

**EU submission on indicators for monitoring the implementation of the strategy for  
resource mobilization based on its mission and eight goals (COPX/3, §7)**

**29 June 2011**

In Decision COPX/3, COP invited Parties, other Governments and levels of governments, relevant international organizations, and civil-society organizations, in response to the indicators contained in paragraph 7 of the decision, and other information pertinent to the indicators, to submit information not later than 30 June 2011 for the Executive Secretary to compile and present a synthesis of this information

In CBD Notification 2011-061 the Executive Secretary (SCBD) indicates that this information should be provided by 31 July 2011. This information will enable the SCBD to give methodological guidance on the use of the 15 indicators.

**General remarks**

- In COP 10 Decision X/3, the COP requested the Executive Secretary to compile information from all sources including but not limited to the Biodiversity Indicator Partnership to give methodological guidance to the fifteen resource mobilisation indicators including collaborating with OECD/DAC and informed by the work of the AHTEG on indicators for the Strategic Plan of the Convention for the period 2011-2020. The EU and its Member States are committed to their engagement made at the 10<sup>th</sup> meeting of the Conference of the Parties in October 2010. We are convinced of the need to better quantify the resource flows, to identify gaps and to explore options for an improved and more efficient use of available resources in order to effectively meet the objectives of the CBD. To do so it is essential to develop a common methodology to apply the indicators for the Strategy for Resource Mobilization and we therefore consider that this exercise is critical to provide a solid basis for the adoption of resource mobilisation targets.

Given the complexity of the matter, establishing robust baselines and an effective reporting framework will depend on thorough preparations and we are therefore concerned that while in the Decision X/3, 8(b) the deadline for the submission is set for 30 June 2011, the Notification 2011-061 is setting a new deadline for 31 July 2011. In order not to jeopardize preparations, this extension of the deadline should not delay the already extremely tight process ahead of COP11.

- The development of the methodology for the application of indicators and its implementation by Parties is of utmost importance in the context of the Resource Mobilisation Strategy, especially for allowing the establishment of robust baselines and an effective, meaningful and reliable reporting framework. It will be therefore important to receive guidance as soon as possible. In particular clarification is needed regarding questions related to the overlaps, as well as the meaning and use of certain indicators.
- We furthermore look forward to any advice to be provided by the AHTEG on the further development of the indicators for measuring progress in the achievements of the 2020 targets of the Strategic Plan for Biodiversity 2011-2020 and in particular target 20, based, *inter alia*, on the indicators agreed through Decision X/3. Also the discussions of the AHTEG on indicators for some of the other targets, e.g. related to harmful subsidies, could provide very valuable information for our discussions. It will be important to connect both discussions in order to maximize the mutual benefit and avoid overlap or contradictions under these separate discussions on COP10 decisions.

- As a general principle, the EU and its Member States promote using already available and/or generated information by other institutions and processes in order to keep the burden of reporting for the Parties at a minimum, and to encourage multilateral institutions to improve their reporting on this issue.

The EU and its Member States believe that it is important to learn from other processes. Considerable work is currently carried out on the monitoring and tracking of climate finance and in particular its use. The challenges in tracking climate funding from different sources are similar to the challenges the CBD is facing in monitoring biodiversity financing. It needs to be ensured that monitoring approaches of different processes are harmonised in order to ensure consistency and minimise the reporting burden for Parties.

In that regard, the EU and its Member States also noted that there might be several overlaps between the indicators which could limit their cost-effective application in a timely manner. Therefore, to avoid multiplication of work, we would encourage using existing systems whenever possible for generating data for reporting on the indicators.

- Decision X/3 requests the SCBD to provide guidelines for the establishment of a baseline year 8§ (e)). In order to identify robust baselines at COP 11, it will be necessary to prepare for this during the Working Group on the Review of Implementation (WGRI4). The EU and its Member States were pleased to see that in notifications 2011-071 and 2011- 070, information on the implementation of the Strategy for Resource Mobilisation and in particular for the development of targets is requested to support our deliberations at WGRI4.

In this regard we also believe that an electronic consultation in general on the guidance/methodology and specifically on the determination of baselines before WGRI4 could further contribute to our deliberations at WGRI4 and at COP11.

### **Decision X/3, §7: the 15 indicators**

The EU and its Member States have reviewed the 15 indicators and would like to provide the following comments on certain indicators for the development of the guidance by the SCBD:

- **Indicator 1 - Aggregated financial flows, in the amount and where relevant percentage, of biodiversity-related funding, per annum, for achieving the Convention's three objectives, in a manner that avoids double counting, both in total and in, inter alia, the following categories:**
  - (a) **Official Development Assistance (ODA);**
  - (b) **Domestic budgets at all levels;**
  - (c) **Private sector;**
  - (d) **Non-governmental organizations, foundations, and academia;**
  - (e) **International financial institutions;**
  - (f) **United Nations organizations, funds and programmes;**
  - (g) **Non-ODA public funding;**
  - (h) **South-South cooperation initiatives;**
  - (i) **Technical cooperation**

Several of the sub-items under the first indicator could provide overlapping results. The guidance from the SCBD should therefore foresee a methodology to avoid this. A matrix approach could be developed, which would display the contribution of each indicator to information on biodiversity financing, and areas of duplication. In view of the apparent

overlap of the indicators the EU and its Member States suggest to consider a further consolidation of the current set of indicators. Regarding indicator 1(a): the Rio markers as designed by the OECD/DAC are used by most donor countries to monitor Official Development Assistance (ODA) but they cannot provide adequate quantitative information, regarding ODA. These markers do not allow reliable quantification of funding that benefits biodiversity as a co benefit of other purposes. The system in place therefore does not provide enough information regarding the amount of funding. The possibilities and challenges of using OECD/DAC statistics as an indicator have been well described by the Biodiversity Indicator Partnership<sup>1</sup>. The OECD/DAC system uses accounting methods used by the private sector, and it has therefore the potential to incorporate private sector commitments, in addition to ODA. A discussion on refining the Rio markers, and make them more directly useful in this context, should be suggested to the OECD, as requested in Decision X/3 §8 (d) and §12. The EU and its Member States believe that this could be taken up by members of the OECD directly as well as through a closer cooperation between the CBD Secretariat and the OECD/DAC. We therefore feel that it would be beneficial for this process if the SCBD could start discussions with the OECD/DAC in order to explore possible ways for generating more adequate quantitative data.

The EU and its Member States would like to highlight that considerable expert work on the indicator "Official Development Assistance provided in support of the Convention" has already been carried out in the framework of the CBD over the past years. The methodological guidance should be developed on the basis of the existing experience and in co-operation with the Biodiversity Indicator Partnership and the OECD.

Given the urgency of collecting quantitative information before COP11, it will be crucial to receive information from recipient countries on amounts of ODA and other public funding for biodiversity and how it was spend. As explained above the OECD/DAC system does not allow such reporting. Furthermore this will be in line with the commitment made in the Paris Declaration on Aid Effectiveness to strengthen public financial management capacity and report on budget execution.

Regarding indicator 1(c) on the private sector we would welcome if the CBD methodological guidance on the use of the 15 indicators could contain general guidelines on the involvement of private sector and promotion of public-private collaboration.

It is important to also pay enough attention to the indirect financial flows, in particular from key sectors for biodiversity. However, current indicators for sectoral funds are very seldom sensitive enough for biodiversity and at best cover 'environmental factors'. It will be necessary to identify the biodiversity spending in key sectors (e.g. agriculture, forestry, tourism, fisheries, research) as this is crucial information to further develop a sustainable funding basis for biodiversity. The importance of the issue is receiving more and more attention but collecting the information has proven very difficult. To counter this, some efforts are ongoing within the EU (e/g. the Classification of Environmental Protection Activities and Expenditure 2000, CEPA 2000) improvement of tracking tools for biodiversity related spending in sectoral funds<sup>2</sup>) but they will need to be taken up on a wider scale to look for and encourage indirect benefits for biodiversity from financial

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<sup>1</sup> <http://www.bipindicators.net/LinkClick.aspx?fileticket=v%2fCkif8Ig30%3d&tabid=116>

<sup>2</sup> CEPA 2000: European method for classifying biodiversity spending. This is a generic classification for environmental protection. It is used to classify activities, products, real spending and other operations at the European level.

flows that have a broader scope. The lack of standardised approaches for defining biodiversity expenditures leads to significant challenges in tracking overall biodiversity funding and needs to be addressed.

- **Indicator 2 - Number of countries that have:**
  - (a) **Assessed values of biodiversity, in accordance with the Convention;**
  - (b) **Identified and reported funding needs, gaps and priorities;**
  - (c) **Developed national financial plans for biodiversity;**
  - (d) **Been provided with the necessary funding and capacity building to undertake the above activities**

Regarding indicator 2 sub-items (a), (b), (c) and (d), the EU and its Member States would suggest to the SCBD to develop a questionnaire together with guidelines that would help Parties in their reporting.

It will be important to identify exactly what is measured here and how the information will be used to monitor the effect of the specified measures with regard to resource mobilisation.

- **Indicator 3 - Amount of domestic financial support, per annum, in respect of those domestic activities which are intended to achieve the objectives of this Convention**

It is necessary to clarify the difference between indicator 3 and 1 (b).

Regarding indicator on domestic budget/financial support, the SCDB could take on board methodological inputs from the CEPA 2000, where relevant.

- **Indicator 4 - Amount of funding provided through the Global Environment Facility and allocated to biodiversity focal area**

While monitoring the amount of funding provided through the GEF and allocated to biodiversity focal area is needed, funding allocated to other focal areas of GEF, such as the international waters focal area, can also contribute to biodiversity. Therefore, we suggest that guidelines and methodologies are provided in order to monitor also this funding allocated through other focal areas of the GEF. This is a similar approach as what is described under Indicator 1 regarding the need to look at indirect benefits for biodiversity of financial flows with a broader scope.

- **Indicator 5 - Level of CBD and Parties' support to other financial institutions that promote replication and scaling-up of relevant successful financial mechanisms and instruments**

The EU and its Member States see a couple of methodological challenges in relation to this indicator and believes it to be very important that the guidance provided by the SCBD provides an indication of how to interpret "level of support", "other financial institutions", "replication and scaling-up" and "successful financial mechanisms and instruments", in order to develop a common understanding.

- **Indicator 6 - Number of international financing institutions, United Nations organizations, funds and programmes, and the development agencies that report to the Development Assistance Committee of Organisation for Economic Co-operation and Development (OECD/DAC), with biodiversity and associated ecosystem services as a cross-cutting policy**

The EU and its Member States are of the view that the SCBD should analyse and utilize available information from relevant organizations (OECD, Global Indicator Partnership, UNDP, World Bank).

The annual questionnaire on Financing for Development that provides the basis for the report on "Enhancing EU Accountability on Financing for Development: towards the EU Official Development Assistance Peer Review – Annual Report 2011" EU Member States and the European Commission were asked whether biological diversity and its associated ecosystem services were considered a cross-cutting or sectoral policy issue in development co-operation. (Their answers can be found here: [http://ec.europa.eu/europeaid/how/accountability/eu-annual-accountability-reports/country\\_answers\\_en.htm](http://ec.europa.eu/europeaid/how/accountability/eu-annual-accountability-reports/country_answers_en.htm))

- **Indicator 8 and 9**
- **Number of South-South cooperation initiatives conducted by developing country Parties and those that may be supported by other Parties and relevant partners, as a complement to necessary North-South cooperation**
- **Amount and number of South-South and North-South technical cooperation and capacity building initiatives that support biodiversity**

What is the added value of indicators 8 & 9 compared to indicators 1(h) and 1(i)? We would suggest that given the fact that this is about aggregated financial flows, the sub items 1 (h) and 1 (i) do not need separate action. When applying the indicators, it might be better to combine all 4 to avoid repetition of data and work.

- **Indicator 11 and 12**

**Amount of financial resources from all sources from developed countries to developing countries to contribute to achieving the Convention's objectives;**

**Amount of financial resources from all sources from developed countries to developing countries towards the implementation of the Strategic Plan for Biodiversity 2011-2020**

The view of the EU and its Member States is that these are identical indicators and thus should not be dealt with separately.

- **Indicator 13 - Resources mobilized from the removal, reform or phase-out of incentives, including subsidies, harmful to biodiversity, which could be used for the promotion of positive incentives, including but not limited to innovative financial mechanisms, that are consistent and in harmony with the Convention and other international obligations, taking into account national social and economic conditions**

We would like to stress particularly the need to ensure the connection with the outcomes of the AHTEG on indicators, in particular for Target 3 of the Strategic Plan 2011-2020.

In 2008 the European Commission commissioned a study on the identification and assessment of environmental harmful subsidies<sup>3</sup>. Its findings are relevant for the development of guidance related to indicator 13.

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<sup>3</sup>

<http://ec.europa.eu/environment/enveco/taxation/pdf/Harmful%20Subsidies%20Report.pdf>

- **Indicator 14 - Number of initiatives, and respective amounts, supplementary to the financial mechanism established under Article 21, that engage Parties and relevant organizations in new and innovative financial mechanisms, which consider intrinsic values and all other values of biodiversity, in accordance with the objectives of the Convention and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of the Benefits Arising out of Their Utilization**

The SCBD should be able to aggregate relevant information for this indicator from the submissions on innovative financial mechanisms.