones for full operationalization of Aichi Biodiversity Target 3 (UNEP/CBD/WGRI/5/4/Add.1), consideration of views and lessons learned on possible risks, benefits and safeguards for country-specific innovative financial mechanisms (UNEP/CBD/WGRI/5/4/Add.2), strategy for resource mobilization: review of Goals 2, 5, 6, 7 and 8 (UNEP/CBD/WGRI/5/INF/3), summary of the Global Monitoring Report on the implementation of the strategy for resource mobilization (UNEP/CBD/WGRI/5/INF/4), review of preliminary reporting framework (UNEP/CBD/WGRI/5/INF/5), report of the Technical Workshop on Innovative Financial Mechanisms (UNEP/CBD/WGRI/5/INF/6), compilation of views and lessons learned on possible risks and benefits of

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country-specific innovative financial mechanisms, and safeguards (UNEP/CBD/WGRI5/INF/7), summary of the initial results of the High-Level Panel on Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020 (UNEP/CBD/WGRI/5/INF/8), and Co-Chairs' Summary of the Second Informal Dialogue Seminar on Scaling up Finance for Biodiversity (UNEP/CBD/WGRI/5/INF/9).

I. COMPREHENSIVE REVIEW OF IMPLEMENTATION OF THE STRATEGY FOR RESOURCE MOBILIZATION

Review of Goals 2, 5, 6, 7 and 8

5. Recalling decision IX/11, the eleventh meeting of the Conference of the Parties, through paragraph 10 of decision XI/4, requested the fifth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention to review the strategy and requested the Executive Secretary to prepare for this review, including by completing the review of implementation of Goals 2, 5, 6, 7 and 8 of the strategy for resource mobilization, based on the input provided by Parties and other relevant stakeholders as well as additional relevant sources of data (decision XI/4, paragraph 10). To assist with the review by the Working Group and subsequently by the Conference of the Parties, the Executive Secretary has prepared the note on review of Goals 2, 5, 6, 7 and 8 of the strategy for resource mobilization (UNEP/CBD/WGRI/5/INF/3). The comprehensive set of information, collected and compiled from various sources, is provided on the webpages on financial resources and the financial mechanism (<http://www.cbd.int/financial>). The main points of the information document are summarized in this section.

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

6. National financial planning is being integrated into the ongoing revisions of national biodiversity strategies and action plans, with financial support from the Global Environment Facility. The funding information gathered from the revised/updated national biodiversity strategies and action plans up to 2020 which have been made available by 21 countries has demonstrated varied approaches to national financial planning. The process of national financial planning remains weak in terms of full involvement of all relevant stakeholders, establishment of financial baselines, financial costs of planned actions and programmes, and setting of national targets by many countries.

7. Sectoral integration and capacity-building for biodiversity has been reported in almost all countries, but some appears to be incidental or random inclusion as they are not institutionalized, intentional or planned. In particular, financial inclusion of biodiversity is not well developed, and only a small number of countries reported such inclusion. Croatia indicated that the integration of biological diversity has been achieved at the legislative level (it has been integrated into strategic documents) and in sectors of agriculture, forestry, hunting, fisheries, environmental protection, nature protection, marine, etc. However, in most of the sectors, no operational mechanisms for implementation have been established. Developing countries and their partners need to redouble efforts to integrate biodiversity and ecosystem services into development plans and strategies, particularly whenever they are updated.

8. Nearly half of the Parties to the Convention have demonstrated some examples of using fiscal incentives to support the Convention's three objectives (<https://www.cbd.int/financial/fiscalreform/>). Fiscal measures include favourable taxation for biodiversity, tax increase for non-biodiversity friendly economic activities, greening the tax system, reform of non-tax revenues, fiscal structural adjustment, removal of adverse subsidies, integration of biodiversity into national budgets, green public procurement, intergovernmental fiscal transfer, stimulus packages, etc. Information on fiscal incentives needs to be

further compiled and shared, and financial support to national efforts to introduce fiscal measures for biodiversity needs to be considered.

9. New funding programmes and funds are among the most popular tools to mobilize resources for biodiversity and ecosystem services. A 2013 survey of thirty-six conservation trust funds, 49 per cent from Latin America and Caribbean, 28 per cent from Africa and 25 per cent from Asia and others, indicated over \$672 million in US equivalent dollars under their management (<https://www.cbd.int/financial/environmentfunds>). An earlier survey of some twenty funds observed that the total amount contributed by donors to conservation funds probably exceeds \$1.2 billion, of which around \$800 million already given out as grants for biodiversity conservation, environmental protection and sustainable development, mostly in the Latin American and Caribbean (LAC) region (<https://www.cbd.int/doc/meetings/cop/cop-11/information/cop-11-inf-16-en.pdf>). Nevertheless, a number of environmental funds appear undercapitalized, particularly in Africa. Further measures may include: the importance and role of national environmental funds duly recognized and explored in national biodiversity strategies and action plans as well as in other national strategic documents. International donors and public-private partnerships are encouraged to promote additional resource flows to environmental funds and make full use of the potential of environmental funds, national environmental funds and sectoral funds persuaded to increase their allocations to biodiversity and ecosystem services, capacity-building and technical assistance. National environmental funds promoted as co-financing for attracting internationally-financed projects on biodiversity and ecosystem services and encouraged to pilot, replicate, participate in and make full use of emerging markets for ecosystem services.

10. Eighty-five countries, representing 44 per cent of the CBD membership, provided examples of private sector involvement, including enabling conditions (<https://www.cbd.int/financial/privatefunding>). The variety of private sector engagement includes: financial sector integration and greening banks, businesses to provide biodiversity services, markets and enabling policies for sustainable enterprises, privatization, private-public partnership, industry-specific initiatives, easements and covenants, co-management, credit policy and insurance schemes, access to stock markets, corporate social responsibility, among others. Further work on private sector and business involvement may require considering a paradigm shift for the private sector to enhance their management role for biodiversity and ecosystem services through regulatory, legal and administrative framework, such as access to credit, insurance and green procurement for biodiversity and ecosystem services.

***Goal 5: Mainstream biological diversity and its associated ecosystem services
in development cooperation plans and priorities***

11. Progress has been made in integrating biodiversity and ecosystem services within multilateral and bilateral donor organizations, and international financial institutions (<https://www.cbd.int/financial/donorentities>). There are many good examples in bilateral donor organizations. USAID has published annual reports of Biodiversity Conservation Forestry Programs for a number of years by now. The recent attention to climate change has succeeded in introducing three features in most donor agencies: announcing an explicit policy statement on climate change mitigation and adaptation, establishing a visible operational institutional unit for climate change, and creating a pool of dedicated staff on climate change.

12. Regional development banks often are the largest providers of multilateral financial and technical resources in their respective regions. The combined lending of the regional development banks (African Development Bank, Asian Development Bank, Development Bank of Latin America, European Bank for Reconstruction and Development, Inter-American Development Bank, Islamic Development Bank) was US\$ 55 billion in 2012, 64 per cent higher than that from the World Bank (International Bank for Reconstruction and Development and International Finance Corporation). Regional development banks

also provide concessional loans and grants, which were US\$ 6.22 billion in 2012, lower than the International Development Association that provided US\$ 16.3 billion in the same period. While most of these banks have safeguard policies on natural habitats, there is considerable space for enhancing their financial and technical assistance to biodiversity and ecosystem services.

13. Within the United Nations development system, the General Assembly, by Resolution 67/212 on 21 December 2012, decided to devote one of the special events of the Second Committee during the sixty-eighth session of the General Assembly, as part of the United Nations Decade on Biodiversity and to further efforts to improve coherence, to a joint briefing by the United Nations entities. Resolution 68/214, adopted on 20 December 2013, took note with appreciation of the realization of the joint briefing by the United Nations Environment Programme, the World Intellectual Property Organization, United Nations Educational, Scientific and Cultural Organization, the United Nations Development Programme, the United Nations Conference on Trade and Development, the secretariat of the International Treaty on Plant Genetic Resources for Food and Agriculture and the secretariat of the Convention on Biological Diversity on the implementation of the objectives of the Convention, including actions undertaken to promote access to genetic resources and the fair and equitable sharing of benefits arising from their utilization and associated traditional knowledge held on 30 October 2013, and noted that similar interactions should be encouraged. Further involvement of all United Nations entities with funding for operational activities, including regional economic commissions, can be explored through such interactions.

14. Funding through international nongovernmental organizations – a proxy indicator for measuring the private source of funding – largely follows the pattern of official development assistance marked for biodiversity. The combined revenues of WWF, Birdlife International, Flora and Fauna International, Wildlife conservation society, World Resource Institute, Conservation International and The Nature Conservancy, from all sources, recovered from a dip in 2009, but declined noticeably in 2012. In November 2013, the Council of the Global Environment Facility decided to grant the status of direct access to Conservation International and the World Wildlife Fund-US (WWF-US). The funding activities of these organizations will become more in line with the requirement of the Convention as they must operate within the framework of the financial mechanism.

Goal 7: Enhancing implementation of access and benefit-sharing initiatives and mechanisms in support of resources mobilization

15. To date thirty-three Parties have ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. Access and benefit-sharing initiatives and mechanisms have been spreading out across different regions gradually. Latin America has seen higher frequency of agreements on access to genetic resources and benefit-sharing than other regions. In Africa, northern Africa is less known to have agreements on access to genetic resources and benefit sharing than other African subregions. In Asia, western Asia has not seen as many agreements as other Asian subregions. Not many agreements on access to genetic resources and benefit-sharing have been observed in the European continent, particularly southern Europe. Most agreements on access to genetic resources and benefit-sharing offer financial payments in the range between a few thousands of dollars to one million dollars (<https://www.cbd.int/financial/abs>). Examples include the Union for Ethical BioTrade (UEBT), UNCTAD BioTrade and ACP-ABS Initiative.

16. Further actions to advance goal 7 need to build on the upcoming successful entry into force of the Nagoya Protocol and continue to promote its universal acceptance and accession. Additional ideas include: fiscal support for national strategies and policies for industries that use genetic resources as input; integration of access to genetic resources and benefit sharing into national industrial strategies and policies; favourable tax and other measures introduced for those revenues resulting from access to

genetic resources and benefit-sharing and that are returned to conservation and sustainable use projects and activities; and capacity-building and technical cooperation partnerships are promoted between countries that have developed experiences in access and benefit-sharing agreements and those that lack such experience.

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

17. The number of South-South biodiversity cooperation examples are growing, but do not match the significant increase in overall South-South cooperation (<https://www.cbd.int/financial/southsouth.shtml>). Triangular cooperation has proved to be catalytic in leveraging South-South cooperation for biodiversity, for instance, the agreements for Sustainable Development signed between the Netherlands, Bhutan, Costa Rica, and Benin have fostered technical and policy exchange from Costa Rica to Bhutan and Benin. Triangular cooperation may be particularly useful in replicating best practices of innovative financial mechanisms such as payment for ecosystem services, biodiversity offsets, environmental fiscal reforms and market for green products, on which some Southern countries have developed pertinent skills, experience or resources. Enhancement of South-South cooperation is further detailed in the document UNEP/CBD/WGRI/5/3/Add.1.

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

18. Despite efforts made in the recent years, the global engagement for resource mobilization through principal international processes, such as G-7, G-20, governing bodies of international and regional development banks, regional economic commissions, the Post-2015 Development Agenda and Sustainable Development Goals, continues to be challenging. This can get a fillip by active engagement from the leading countries of these processes, such as the hosting countries and COP Presidencies, to demonstrate leadership in advancing the global engagement goal, with technical support of the Convention Secretariat and other related secretariats.

II. GLOBAL MONITORING REPORT ON THE IMPLEMENTATION OF THE STRATEGY FOR RESOURCE MOBILIZATION

19. At its eleventh meeting, the Conference of the Parties reiterated its decision and requested the Executive Secretary to prepare periodic global monitoring reports on the implementation of the strategy for resource mobilization (decision XI/4, paragraph 11). The draft 2014 global monitoring report is contained in document UNEP/CBD/WGRI/5/INF/4 for comments and suggestions by the fifth meeting of the Working Group. The draft report follows the structure of the strategy for resource mobilization, using the indicators of resource mobilization adopted in decision X/3, as well as funding targets adopted in decision XI/4 which are also integral to the strategy for resource mobilization adopted in decision IX/11. The main draft observations using the indicators are summarized in this section. The background information has been uploaded to the webpages on financial resources and the financial mechanism.

20. Aggregated financial flows of biodiversity-related funding: only biodiversity-related official development assistance is available systematically and information on other financial flows for biodiversity is still lacking. Total bilateral biodiversity-related aid commitments by members of the OECD's Development Assistance Committee (DAC) have increased over the past decade, reaching US\$ 6.1 billion per year on average in 2010-2012, representing 5 per cent of total bilateral official development assistance (ODA) (OECD DAC statistics, "Aid to Biodiversity", March 2014).

21. The number of countries that have seen some examples of biodiversity valuation reached a total of 121 (<https://www.cbd.int/financial/values>), which represents 63 per cent of the number of Parties to the Convention, thus well above the target that by 2015, 30 per cent of those Parties have assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components. Only a dozen countries, however, have identified and reported funding needs, gaps and priorities, developed national financial plans for biodiversity, with the necessary funding and capacity-building (<https://www.cbd.int/financial/fundingplans/>).

22. Amount of domestic financial support is available for a large number of countries at the webpages on financial resources (<https://www.cbd.int/financial/domesticpending.shtml>), and more reports are expected in relation to the fifth national reports and the preliminary reporting framework. There is a need to develop a systematic approach to collecting and compiling the statistical information.¹

23. Amount of funding provided through the Global Environment Facility and allocated to biodiversity focal area. According to the latest document (GEF/C.45/08) on 2 October 2013, GEF biodiversity focal area was allocated at GEF-5 with a targeted \$1.08 billion, and 82 per cent of this allocation was utilized. It was announced that on 16 April 2014, 30 donor countries pledged US\$ 4.43 billion for GEF to support developing countries' efforts over the next four years to prevent degradation of the global environment (<http://www.thegef.org/gef/Record-Funding-for-Global-Environment>).

24. Number of international financing institutions, United Nations organizations, funds and programmes, and development agencies with biodiversity and associated ecosystem services as a cross-cutting policy: seven international financial institutions are known to have some policy elements on biodiversity and ecosystem services, and 26 developed countries that are members of the OECD Development Assistance Committee have reported projects on biodiversity and ecosystem services. Among 24 United Nations organizations, funds and programmes that have noticeable operational activities, only six entities are known to have biodiversity-specific operational activities and/or policy consideration (<https://www.cbd.int/financial/donorentities>).

25. The number of Parties that integrate considerations on biological diversity and its associated ecosystem services in development plans, strategies and budgets, using various approaches, is reported to be a total of 165 (<https://www.cbd.int/financial/bioinclusion>), which is 85 per cent of the number of Parties to the Convention, above the target to endeavour for at least 75 per cent, of Parties to have included biodiversity in their national priorities or development plans by 2015 and have therefore made appropriate domestic financial provisions. But the integration of biodiversity in national priorities or development plans does not necessarily lead to the availability of domestic financial provisions. Only a dozen of countries indicated that biodiversity was integrated into national budgetary processes (<https://www.cbd.int/financial/bioinclusion>).

26. Number of South-South cooperation initiatives: 32 Parties, including some developed countries, are known to have advanced South-South cooperation initiatives, including on biodiversity and ecosystem services (<https://www.cbd.int/financial/southsouth.shtml>).

27. Amount and number of South-South and North-South technical cooperation and capacity-building initiatives that support biodiversity: The complete counting of technical cooperation and capacity-building initiatives is not available, but the samples on technical assistance and scholarships/training from the OECD Rio markers database show that the number of projects in this

¹ See section III below.

regard was 3955 in 2010, 3370 in 2011 and 2531 in 2012 (<https://www.cbd.int/financial/oda>), suggesting a declining trend in technical cooperation and capacity-building that support biodiversity.

28. Number of global initiatives that heighten awareness on the need for resource mobilization for biodiversity: the strategy for resource mobilization continues to be taken up in the resolutions on biodiversity by the United Nations General Assembly, but it is not visible in other major international forums, such as Annual Ministerial Reviews and Development Cooperation Forums of the United Nations Economic and Social Council, annual meetings of governing boards of International Monetary Fund and the World Bank, Group of Eight (G-8), Group of Twenty Finance Ministers and Central Bank Governors (G-20) (<https://www.cbd.int/financial/donorentities>).

29. Amount of financial resources from all sources from developed countries to developing countries to contribute to achieving the Convention's objectives, and amount of financial resources from all sources from developed countries to developing countries towards the implementation of the Strategic Plan for Biodiversity 2011-2020: biodiversity-related official development assistance (in current prices) marked by the Organization for Economic Cooperation and Development has reached US\$ 6.1 billion on average in 2010-2012 (OECD DAC statistics, "AID to Biodiversity", March 2014). Consolidated information on other sources of funding is not available.

30. Resources mobilized from the removal, reform or phase-out of incentives, including subsidies: 35 Parties (18 per cent of the CBD membership) are known to have worked on subsidy reform (<https://www.cbd.int/financial/fiscalreform>), but the global amount of resultant reduction in subsidies and subsequent use of associated revenue gains for biodiversity is not available. According to the submission from the European Commission, the current reforms of the Common Agricultural Policy and the Common Fisheries Policy aim at reducing support which has a negative environmental impact, whilst rewarding practices that deliver public goods, including biodiversity. It is however very difficult to estimate values associated with these reforms (<https://www.cbd.int/financial/statistics.shtml>).

31. Number of initiatives, and respective amounts, that engage Parties and relevant organizations in new and innovative financial mechanisms: about 95 Parties (half of the CBD membership) have some kind of payment for ecosystem services schemes (<https://www.cbd.int/financial/pes.shtml>), 37 Parties (one fifth of the CBD membership) have biodiversity offsetting mechanisms (<https://www.cbd.int/financial/offsets>), 93 Parties (48 per cent of the CBD membership) have introduced fiscal reform measures (<https://www.cbd.int/financial/fiscalreform>), 75 Parties (39 per cent of the CBD membership) are known to have measures on markets for green products (<https://www.cbd.int/financial/greenproducts>). Parties have also undertaken actions to promote charitable contributions (<https://www.cbd.int/financial/charities>), international innovative financing for development (<https://www.cbd.int/financial/developmentfinance>) and climate change funding schemes (<https://www.cbd.int/financial/climate>). There is, however, very limited information on the actual resources that have been generated from those mechanisms. Moreover, the scattered evidences point to the need for clarifying the enabling role of government and the methodology for counting resultant resources.

32. Number of access and benefit-sharing initiatives and mechanisms (<https://www.cbd.int/financial/abs>): about one third of countries have seen some cases of access and benefit-sharing. These cases are observed across all the regions, and also appear to concentrate in those countries that have high biodiversity richness. In a sample of 44 countries with access and benefit sharing agreements, 65 per cent of them are located in the top 40 countries (about one fifth of CBD membership) of the GEF benefits index for biodiversity. Latin America has seen higher frequency of agreements on access to genetic resources and benefit sharing than other regions. It is still not possible to compile

information on the global status of resources generated from access and benefit sharing initiatives and mechanisms.

III. FINANCIAL REPORTING

33. This section provides a summary of information received in response to several paragraphs of decision XI/4 with respect to financial reporting. The Executive Secretary sent notification 2013-050 (Ref. No. SCBD/TSI/RS/ML/lz/82040) dated 25 June 2013, inviting submission of pertinent information by Parties and other Governments by 28 February 2014. Notification 2014-019 (Ref. No. SCBD/TSI/RS/ML/GD/82040) was sent 4 February 2014 as a reminder, and notification 2014-41 (Ref. No. SCBD/TSI/RS/ML/GD/82040), sent 18 March 2014, granted an extension of the deadline for submissions to 6 April 2014. The detailed information of the submissions is contained in document UNEP/CBD/WGRI/5/INF/5, entitled “review of preliminary reporting framework”.

34. As of 1 May 2014, submissions were received from 31 Parties, namely: Austria, Bolivia, Bulgaria, China, Croatia, Czech Republic, Denmark, Estonia, Ethiopia, European Union, Finland, France, Germany, Greece, Italy, India, Japan, Malawi, Mauritius, Namibia, Netherlands, New Zealand, Norway, Poland, Slovenia, Spain, Sweden, Switzerland, Thailand, United Kingdom, and Uganda. 29 submissions included the preliminary reporting framework, in varying stages of completion. A total of eight submissions provided statements or comments, including on the role of collective action, including by indigenous and local communities, and non-market-based approaches to achieving the objectives of the Convention, as well as on successes and barriers encountered in reporting on and monitoring resources mobilized for biodiversity.

A. *Review of the preliminary reporting framework and baseline information*

35. Paragraph 23 of decision XI/4 requested the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention, at its fifth meeting, to further review the preliminary reporting framework and baseline information for each of the targets enumerated in paragraphs 7 (a) to 7 (d), including the role of collective action, including by indigenous and local communities, and non-market-based approaches to achieving the objectives of the Convention, and requested the Executive Secretary to prepare a note based on information received from Parties on the application of the preliminary reporting framework.

36. Paragraph 6 of decision XI/4 invited Parties and other Governments to submit their information through the preliminary reporting framework referred to in paragraph 5, using average annual biodiversity funding for the years 2006-2010 as a preliminary baseline, and to report on their experiences of applying 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 Working Group.

1. *Double total biodiversity-related international financial resource flows to developing countries (paragraph 7(a) of decision XI/4)*

37. Out of the 29 completed reporting frameworks received, a total of 27 reported on ODA. Among the 16 members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC) that submitted completed reporting frameworks, all but one submitted numbers on biodiversity-related official development assistance (ODA). Four Parties (three DAC members and one non-DAC member) provided information on other public funds, also called other official funds (OPF/OOF). Most DAC members, in their comments, referred to application of the OECD

DAC Rio marker methodology in reporting on flows directly and indirectly related to biodiversity. Six developing country Parties provided data on ODA that is directly related to biodiversity, or referred to the funding volume of specific projects. However, no Party provided data on private flows, and one Party provided data on non-for-profit flows: Denmark analyzed the contributions of relevant non-governmental organizations using the OECD DAC Rio markers methodology, and included the pertinent contributions in the ODA numbers. Germany provided illustrative examples of the international contributions of several non-governmental organizations, noting however that part of the international funding of these NGOs may actually come from public sources. Approximately two thirds of submissions assigned a high overall level of confidence regarding the precision of the figures, while one third assigned a medium level of confidence, and no submission assigned a low overall level of confidence.

38. In reporting on the indirectly-related ODA flows, DAC members generally used range of approaches. Several submissions used a common reduction coefficient (40 per cent or 50 per cent), while Germany identified the specific contribution to biodiversity of individual projects by defining it as a sectorial component of such projects, and accounting just these components as directly-related flows. Bulgaria noted that, while providing international support, it was not an OECD DAC member and would therefore not apply the Rio marker methodology.

2. Inclusion of biodiversity in national priorities or development plans by 2015 and making appropriate domestic financial provisions (paragraph 7 (b) of decision XI/4)

39. A total of 21 Parties reported on the integrated consideration of biodiversity and ecosystem services in development plans and strategies. 15 submissions refer to inclusion into broader planning frameworks or sectorial plans and policies, while four submissions exclusively refer to such inclusion in environmental plans or policies, including the revised NBSAP. Overall, the responses provided make it difficult to define a clear baseline against which progress against this element of target 7 (b) could be monitored. Two Parties made reference to the information provided in their fifth national report. The guidelines for the fifth national report use simple scoring systems, in form of “traffic-light” schemes or similar illustrative tools, for baselining and assessing progress, but do not include request to inform whether appropriate domestic financial provisions were made.

40. A total of 17 Parties provided responses to the question on making appropriate domestic financial provisions. Six Parties made references to specific budget lines that relate to biodiversity, such as for instance for parks management, and Slovenia referred specifically to a newly created budget line for ‘implementation of biodiversity goals’. Six Parties referred to sectorial mainstreaming and the consideration of biodiversity issues in sectorial budgets. Germany cautioned that exact data is not available, because there are no biodiversity specific statistics or budget lines. The European Union made reference to the use of environmental accounting to report on environment expenditures, including biodiversity-related expenditures. While three Parties indicated that allocated budgets are small, no submission provided an assessment as to whether the integration of biodiversity into national budget is appropriate against the inclusion of biodiversity in national priorities or development plans.

3. Reporting domestic biodiversity expenditures, as well as funding needs, gaps and priorities (paragraph 7 (c) of decision XI/4)

41. Most submissions (24 out of 29) reported on domestic biodiversity expenditures. There is a notable gradient in the number of submissions when moving from the directly-related to the indirectly-related expenditures and from national government to state and municipal budgets: for national budgets, 24 submissions report directly-related expenditures and 16 submissions report indirectly-related expenditures; for state or municipal budgets, taken together, 15 report directly-related expenditures and 13 reported on indirectly-related expenditures. Information provided get even patchier for private/market

and for other sources (NGOs, foundations and academia), with most submissions only reporting on one of these sources and, according to the additional comments provided, in a non-comprehensive manner, for instance by focusing on the largest non-governmental organizations.

42. As regards data sources, The European Union and several of its member States made reference to the environmental protection expenditure accounts under the European environmental economic accounts, which also require the collection of information on the private sector and other flows. The European Union also reported that a specific tracking methodology for domestic financial flows has been developed for application to the EU's central budget. Japan explained that subnational expenditures were estimated by calculating the ratio of biodiversity conservation expenses of several prefectural governments and subsequent application of this ratio to total sub-national government budgets.

43. Submissions assign high to medium confidence levels to the precision of directly-related expenditures contained in national budgets. Confidence levels decrease for indirectly-related expenditures and for the other funding sources. Overall confidence levels tend to be lower than under section 1 of the preliminary reporting framework, with 11 Parties assigning a high level while eight assigning medium level and six a low level of confidence.

44. A total of 17 Parties reported on funding needs, gaps, and priorities. Eight Parties reported that funding needs, gaps, and priorities are identified, to varying degree, in their national planning processes, in particular national environment and or nature development plans, and six Parties noted that work on identifying funding needs, gaps and priorities is currently under way, in the context of the revision of national biodiversity strategy and action plans and/or the development of national finance plans or resource mobilization strategies. However, no submission provided information or a link to a document, on what the funding needs, gaps, and priorities are. Thailand gave an extensive description of its national budget planning process and noted that, while significant amounts are spent, these may not necessarily reflect the priorities of the Convention. One Party reported that a biodiversity-related expenditure review had been undertaken in 2008 and is now in the process of being updated. Three Parties made reference to the supportive role of the BIOFIN Initiative of the United Nations Development Programme. Two Parties referred to their fifth national reports.

45. Ten Parties noted the lack of information and/or the methodological difficulties in accessing, compiling, and aggregating reliable information, in particular on (i) lower levels of government; (ii) indirectly related expenditures; (iii) non-governmental sources, *inter alia*, due to the fact that many activities associated with nature conservation are decentralized to the local or municipal level.

4. *Preparing national financial plans and assessing or evaluating the values of biodiversity (paragraph 7 (d) of decision XI/4)*

46. A total of 18 Parties reported on preparation of national finance plans for biodiversity. Most submissions note that this is part of the national biodiversity strategy or similar planning tools, which is in many cases currently under development. Several submissions note that this is part of the national budgeting process, possible in the context of overarching national plan, but not as a stand-alone plan specifically focused on biodiversity. The role of the BIOFIN initiative of the United Nations Development Programme was also mentioned.

47. A total of 24 Parties reported on assessment or evaluation of the values of biodiversity. A significant number of submissions referred to national assessment exercises; among those, the European Union and four of its member States and the referred to the current work under the European project on Mapping and Assessment of Ecosystems and their Services (MAES). Five submissions referred to the preparation of national Studies on the Economics of Ecosystems and Biodiversity (TEEB), under the

third phase of the TEEB initiative serviced by the TEEB office of the United Nations Environment Programme. Four submissions referred to economic valuation studies or other more project-oriented activities, focusing on specific areas (e.g., on the economic benefits of protected areas) or ecosystems. Four submissions referred to environmental accounting. Sweden referred to information provided in the fifth national report.

48. The submission from Bolivia underscored the importance of recognizing the collective action of indigenous people in conservation and sustainable use of nature as a significant contribution from developing countries that quantifiably exceeds contributions from the public and private sectors. A study is currently under preparation, with support from the Permanent Secretariat of ACTO, on recognizing the role of Indigenous and Local Populations Collective Action in Conservation and Sustainable Use of Biodiversity. The study aims to develop methodological parameters that allow for qualitative, quantitative and/or quali-quantitative analysis that could be incorporated to the national reports of the countries to the Convention on Biological Diversity. The study results will be submitted to the Conference of the Parties at its twelfth meeting, for its consideration, as a regional contribution of ACTO Member Countries and in accordance to decision XI/4 of the Conference of the Parties. Moreover, the submission also provided a brief synthesis of two projects that promote the role of indigenous and local communities in the conservation and sustainable use of biodiversity.

B. Successes and barriers encountered

49. In paragraph 5 of decision XI/4, the Conference of the Parties welcomed and decided to use the preliminary reporting framework as a flexible and preliminary framework to report on and monitor resources mobilized for biodiversity at national and global levels, and invited Parties to, *inter alia*, report prior to the fifth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention on successes and barriers encountered in reporting on and monitoring resources mobilized for biodiversity, in view of the review foreseen in paragraph 23 of the same decision.

50. The submissions identified relatively minor technical issues either associated with the current format of the preliminary reporting framework or with the associated guidance, such as on a more explicit reference to the applicability of the OECD Rio markers, or on the need to avoid double-counting. Challenges and limitations were noted in the availability and/or accessibility of relevant data. Specific challenges identified include: (i) the broad range of approaches taken by OECD DAC member countries for accounting ODA flows indirectly related to biodiversity (European Union, Switzerland, United Kingdom); (ii) the identification of biodiversity relevant ODA for donor countries that are not members of the OECD DAC and hence do not apply the Rio marker methodology (Bulgaria); (ii) the absence of a practical common methodology for identifying, accessing, and aggregating domestic biodiversity expenditures across the different levels of government, in particular indirectly-related expenditures, and from non-governmental sources (Bulgaria, China, Czech Republic, European Union, Germany, Japan, Netherlands, Poland, Switzerland). To some extent, these challenges are already addressed, or could be addressed in the near future, in the context of ongoing supportive work undertaken by relevant international organizations and initiatives:

51. As the submission from Switzerland points out, the OECD recently revived a joint ENVIRONET and WP-STAT task team on the Rio markers, environment and development finance statistics, with a view develop recommendations to improve the robustness and accuracy of Rio marker data, to advise on steps to build confidence in the Rio marker methodology, and to improve communication on the underlying concepts of marker data. Elements in the proposed work plan of this task team include improving the use of Rio marker data outside of the creditor reporting system (CRS) for reporting against quantitative financial targets and to international conventions, as well as improving guidance to users on how to use and interpret Rio marker data, and the provision of Training Sessions and Training materials.

These activities, in particular the latest one, is of potential value also for donor countries that are not members of the OECD DAC;

52. The submissions make reference to the ongoing development of methodologies to identify and report indirectly-related domestic expenditures by some Parties. Such national or regional approaches and the associated experiences and lessons learned could usefully inform the efforts of other Parties in improving reporting on national expenditures. It could also inform, and help to further develop, the methodology of the UNDP BIOFIN initiative, which already contains the preparation of national biodiversity-related expenditure reviews as one critical step towards the development of national resource mobilization plans. Such further development of the BIOFIN methodology could also be useful for non-BIOFIN countries.

53. With regard to the latter point, the BIOFIN initiative has been co-organizing, together with the Secretariat of the Convention and the World Conservation Monitoring Center of the United Nations Environment Programme, and with financial support from the Governments of Denmark and Japan as well as the European Union, the resource mobilization sessions of the global workshop on reviewing progress and building capacity for the national biodiversity strategies and action plans revision process held in Nairobi, Kenya, from 11-November 2013, as well as the four regional workshops on resource mobilization that were held in the first half of 2014. These workshops, organized further to paragraph 27 of decision XI/4, sought to support the preparation of national financial plans for biodiversity and, in this process, improve financial reporting and the establishment of robust financial baselines.

54. Intensifying and upscaling such activities could be part of the future strategic framework or roadmap towards the achievement of the final targets for resource mobilization. However, other challenges identified in the submissions seem to be of a more fundamental nature, that is, unlikely to be remedied in the short- or even in the medium term. For instance, Poland, in its submission, points to the scattered nature of funding sources and of institutions which manage biodiversity funds, and the associated lack of coherence of financial reporting systems on funds spent on biodiversity across various institutions and donors as well as along consecutive years. This applies in particular with regard to biodiversity funding by NGOs and the private sector. As a result, the submission notes that the process of data collection is laborious, time consuming and complicated, resulting in additional costs for preparing the report, and recommends that the reporting process should be more simplified, and a common methodology should be developed in order to have more transparent and comparable data in future reports. The need for further methodological work, possibly including the development of common methodologies, is emphasized by several submissions (Bulgaria, China, European Commission and Switzerland). This challenge seems to merit further consideration in the context of the eventual adoption of a final target, or final targets, for resource mobilization as per paragraph 22 of decision XI/4.

IV. FULL OPERATIONALIZATION OF AICHI BIODIVERSITY TARGET 3

55. In paragraph 8 of decision XI/4, on review of implementation of the strategy for resource mobilization, including the establishment of targets, the Conference of the Parties, mindful of the potential of Aichi Biodiversity Target 3 to mobilize resources for biodiversity, decided to consider modalities and milestones for the full operationalization of this Target at its twelfth meeting, with a view to their adoption.

56. While this paragraph does not spell out a particular process for the preparation of such modalities or milestones, all the other intersessional work commissioned by this decision is to be considered by the Ad hoc Open-ended Working Group on Review of Implementation of the Convention at its fifth meeting. The Executive Secretary, in consultation with the bureau, therefore undertook preparatory work as spelt

out in document UNEP/WGRI/5/4/Add.1, for consideration by the Working Group. Building *inter alia* on earlier decisions adopted by the Conference of the Parties, and in order to facilitate the consideration of modalities and milestones for the full operationalization of Aichi Target 3 with a view to their adoption by the Conference of the Parties at its twelfth meeting, this note provides draft elements of such modalities and milestones for possible consideration by the Working Group. It also suggests a number of supportive activities that could be undertaken by relevant organizations and initiatives as well as the Executive Secretary.

57. The Working Group may wish to consider, and review as needed, the draft elements of modalities and milestones for Aichi Target 3, as contained in document UNEP/WGRI/5/4/Add.1, and forward the revised draft modalities and milestones to the Conference of the Parties at its twelfth meeting, together with a recommendation for its adoption and for further supportive activities as outlined in the document.

V. INNOVATIVE FINANCIAL MECHANISMS

58. Goal 4 of the strategy for resource mobilization seeks to explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention and also identifies a set of six funding mechanisms/instruments for further consideration. The subsequent discussions have noted that the term “innovative financial mechanisms” is not well defined, and some suggested using “biodiversity financial mechanisms” instead. This note continues, however, to use the term “innovative financial mechanisms” based on earlier decisions of the Conference of the Parties.

59. In paragraph 20 of decision XI/4, the Conference of the Parties noted activities related to innovative financial mechanisms and the discussion paper on safeguards for scaling-up biodiversity finance and possible guiding principles (UNEP/CBD/COP/11/INF/7), and requested the Executive Secretariat to further develop the discussion paper on safeguards based on comments from Parties and other relevant stakeholders for submission to the fifth meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention, and also requested the Working Group to prepare a recommendation for its consideration by the Conference of the Parties at its twelfth meeting.

60. Pursuant to this request, the Executive Secretary sent notification 2013-025 dated 22 March 2013 inviting the Parties and relevant stakeholders to provide their views on the discussion paper. A total of five submissions were received from the Governments of India, Peru and Switzerland, the European Union and IUCN and are detailed in the information document on the Compilation of views on the discussion paper on safeguards for scaling-up biodiversity finance and possible guiding principles (UNEP/CBD/WGRI/5/INF/7).

61. The discussion paper was also presented at the Dialogue Seminar on Scaling up finance for Biodiversity in April 2014 in Quito. Based on all the comments received until now, it will be revised and provided for the consideration of the Working Group as requested in paragraph 20 of decision XI/4.

Paragraph 21 of the same decision invited Parties and other relevant stakeholders to submit, through the Secretariat, views and lessons learned on possible risks and benefits of country-specific innovative financial mechanisms, including on possible principles and safeguards for their use, for consideration by the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention at its fifth meeting and requested the Working Group, to discuss this for consideration by the Conference of the Parties at its twelfth meeting. Pursuant to this request, the Executive Secretary, through the notifications mentioned in paragraph 33, invited Parties and other Governments to submit views and lessons learned on innovative financial mechanisms and safeguards.

62. There has not been sufficient information provided by countries on the views and lessons learned by the country-specific financial mechanisms in their submissions. However, several countries briefly introduced its programmes related to the reform of incentives as well as innovative financial mechanisms. These details are provided in Consideration of views and lessons learned on possible risks, benefits and safeguards for country-specific innovative financial mechanisms (UNEP/CBD/WGRI/5/4/Add.2)

VI. HIGH-LEVEL PANEL ON THE GLOBAL ASSESSMENT OF RESOURCES FOR IMPLEMENTING THE STRATEGIC PLAN FOR BIODIVERSITY 2011-2020

63. In paragraph 24 of decisions XI/4, the Conference of the Parties welcomed the findings of the first phase of the High-level Panel on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020, and invited the High-level Panel, in collaboration with other relevant initiatives that could provide a more bottom-up approach, to continue its work with a broadened composition and to report back on the results of its work to the twelfth meeting of the Conference of the Parties.

64. The Executive Secretary, through notification 2013-026 (Ref. No. SCBD/ITS/RS/ES/LZ/81589), dated 27 March 2013, invited nominations from Parties for the membership of the High-level Panel and established the second phase of the High-level Panel in consultation with the COP Bureau, and the final membership of fifteen regionally-balanced experts was presented to the COP Bureau at its meeting in May 2013 in Trondheim. The High-level Panel, through the generous funding provided by the Government of United Kingdom, Government of Japan and Government of Norway, as well as in-kind support from the Governments of Brazil and India, has conducted the requested bottom-up research and had meetings in May 2013 in Trondheim, December 2013 in Chennai and April 2014 in Brasilia.

65. By considering the range of the costs and benefits of implementing the activities needed to achieve the targets, and identifying the opportunities to most cost effectively secure such benefits through actions both within and outside the biodiversity sector, the research has been building on the initial work of the High-level Panel reported at the eleventh meeting of the Conference of the Parties. In response to the following questions, the benefits of meeting the Aichi Biodiversity Targets are being assessed by examining both the positive impacts on biodiversity directly and the wider benefits to society that result from the investments and policy developments required. The High-level Panel was asked to look at the following with respect to meeting the Aichi Targets: (a) benefits; (b) investment needs; (c) resource requirements; (d) policy alignment and development; (e) cost effectiveness; and (f) benefits and costs.

66. Supported by the Secretariat of the Convention on Biological Diversity, the High-level Panel has been engaging with other relevant institutions and initiatives to secure the cooperation and provision of evidence for analysis, and to raise awareness of the study and its findings. This has included within the Convention on Biological Diversity on the development of the fourth edition of the Global Biodiversity Outlook (GBO4) and regional workshops on resource mobilization. Within the United Nations system, the High-level Panel has contributed information, and been represented where possible, within the Post-2015 United Nations Development Agenda and Sustainable Development Goals (SDGs) processes, in particular at the Eighth Open Working Group meeting on the SDGs and the Intergovernmental Committee of Experts on Sustainable Development Financing. The High-level Panel is also working closely with the UNDP Biodiversity Finance Initiative (BIOFIN), the World Bank-coordinated "Wealth Accounting and the Valuation of Ecosystem Services" (WAVES), and the Quito Dialogue Seminar on Scaling up Finance for Biodiversity.

67. The findings of the research have led the High-level Panel to structure a number of key messages. It must be emphasised that the key messages are still under development. Each key message will be justified by supporting information drawn from a broad range of sources, and will include a suite of policy recommendations.

68. The High-level Panel has completed an initial draft assessment (UNEP/CBD/WGRI/5/INF/8) and invites the Working Group to provide its comments and suggestions to enable it to complete the process prior to the twelfth meeting of the Conference of the Parties.

VII. SECOND INFORMAL DIALOGUE SEMINAR ON SCALING UP FINANCE FOR BIODIVERSITY

69. The Second Dialogue Seminar on Scaling up Finance for Biodiversity took place from 9-12 April 2014 in Quito, Ecuador. The conveners of the Second Dialogue seminar were the Governments of Ecuador, Norway, India, Japan, Republic of Korea, Sweden, Uganda, the European Commission and the CBD Secretariat. It was organized by The Resilience and Development Programme (SwedBio) at Stockholm Resilience Centre with assistance from local partner IUCN-Sur with economic and in-kind support of the Governments of Ecuador, Sweden, Norway, Japan and the European Commission. Nearly 90 participants attended the dialogue from all regions and stakeholders.

70. The purpose of the dialogue seminar was 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 to support the achievement of the 2020 Aichi Biodiversity Targets in the context of the strategy for resource mobilization and related decisions, such as decision XI/4 and Aichi Biodiversity Targets 2, 3 and 20. The specific objectives of the dialogue seminar were to: (a) through dialogue, contribute in building trust and mutual understanding of different views and perspectives that are difficult to achieve in formal negotiations; (b) contribute to finding solutions for scaling up biodiversity financing and to creating a better environment for formal negotiations; (c) review ways and means to mainstream/integrate different kinds of values of biodiversity by implementing appropriate approaches and incentive measures; (d) review diverse experiences in operationalizing mechanisms for mobilizing financial and non-financial resources and seek to develop a common understanding of the gaps and needs for implementation of the CBD strategy for resource mobilization. This would include views and lessons learned regarding a broad range of so-called “innovative financial mechanisms”² and possible principles and safeguards for their use; and (e) explore synergies with the United Nations Framework Convention on Climate Change (UNFCCC) as well as with the post 2015 agenda, including ongoing discussions on future goals such as the Sustainable Development Goals.

71. The seminar contained four main sessions: mainstreaming biodiversity; overview of financing mechanisms; governance, safeguards and equity; and incentives and options for financing. It explored a broad range of sources and ways to raise biodiversity financing.

72. It was noted that the current strategy for resource mobilization was designed for the period 2008-2015, with the aim to support the effective implementation of the Convention’s three objectives and the 2010 target. The detailed report on the seminar is available in document UNEP/CBD/WGRI/5/INF/9.

² <https://www.cbd.int/financial/innovations/>.

VIII. FINAL TARGET FOR RESOURCE MOBILIZATION

73. In decision XI/4, paragraph 22, the Conference of the Parties decided to review at its twelfth meeting, progress towards the achievement of Aichi Biodiversity Target 20 with the aim of adopting a final target for resource mobilization, building upon the financial resource flow responding to the preliminary target referred to in paragraph 7 (a) and the information set out in paragraphs 7 (c) and (d), and to keep the achievement of these targets under review at subsequent meetings of the Conference of the Parties until 2020. The preliminary targets contained in paragraph 7 of decision XI/4 are set by 2015, not covering the whole period up to 2020 of the Strategic Plan for Biodiversity 2011-2020. The final target for resource mobilization must be brought in line with the Strategic Plan for Biodiversity, using the already adopted preliminary targets as milestones toward achieving the final target.

74. The primary focus of target setting related to resource mobilization is on international financial flows and domestic biodiversity expenditure. Regarding international financial flows, the existing agreement under paragraph 7 (a) already provides a useful hint. According to the OECD DAC statistics, the biodiversity-related official development assistance in the period 2006-2010, considered as the baseline, can be established. However, other aspects of international financial flows, such as multinational corporations and charitable contributions, still lack reliable statistical and baseline information support.

75. Domestic biodiversity expenditure can be a promising area for further consideration. The preliminary reporting framework and the information from the global monitoring report have demonstrated that Governments, with support from the international organizations, are in a position to compile domestic biodiversity expenditure statistics. However, the baseline information can vary across different countries, and any target on domestic biodiversity resource mobilization must be flexible to accommodate the variety of national circumstances and meaningful to encourage national and local resource mobilization efforts.

76. With the primary set of resource mobilization targets in mind, milestones might be designed to provide a clear roadmap on all the fronts of resource mobilization covering the whole period up to 2020. The agreements under paragraphs 7 (b), 7 (c) and 7(d) can serve as useful milestones to be achieved by 2015. Other elements of the initial strategy for resource mobilization should also be important in the resource mobilization picture. For instance, milestones can be considered for exploring new and innovative financial mechanisms at all levels with a view to increasing funding (goal 4 of the strategy for resource mobilization) and mainstreaming biological diversity and ecosystem services in development cooperation plans and priorities (goal 5), through sharing experience on the costs and benefits of different approaches and how they are introduced in practice, noting the instruments like payment for ecosystem services and biodiversity offsets take a great deal of investments and efforts to establish. Such work also needs to take into account the safeguards developed through consultations with wide-range of stakeholders and included as information document (UNEP/CBD/WGRI/5/INF/7).

IX. SUGGESTED RECOMMENDATION

77. In light of the above and noting the ongoing need for practical work on developing policy frameworks for mainstreaming biodiversity across government and society, and the use of financial tools and mechanisms, the following draft recommendation is proposed for consideration by the Working Group, at its fifth meeting:

The Ad Hoc Open-ended Working Group on Review of Implementation of the Convention,

Realizing the urgent need for substantial funding for implementing the Strategic Plan for Biodiversity 2011-2020 and the Aichi Biodiversity Targets by 2020, as well as the updated national biodiversity strategies and action plans (NBSAPs) and associated national targets,

Noting that the strategy for resource mobilization in support of the Convention's three objectives, as adopted by the Conference of the Parties at its ninth meeting, was geared towards implementation during an initial period up to 2015, coinciding with the Millennium Development Goals,

Also noting the messages from the High-level Panel and the Second Informal Dialogue Seminar on Scaling up Finance for Biodiversity that developing and operationalizing cohesive, well-designed institutions, rational policies and effective policy frameworks are a prerequisite for effective and efficient biodiversity financing systems,

Recalling the preliminary targets for resource mobilization adopted by the Conference of the Parties at its eleventh meeting and its decision to review progress towards the achievement of Aichi Biodiversity Target 20 with the aim of adopting a final target for resource mobilization at its twelfth meeting,

Mindful of the need for an effective and action-oriented framework or roadmap for achieving the final targets for resources mobilization,

Also mindful of the need for an effective and practical framework for monitoring and reporting on implementation of the final targets for resource mobilization,

Taking note of the Co-Chair's Summary of the Second Informal Dialogue Seminar on Scaling up Finance for Biodiversity held in Quito,

1. *Requests* the Executive Secretary to develop, for consideration by the Conference of the Parties at its twelfth meeting:

(a) Practical and action-oriented elements for possible inclusion into a Pyeongchang 2020 roadmap for implementing the final targets for resource mobilization, under Aichi Biodiversity Target 20, to support the achievement of the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Targets by 2020. The draft will take into account the existing strategy for resource mobilization, the report of the High-level Panel on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020, and the Co-Chair's Summary of the Second Dialogue Seminar on Scaling up Finance for Biodiversity, and include the following:

- (i) Possible options for achieving the final targets as well as associated milestones and indicators, including options associated with the mainstreaming of

biodiversity across government and society (Strategic Goal A of the Strategic Plan for Biodiversity 2011-2020);

- (ii) Delivery and support mechanisms providing technical support and capacity-building, including on good practices and lessons learned in applying financial tools and instruments and in enhancing their effectiveness;
- (iii) Other concrete initiatives.

(a) Include draft guiding principles based on the review of the document on possible risks and benefits of country-specific innovative financial mechanisms, and safeguards (UNEP/CBD/WGRI/5/INF/7);

2. In this context, *welcomes* the offer of the Government of the Republic of Korea, the European Union and the Japan Biodiversity Fund to co-finance and co-organize an international workshop on financing for biodiversity, to provide technical inputs to the draft Pyeongchang 2020 roadmap to be prepared by the Executive Secretary;

3. *Recommends* that the Conference of the Parties, at its twelfth meeting, adopts a decision along the following lines:

The Conference of the Parties,

Having reviewed progress towards the achievement of Aichi Biodiversity Target 20 with the aim of adopting final targets for resource mobilization, as per paragraph 22 of decision XI/4,

A. *Final targets for resources mobilization*

(a) *Adopts* the final targets for resource mobilization, under Aichi Target 20 of the Strategic Plan for Biodiversity 2011-2020, as follows:

- (i) Double total biodiversity-related international financial resource flows to developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, by 2015 and at least maintaining this level until 2020, in accordance with Article 20 of the Convention, to contribute to the achievement of the Convention's three objectives, including through a country-driven prioritization of biodiversity within development plans in recipient countries;
- (ii) Substantially increase the mobilization of domestic financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 by 2017 and at least maintaining this level until 2020.

(b) *Recalling* paragraph 3 (b) of decision X/2, and paragraph 13 of the Strategic Plan for Biodiversity 2011-2020 (decision X/2, annex), *urges* Parties and other Governments, with the support of relevant international and regional organizations, to develop national and regional targets for resource mobilization, as part of the national finance plans for implementing revised NBSAPs, as appropriate, using the final targets for resource mobilization above as a flexible framework;

(c) *Adopts* the Pyeongchang 2020 roadmap for implementing the targets for resource mobilization as an effective and action-oriented framework to support the achievement of the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Targets by 2020, as contained in annex I to the present document;³

(d) *Recognizing* the important role of collective action, including by indigenous and local communities, and non-market-based approaches for mobilizing non-financial resources for achieving the objectives of the Convention, including approaches such as community-based natural resource management, shared governance or joint management of official protected areas, or through indigenous and community conserved territories and areas, *resolves* to include activities that encourage and support such approaches into the Pyeongchang 2020 roadmap for implementing the targets for resource mobilization, and into reporting under the Convention;

(e) *Welcomes* the guiding principles based on the revised document on possible risks and benefits of country-specific innovative financial mechanisms (UNEP/CBD/WGRI/5/INF/7), and safeguards and *invites* Parties and business organizations and other stakeholders to use it as appropriate;

(f) *Welcomes also* the report of the High-level Panel on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020;

B. Modalities and milestones for Aichi Biodiversity Target 3

(g) *Adopts* the modalities and milestones for the full implementation of Aichi Biodiversity Target 3, as contained in annex II of the present document;⁴

C. Financial reporting

(h) *Recalling* paragraph 2 of decision VIII/14, *requests* the Executive Secretary, in consultation with Parties and based on the task list as contained in annex III to the present document, to revise the preliminary reporting framework to bring it in line with the final targets for resource mobilization, to facilitate financial reporting, and to adapt the required scope and granularity of financial reporting taking into account data quality and accessibility, and the associated prospective cost of reporting;

(i) *Also requests* the Executive Secretary to make the revised financial reporting framework available to Parties and other Governments no later than 1 June 2015, and *invites* Parties and other Governments to report thereon, using online reporting systems, where feasible, by 31 December 2015, with a view to establish baselines;

(j) *Invites* Parties and other Governments to report on achieving their national or regional targets for resource mobilization and on their contribution to the collective efforts to reach the global targets for resource mobilization, against the established baselines, in their sixth national reports;

³ Annex I to be added at COP 12, based on its consideration of the pertinent note by the Executive Secretary.

⁴ To be amended based on document UNEP/CBD/WGRI/5/4/Add.1.

D. Technical support and capacity-building

(k) *Recalling* paragraph 12 of decision X/3, *notes with appreciation* the ongoing work of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD DAC) to improve the Rio marker methodology;

(l) *Recalling also* paragraph 2 of decisions X/3, *notes with appreciation* the work of the Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme to support, encourage and facilitate the development of national resource mobilization strategies and of financial reporting, by providing technical support and guidance, and capacity-building to Parties, in particular developing country Parties, including small island developing States and countries with economies in transition, and *invites* the BIOFIN Initiative to continue and further upscale this work;

(m) *Also notes with appreciation* the work of relevant international organizations that support the programme of work on incentive measures, such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and its initiative on the Economics of Ecosystems and Biodiversity (TEEB), the Organisation for Economic Co-operation and Development (OECD), the International Union for Conservation of Nature (IUCN), the World Trade Organization (WTO), as well as other international organizations and initiatives, and *invites* these organizations and initiatives to provide capacity-building and technical support for implementing the modalities and milestones for Aichi Biodiversity Target 3;

(n) *Further invites* national, regional and international funding institutions to provide financial support to these activities, based on needs expressed by Parties;

(o) *Requests* the Executive Secretary to continue and further strengthen his cooperation with relevant organizations and initiatives, with a view to with a view to catalyze and support the provision of technical guidance and capacity-building, on financial reporting, the development of national resource mobilization strategies, and incentive measures, including, subject to the availability of financial resources, by organizing workshops on these matters.

Annex

TASK LIST FOR THE EXECUTIVE SECRETARY TO REVISE THE FINANCIAL REPORTING FRAMEWORK

1. Improve the guidance to the financial reporting framework, in cooperation with relevant international organizations and initiatives, including on how to avoid double-counting, on the availability of existing methodologies, and on possible alternatives if specific methodologies are currently not applied;
2. To this effect, initiate technical work, subject to the availability of resources and in close cooperation with Parties as well as relevant international organizations such as the United Nations Development Programme and the World Bank, by organizing a technical expert workshop on identifying, accessing, compiling and aggregating domestic biodiversity-related public expenditures across relevant levels of government ('biodiversity-related public expenditure review'), with a view to (i) present, share and review existing national experiences

in conducting biodiversity-related expenditure reviews and the underlying methodologies; (ii) assess experiences and methodologies applied in other sectors with a view to identify opportunities for methodological transfer; and (iii) identify options for convergence towards, and possible elements of, a common methodology;

3. Make the report of this workshop available as an element of guidance for Parties in conducting public expenditure review, with a view to facilitate financial reporting on domestic expenditures and the development of national finance plans;
4. Simplify reporting on international flows from market/private sources and other sources (NGO, foundations, academia) as well as reporting on domestic expenditures from these actors, by (i) introducing a question to report on measures that were taken by Parties to encourage these actors to, as applicable, achieve the individual financial target; (ii) providing the option to provide additional illustrative information on relevant flows or expenditures, for instance based on a sample of these actors;
5. Cross-reference, in the financial reporting framework, pertinent sections of the guidelines for the fifth national report, with a view to enable Parties to use these reporting avenues, with amendments, as needed, in order to take into account financial considerations;
6. Integrate the financial reporting framework into the guidelines for the sixth national report, in a manner that maintains consistency between the formats for the fifth and sixth national reports as per paragraph 10 of decision X/10, in order to allow for long-term tracking of progress towards all the Aichi Biodiversity Targets in an integrated and coordinated manner.
