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**Swedish Presidency
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EUROPEAN COMMISSION

Dr. Ahmed Djoghla
Executive Secretary
Convention on Biological Diversity
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Montreal, Quebec, Canada
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Stockholm, 28 July 2009

**Subject: EU Submission in reply to Notification 2008-122
Decisions IX/11 and IX/31 requesting actions/submissions from Parties,
governments and relevant organizations**

Dear Dr. Djoghla,

On behalf of the European Community and its Member States, please find enclosed the response to Notification 2008-122, in which the CBD Secretariat requested actions/submissions to Parties, governments and relevant organisations with respect to Decisions IX/11 and IX/31.

The submission consists of contributions of individual EU Member States as well as the European Commission on behalf of the European Communities, preceded by a general EU "chapeau".

We thank you again for the deadline extension regarding this notification.

Your sincerely,

Börje Alriksson
Acting head of unit
Ministry of the Environment

[SIGNED]

Hugo-Maria Schally
Head of Unit – CBD Focal Point

Environment Directorate-General
European Commission

SWEDEN

**Subject: EU Submission in reply to Notification 2008-122
Decisions IX/11 and IX/31 requesting actions/submissions from Parties,
governments and relevant organizations**

The EU welcomes the CBD COP Decision IX/11 to develop a strategy for resource mobilization in support of the achievement of the three objectives of the Convention. The EU considers sustainable financing as a key challenge for the implementation of the CBD and recognizes that unprecedented efforts are needed to achieve it. The EU will support all actions aiming at providing adequate, predictable and sustainable resources and financial support as well as positive incentives to promote biodiversity and nature protection. A demonstration of the EU's commitment is the EU Biodiversity Action plan which explicitly addresses funding and financing for biodiversity both domestically and globally through a number of activities. In particular it contains a number of actions aiming at significantly strengthening the support of biodiversity and ecosystem services in EU external assistance, including increasing financing of projects benefiting biodiversity and mainstreaming assistance. The Action Plan's supporting measure No. 1 talks about ensuring adequate financing for the Natura 2000 network and for biodiversity in the wider environment under the various EU financial programmes. The EU Council Conclusions on "A mid-term assessment of implementing the EU Biodiversity Action Plan and Towards an EU Strategy on Invasive Alien Species" of 25 June 2009 (hereinafter: "EU Council Conclusions") considered the need to better determine how much Community assistance benefits biodiversity, and therefore emphasises the importance of adequately considering biodiversity funding needs in the forthcoming EU budget review as well as to increase significantly, as appropriate, the funding for biodiversity monitoring at the Member States and the Community level.

The first comprehensive assessment of progress at both European Community and Member State levels regarding this issue is provided within the EU mid-term report on implementation of the EU Biodiversity Action Plan (adopted in December 2008). The information provided shows the progress made since June 2006 and outlines the most important activities, which have been undertaken by the EC and its Member States to implement relevant actions within the Biodiversity Action Plan and therefore to implement the decisions adopted by the Conference of the Parties to the CBD. One of the findings was that the average annual EU external assistance for biodiversity amounted to about EUR 740 million in 2003-2006, representing 48% of the aid related to global biodiversity. Member States also donate significant sums to the Global Environment Facility.
http://ec.europa.eu/environment/nature/biodiversity/comm2006/bap_2008.htm.

In view of a steadily growing recognition of the economic value of biodiversity and the costs associated with, the EU Council Conclusions recognized the need to develop tools and policies to properly value ecosystem goods and services and to make better use of economic incentives for the sustainable use of ecosystem services such as through market-based instruments. In this context, the EU fully supports the initiative of the German Government and the European Commission to undertake a global study on the economics benefits of biodiversity and the costs of biodiversity loss and ecosystem degradation "The economics of ecosystems and biodiversity" (TEEB). The aim of this study is to compare the economic impact of the loss of biodiversity and the associated decline in ecosystem services worldwide, and compare them with the costs of effective conservation and sustainable use. That comparison should enhance awareness of the value of biodiversity and ecosystem services and facilitate the development and adoption of cost-effective policy responses,

notably by preparing a 'valuation toolkit'. Preliminary findings from the first phase of TEEB were presented at the High-Level Segment of CBD COP-9 in Bonn, Germany, in May 2008. The second, more substantial, phase of the study will run from 2009 to 2010. The project is structured around one background report and several reports targeted towards specific groups of potential users of evaluation tools for biodiversity and ecosystem services. The final results will be presented at CBD COP-10 in 2010.

http://ec.europa.eu/environment/nature/biodiversity/economics/index_en.htm

A EU initiative on Business and Biodiversity, including the financing sector, is being developed in a partnership between the European Commission and the Portuguese Government, which held the EU Presidency in the second half of 2007. This initiative seeks to introduce biodiversity considerations into corporate governance through voluntary initiatives, with a view to contributing towards reaching the 2010 Biodiversity Target. A milestone event in these consultations was a major stakeholder conference in Lisbon in November 2007, where the EU Business and Biodiversity Initiative was launched. The Message from Lisbon stresses the importance of engaging business in meeting the 2010 target, underlines the need for concerted action at the EU level. The conference highlighted the understanding between public and private sectors on the critical importance of biodiversity and what needs to be done now to stem a steadily worsening global biodiversity crisis. In line with the latest development, the EU Council Conclusions stressed the need for establishment of the EU Business and Biodiversity technical support platform and encouraged EU Member States to develop national business and biodiversity initiatives and partnerships to engage business in integrating biodiversity considerations into their activities.

Sectoral discussions aim at preparing guidance documents for Natura 2000 in particular for the non-energy extractive industries, and for port operators in estuaries and coastal zones. A Commission funded pilot study establishes biodiversity technical assistance units in three selected new Member States (BU, HU & PL), which aim to facilitate the creation of a new pro-biodiversity investment market for businesses, especially SMEs and the banking sector, and to help prepare bankable projects for future investment loans.

The business case for biodiversity needs to be further promoted. Private sector awareness of the importance of biodiversity conservation is growing and it is important to work with them to promote their greater understanding of, and support for, the Convention. We must get small companies on board, since they make up the majority of businesses worldwide. Most of the business and biodiversity 'toolkit' is currently geared at larger companies. The key challenge now is to put biodiversity on the agenda of every single business, big or small, to integrate biodiversity conservation into their daily operations.

South-South cooperation is a key instrument for the implementation of the Bali Strategic Plan for Technology Support and Capacity Building, which underscored the importance of South-South cooperation and stressed the need to intensify efforts directed towards institutional capacity-building, including through the exchange of expertise, experiences, information and documentation between the institutions of the South in order to develop human resources and strengthen the institutions of the South.

In co-operation with partners the EU will step up the integration of biodiversity issues into development co-operation. In this context the EU aims for integrated planning and the implementation of win-win strategies and projects, and stresses the need to mainstream biodiversity in the development strategies of both donor and recipient countries. There is a need for increased capacity building and consideration regarding the link between ecosystem services and economic development. Using more of an ecosystem services approach could potentially lead to better joint planning and implementation NBSAPs and where applicable of PRSPs since it better connects biodiversity with human well-being and poverty alleviation. The EU therefore stresses the need for implementing the MA Follow-Up Strategy, and to take into account the conceptual framework of the Millennium Ecosystem Assessment as a contribution to reaching the efforts towards reaching the UN Millennium Development Goals. The EU Council Conclusions stress the need to ensure that, in connection with EU external assistance, Environmental Impact Assessments (EIA) are carried out and Strategic Environmental Assessments (SEA) are undertaken systematically and with due regard for biodiversity in relation to environmentally-sensitive aid operations funded by Member States and the Commission.

Across the EU, efforts will be made to proactively work with the financial sector to effectively integrate biodiversity into its decision making. The full application of the Equator Principles is an important initiative supporting such integration efforts. The EU should enhance financing from existing financing instruments and explore the need and options of innovative mechanisms to finance the conservation and sustainable use of biological diversity, together with the fight against poverty. The EU would also like to point out that enhanced aid modalities for aid delivery are being developed based on the results and the follow-up to the Paris Declaration on Aid Effectiveness. Aid flows to an increasing extent are channelled as sector and/or budget support (with decreasing funds available as dedicated/earmarked funds). This needs an increased focus of donor agencies and recipient countries in ensuring integration of biodiversity concerns in their development/planning framework and budgeting.

The EU also welcomes the LifeWeb Initiative and continues to encourage its Member States and the Commission to participate in this initiative. The LifeWeb is of voluntary nature aimed at matching voluntary commitments by Parties for the designation and management of protected areas with voluntary commitments from donors for dedicated co-financing.

The development of targets and/or indicators to achieve the strategic goals regarding financial resources and mechanisms, and indicators to monitor the implementation of the strategy, requires careful and timely preparation. The strategy lists eight goals and a number of objectives under each goal. The development of specific activities or initiatives should allow for the necessary flexibility when referring to domestic resource mobilization, as key actors and structures may differ among Parties. However, activities and initiatives should be as precise as possible when identifying actors for resource mobilization in the international context.

The EU is of the opinion that the implementation of a new agreement within the UNFCCC should thoroughly explore the potential of creating biodiversity co-benefits, including strengthening ecosystem resilience and services.

The strategy for mobilization of resources is to be dealt with at WGR13, and, according to the Decision IX/11 - B, paragraph 7, the compilation of views expressed by Parties should be circulated at the latest in early February 2010. In addition, Decision IX/11 - B, Annex, V, paragraph 14, states that COP10 should focus on the implementation of Goals 1, 3 and 4 of the Strategy, with standing issues of Goals 6 and 8. The EU therefore suggests that a roadmap be prepared by the Executive Secretary, in collaboration with the Bureau, highlighting the main steps forward. The roadmap should include specific preparations in connection with Goal 4 (Innovative financing mechanisms).

To provide a solid basis for the identification of objectives and suggested activities and initiatives under each goal, it is important to thoroughly develop needs assessments and gap analyses. In this regard it would be important that, with respect to global financial needs, the following issues be addressed:

- What are the overall and priority funding needs for biodiversity and ecosystem services globally?
- How much of these needs are currently being met by existing sources?
- What are the economic consequences of failing to mobilize the required resources?
- What are the main obstacles for mobilizing the required resources from those actors that benefit from ecosystem services?
- Which possibilities exist for co-benefits between climate change response activities and biodiversity, and how can these be integrated into the CBD strategy?
- What is the gap between the needs and the current flows and what would be realistic short-, mid-, and long-term fund raising targets?
- It is possible to assess the potential of innovative mechanisms and if yes what would it be?
- How would the strategy for resource mobilization be linked to the revised Strategic Plan of the convention after 2010?
- To what extent will the cost of inaction on biodiversity exceed the funding needs?

