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Item 18 of the provisional agenda*

RESOURCE MOBILIZATION

Note by the Executive Secretary

Addendum

FINANCIAL REPORTING FRAMEWORK

Note by the Executive Secretary

Draft – please do not cite or quote

I. INTRODUCTION

1. In its recommendation 5/10, the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention at its fifth meeting, which took place in Montreal, Canada, from 16-20 June 2014, requested the Executive Secretary, “*further to paragraph 2 of decision VIII/14, to revise the preliminary reporting framework with a view to facilitating financial reporting, in consultation with Parties and on the basis of the task list contained in annex II to the present recommendation, in order to bring it into conformity with the targets for resource mobilization, to adapt the required scope and granularity of financial reporting, taking into account data quality and accessibility, the associated prospective cost and practicality of reporting, and other ongoing relevant statistical and environmental accounting processes*” (paragraph 2).

2. Annex II of the same recommendation spelt out the tasks to be achieved by the Executive Secretary in the revision of the preliminary reporting framework:

- (a) “*Improve the guidance to the financial reporting framework, in close cooperation with Parties as well as relevant international organizations and initiatives, in order to improve transparency, reliability and consistency of data reported;*”
- (b) “*Simplify reporting on flows from market/private sources and other sources (non-governmental organizations, foundations, academia) by integrating into the reporting framework the monitoring and reporting on measures taken by Parties to encourage these actors to provide support for the implementation of the Strategic Plan for Biodiversity 2011-2020;*”

* UNEP/CBD/COP/11/1.

- (c) “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.”

3. The present document responds to this request. Section II below provides additional explanations on how the individual tasks, as enumerated above, were addressing in the revision. The revised financial reporting framework is included in Annex I of the note. The online version of the revised reporting framework, once finalized, will be made available on the clearing house mechanism of the Convention (www.cbd.int/financial/).

II. REVISION OF THE PRELIMINARY REPORTING FRAMEWORK: ADDITIONAL EXPLANATIONS

4. Paragraph 2 of recommendation 5/10 requested the Executive Secretary to bring the reporting framework “*in line with the targets for resource mobilization.*” In light of the ongoing negotiations on the targets ¹, this aspect of the revision was based on a number of assumptions; namely:

- a. That the targets as adopted by the Conference of the Parties at its twelfth meeting, would contain the targets of paragraph 7 of decision XI/4 in a shape or form that would require, for the sake on monitoring progress, the same reporting format;²
- b. That the targets as adopted by the Conference of the Parties at its twelfth meeting may contain a target on the mobilization of domestic financial resources;³

5. For the target on international financial flows,⁴ the revised framework continues to use section 1 of the preliminary reporting framework, entitled ‘Information on international flows of financial resources’, with changes as follows:

- a. In line with the request, contained in paragraph 2 of WGRI recommendation 5/10, “*to adapt the required scope and granularity of financial reporting, taking into account data quality and accessibility, the associated prospective cost and practicality of reporting*”, reporting was simplified towards total numbers, and indicating sources in general terms;⁵
- b. A question was introduced requesting Parties to report on measures taken to encourage market/private sector actors as well as non-governmental organizations, foundations, and academia, to provide support for the implementation of the Strategic Plan for Biodiversity 2011-2020. This is in line with the request, contained in paragraph 2 of Annex II of WGRI recommendation 5/10, to simplify reporting on flows from these actors along these lines;
- c. In line with the request, contained in paragraph 2 of WGRI recommendation 5/10, to adapt the required scope and granularity of financial reporting taking into account “*other ongoing relevant statistical and environmental accounting processes*”, the guidance provided under this section has been adapted accordingly.

¹ See section A. of the draft decision in WGRI/5 recommendation 5/10, in particular options 1 and 2 contained therein. Both options are bracketed.

² See paragraphs 1 (a) and (c), both under options 1 and 2, of section A of the draft decision in WGRI/5 recommendation 5/10.

³ See paragraph 1 (b), both under options 1 and 2, of section A of the draft decision in WGRI/5 recommendation 5/10.

⁴ See paragraph 1 (a), both under options 1 and 2, of section A of the draft decision in WGRI/5 recommendation 5/10, as well as paragraph 7 (a) of decision XI/4.

⁵ In particular, in the 30 submissions containing the preliminary reporting framework in various stages of completion, received prior to the fifth meeting of the Ad hoc Open-ended Working Group on Review of Implementation of the Convention, no Party provided data on private flows, and only one Party (Denmark) provided data on non-for-profit flows. Denmark analysed the contributions of relevant non-governmental organizations using the OECD DAC Rio markers methodology, and included the pertinent contributions in the ODA numbers.

6. The new question, as referred to in paragraph 5.b above, was organized in two parts:
- A simple scoring system was introduced, in form of a “traffic-light” scheme (red: no measures taken yet; yellow: some measures taken; green: comprehensive measures taken), in order to enable establishing a baseline and reporting progress made against this baseline;
 - An additional field was introduced to enable the provision of supplementary information on such measures taken.⁶
7. For a target on domestic resource mobilization,⁷ the revised reporting framework is based on the observation that both options 1 and 2, contained in section A of the draft decision in WGRI/5 recommendation 5/10, include the phrase “to significantly reduce the gap between identified needs and available resources at domestic level.” In order to identify this gap, it would be necessary to identify resources currently available at domestic level, along the lines of section two of the preliminary reporting framework, and compare those against identified funding needs – typically resulting from the revised national biodiversity strategy and action plan, against an adequate baseline such as, for instance, the entry into force of the revised NBSAP.
8. This creates a logical link to the process-oriented targets contained in paragraph 7 (b) to (d) of decision XI/4, namely:
- The reporting on domestic expenditures (paragraph 7 (c));
 - The reporting of finance needs, gaps, and priorities (paragraph 7 (c)); and
 - The preparation of national finance plans (paragraph 7 (d)).
9. Several questions enable reporting on these targets:
- The reporting on existing domestic expenditures, in accordance with paragraph 7 (c) of decision XI/4, follows the same logic as section 2 of the preliminary reporting framework, but reporting was again simplified towards total numbers, and indicating sources in general terms;
 - Subsequent questions, newly introduced, enable reporting of finance needs, gaps, and priorities, as per paragraph 7 (c) of decision XI/4, as well as of national finance plans, as per paragraph 7 (d) of the same decision.
10. Monitoring and reporting on progress in resource mobilization from all sources, including domestic sources, can then be undertaken against the relevant national finance plan. The pertinent question for reporting progress on resource mobilization is structured accordingly. It allows for the monitoring of progress made in reducing the gap between identified needs and available resources at domestic level, the relative contribution of individual funding sources, as well as an overall assessment as to whether the gap has been significantly reduced. The table provided may require further fine tuning in light of agreed language on the financial targets by the Conference of the Parties.

⁶ In the submissions on the preliminary reporting framework, 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.

⁷ See paragraph 1 (b), both under options 1 and 2, of section A of the draft decision in WGRI/5 recommendation 5/10.

Annex

FINANCIAL REPORTING FRAMEWORK

I. INTRODUCTION

This framework is intended for use by Parties for providing baseline information and reporting on their contribution to the collective efforts to reach the global financial targets, under Aichi Biodiversity Target 20, as adopted by the Conference of the Parties to the Convention at its twelfth meeting.

In completing the reporting framework, Parties are encouraged to interact with their respective statistical offices or other relevant departments when gathering information. Some of the information needed for this process is likely already available and it should be used where possible in order to reduce the reporting burden and the duplication of efforts. Where precise information is not available, respondents are encouraged to use their best estimates.

Identification of respondent

Please complete the following table:

Country:	Name of respondent:
Please indicate on whose behalf this is being completed:	☐ National Focal Point ☐ Focal point for resource mobilization ☐ Other. Please specify:
Title and Department of respondent:	
Organization of respondent:	
Email address:	
Telephone contact:	
Date of completion and submission of completed framework:	

1. International financial resource flows

1.1 Please indicate the amount of resources provided by your country in support of biodiversity in developing countries, in particular least developed countries and small island developing States, as well as countries with economies in transition, through ODA or other official flows.

Please indicate, as appropriate, the total amount of financial resources provided. Please also indicate your degree of confidence in the estimated amount or, alternatively, provide a range of estimates.

Baseline information

For the calculation of the baseline, please provide data for 2010 or the most recent year prior to that. If possible, provide data for the period 2006 to 2010. If specific annual data is not available you may provide the best estimate of an average figure for 2006-2010.

Currency:				
Year	ODA (1)	OOF (2)	Total (3)	Confidence (4)

2006				
2007				
2008				
2009				
2010				
Average (baseline)				

Methodological information (5):

(5.1) ODA includes: () bilateral; () multilateral

(5.2) ODA/OOF: () commitments; () disbursements

(5.3) ODA/OOF includes: () directly related; () indirectly related

(5.4) As applicable, methodology used to identify resource flows: () OECD DAC 'Rio markers'; () other (please specify)

(5.5) As applicable, coefficient used for resource flows indirectly related to biodiversity, when calculating total numbers: ()%

(5.6) Other observations/comments:

Additional explanations:

- (1) Official Development Assistance (ODA) refers to flows of official financing administered with the purpose of promoting economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 per cent (using a fixed 10 per cent rate of discount).
Where resources are provided or received for general budget support rather than for specific activities, an estimate of resources provided/received for biodiversity may be calculated from the proportion of the recipient country's budget devoted to such activities.
- (2) Other official flows (OOFs) refers to non-ODA public funding, that is, transactions by the official sector with countries on the List of Aid Recipients which do not meet the conditions for eligibility as Official Development Assistance. The category also includes resources provided from other, "non-donor" countries, i.e. through "South-South Cooperation".
- (3) Please use this row only if you report both on ODA and OOF.
- (4) Please provide (average) confidence levels (high, medium, low).
- (5.1) ODA can be bilateral or multilateral. Bilateral ODA refers to contributions of donor government agencies, at all levels, to developing countries. Multilateral ODA refers to funds provided through international financial institutions such as the Global Environment Facility, the World Bank and United Nations funds and programmes. Please include both categories as feasible.
Please tick the appropriate box if ODA numbers provides include bilateral and/or multilateral ODA. If the numbers include both categories, tick both boxes.
- (5.2) You may report on either ODA/OOF commitments or actual disbursements, but please apply the same category for all years, including when reporting progress.
- (5.3) Funding for biodiversity includes not only funding for direct actions to protect biodiversity but also funding related to actions across different sectors (e.g. agriculture, forestry, tourism) to

promote biodiversity-friendly initiatives that have other primary purposes (e.g. ecosystem-based approaches to climate-change mitigation and adaptation). See section 5 below for a description of the categories. Please tick the appropriate box if numbers provided include resources directly related or indirectly related to biodiversity.

- (5.4) In past reporting under the preliminary reporting framework, many members of the OECD DAC used the 'Rio markers methodology' under the OECD CRS database, to report on ODA directly related to biodiversity ('principal' marker) and indirectly related to biodiversity ('significant' marker). Please indicate if you did apply this methodology and, if not, please provide a brief explanation on the methodology you applied.
- (5.5) If you provided a total amount that includes resources indirectly related to biodiversity, indicate the coefficient used to aggregate amounts directly and indirectly related to biodiversity. Please use the same coefficient for all years, including when reporting progress.
- (5.6) You may provide any other methodological observations or comments here.

Monitoring progress

For the purposes of monitoring progress, please provide data for years after 2010:

Year	ODA	OOF	Total	Confidence
2014				
2015				
2016				
2017				
2018				
2019				

1.2 Has your country taken measures to encourage the private sector as well as non-governmental organizations, foundations and academia to provide international support for the implementation of the Strategic Plan 2011-2020?

- (1) no
- (2) some measures taken
- (3) comprehensive measures taken

If you ticked (2) or (3) above, please provide additional information here.

You may wish to provide cross-references, as applicable, to your reply to question 8 of the fifth national report guidelines, or on your report in achieving Aichi Biodiversity Targets 1, 2, 3, 4, 16, 18, and 19, under question 10 of the fifth national report guidelines:

()

2. Inclusion of biodiversity in priorities and plans

Has your country included biodiversity in national priorities or development plans?

- (1) Not yet started ()
- (2) Some inclusion achieved ()
- (3) Comprehensive inclusion ()

If you ticked (1) or (2) above, please provide additional information here.

You may wish to provide cross-references, as applicable, to your reply to question 8 of the fifth national report guidelines:

()

3. Assessment and/or evaluation of values

Has your country assessed and/or evaluated the intrinsic, ecological, genetic, socioeconomic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components?

(1) not yet started ()

(2) some assessments/evaluations undertaken ()

(3) comprehensive assessments/evaluations undertaken ()

If you ticked (2) or (3) above, please provide additional information here.

You may wish to provide cross-references, as applicable, to your reply to question 8 of the fifth national report guidelines, or on your report in achieving Aichi Biodiversity Target 2, under question 10 of the fifth national report guidelines:

()

4. Reporting domestic biodiversity expenditures

Did your country have adequate financial resources to report domestic biodiversity expenditures?

() yes; () no

Please indicate the annual financial support provided to domestic biodiversity-related activities in your country.

Please indicate the total amount of financial resources spent currently or in the recent past. Please provide also an assessment of your confidence in the estimated amount (high, medium low; alternatively provide a range of estimates). Please cover as many sources as possible but provide at least central government budget outlays directly related to biodiversity. Use the relevant table to indicate which sources and expenditure categories were covered.

If possible, provide data for several years. If specific annual data is not available, you may provide the best estimate of an average figure for several years.

If your financial year does not correspond to the calendar year, please use the calendar year in which the financial year begins.

As this question specifically relates to domestic expenditures, please do not include any funding provided to other countries but please include expenditures that were financed by international sources.

Currency:		
Year	Domestic expenditures	Overall confidence
20xx		
20xx		
20xx		
20xx		

20xx		
Average		

Information on sources and categories:

Numbers above cover: (tick appropriate cells)	Expenditures directly related to biodiversity (1)	Expenditures indirectly related to biodiversity (1)
(2) Government budgets – central		
(2) Government budgets – state/provincial		
(2) Government budgets – local/municipal		
(3) Extra-budgetary		
(4) Private/market		
(5) Other (NGO, foundations, academia)		
(6) Collective action of indigenous and local communities		
(6) Additional methodological information:		

Additional explanations:

- (1) Funding for biodiversity includes not only funding for direct actions to protect biodiversity but also funding related to actions across different sectors (e.g. agriculture, forestry, tourism) to promote biodiversity-friendly initiatives that have other primary purposes (e.g. ecosystem-based approaches to climate-change mitigation and adaptation). See section 5 below for a description of the categories. Please tick the appropriate box if numbers provided include resources directly related or indirectly related to biodiversity.
- (2) Government budgets include public money spent by government or government agencies to address domestic biodiversity issues. You are encouraged to include information from all relevant levels of government but provide central budget information at a minimum. When providing information relating to different government levels, please ensure that funds transferred between the different levels of government are only counted once.
As the focus is on expenditures, budgetary support received by international flows should be included.
- (3) Extra-budgetary expenditures include project-related expenditures funded by ODA or OOF.
- (4) The private sector comprises private corporations or transactions mediated through a market.
- (5) Other represents funding that is neither public nor mediated through a market. Non-governmental organizations include non-profit organizations representing major groups and that are legally constituted organizations that operate independently from government. Foundations are non-profit organizations that typically either donate funds, provide support to other organizations, and/or directly provide funding for their own charitable purposes. Academia refers to all institutions aimed at advancing knowledge development, including educational and research institutions. The unifying factor between these three types of organizations is their not for profit status.

- (6) The collective action of indigenous and local communities towards biodiversity conservation and customary sustainable use, insofar as it can be appropriately measured and expressed in monetary terms, can be reported here.
- (6) Please provide information on the methodologies applied to estimate these numbers, in particular those on expenditures indirectly related to biodiversity and those outside of central government budgets. For instance, in past reporting under the preliminary reporting framework, Parties made reference to public expenditure review methodologies, and also pointed to the environmental protection expenditure accounts, under their environmental economic accounting system. One methodology for estimating sub-national expenditures consists in calculating the ratio of biodiversity-related expenditures of a select sub-set of provincial governments or municipalities, and subsequent application of this ratio to total sub-national government budgets.

5. Reporting funding needs, gaps, and priorities

Did your country have adequate financial resources to report funding needs, gaps and priorities?

() yes; () no

Please indicate your annual funding need and calculate the funding gap by subtracting estimated available resources. Indicate actions for priority funding.

Please start with the year which is most appropriate for your own planning purposes. Leave rows empty if not needed.

Currency:				
Year	(1) Funding need	(2) Estimated available resources	(3) Estimated funding gap	(4) Actions for priority funding
2015				
2016				
2017				
2018				
2019				
2020				

Additional explanations

- (1) The funding need could be calculated based on the revised National Biodiversity Strategy and Action Plan (NBSAP). You may wish to further differentiate into one-time investments and recurrent expenditures, and calculate annual resource requirements accordingly.
- (2) For estimating future resource availability, you may wish to extrapolate the information provided under question 5 above, using conservative ('business-as-usual') assumptions.
- (3) Estimate the funding gap by subtracting (2) from (1).
- (4) Indicate actions, for instance from among those covered by the revised NBSAP, for priority funding.

6. National finance plans

Did your country have adequate financial resources to prepare national finance plans for biodiversity?

() yes; () no

Please provide a brief synthesis of your finance plan, by indicating, in the table below, your **planned** resource mobilization, by source, and their respective **planned** contributions towards your identified finance gap.

Please add additional rows to the table as needed.

Currency:

Year	2015	2016	2017	2018	2019	2020
(1) Expected funding gap						
(2) Domestic sources (total)						
Source 1						
Source 2						
Source 3						
(3) International flows (total)						
Source a						
Source b						
Source c						
(4) Remaining gap						

Additional explanations

- (1) The expected funding gap would be taken from column (3) under question [6.5](#).
- (2) The **planned** contribution towards the identified funding gap by domestic sources. You may wish to further specify the planned sources that you wish to mobilize and their respective contribution. In this case, please replace the 'placeholders' and add more rows as needed. Possible domestic sources may include: (i) additional government allocations; (ii) earmarked funds from environmental fiscal reform, including new forms of environmental taxation or fee structures; (iii) earmarked funds from the elimination, phase out or reform of harmful incentives, including subsidies; (iv) various biodiversity funding mechanisms such as payments for ecosystem services, offsets, markets for green products, business-biodiversity partnerships, etc. (v); the mobilization of collective action by indigenous and local communities; etc.
Possible actions for mobilizing domestic resources are provided in Annex X to decision XII/Y.
- (3) The **planned** contribution towards the identified finance gap by international sources. You may wish to further specify the sources and their respective expected contribution. In this case, please replace the 'placeholders' and add more rows as needed. Possible sources may include: (i) bi- and multilateral ODA/OOF; (ii) REDD+ or similar initiatives; (iii) ABS agreements, etc.
- (4) The remaining gap is calculated by subtracting (3) and (2) from (1).

Comment [ML1]: It would seem like the expected funding gap would be taken from column (3) under question 5 (Reporting funding needs, gaps and priorities), rather than question 6 (national finance plans).

7. Reporting progress in mobilizing resources

7.1 Please indicate, in the table below, the achieved resource mobilization for your country, by source, and their respective actual contribution towards your identified funding gap.

Please add additional rows to the table as needed.

Currency:

Year	2015	2016	2017	2018	2019	2020
(1) Funding gap						
(2) Domestic sources (total)						
Source 1						
Source 2						
Source 3						
(3) International flows (total)						
Source a						
Source b						
Source c						
(4) Remaining gap						
(5) Has the gap been reduced?						
(6) Has the gap been reduced overall? () no; () yes, somewhat; () yes, significantly						

Additional explanations

- (1) The expected finance gap would be taken from column (3) under question 6.5. You may wish to update the estimates in light of your additional information.
- (2) The actual contribution towards the identified finance gap by domestic sources. You may wish to further specify the actual sources that were mobilized and their respective contribution. In this case, please replace the 'placeholders' and add more rows as needed.
- (3) The actual contribution towards the identified finance gap by international sources. You may wish to further specify the actual sources that were mobilized and their respective contribution. In this case, please replace the 'placeholders' and add more rows as needed.
- (4) The remaining gap is calculated by subtracting (3) and (2) from (1).
- (5) Please provide your assessment as to whether the gap was reduced in the relevant year (no; yes, somewhat; yes, significantly)
- (g) Please provide your overall assessment as to whether the funding gap was reduced, by ticking one of the appropriate boxes.

Comment [ML2]: It would seem like the expected funding gap would be taken from column (3) under question 5 (Reporting funding needs, gaps and priorities), rather than question 6 (national finance plans).

7.2 Has your country taken measures to encourage the private sector as well as non-governmental organizations, foundations and academia to provide domestic support for the implementation of the Strategic Plan 2011-2020?

- (1) no
- (2) some measures taken
- (3) comprehensive measures taken

If you ticked (2) or (3) above, please provide additional information here.

You may wish to provide cross-references, as applicable, to your reply to question 8 of the sixth national report guidelines,⁸ or on your report in achieving Aichi Biodiversity Targets 1, 2, 3, 4, 16, 18, and 19 under question 10 of the sixth national report guidelines:

⁸ To be amended as the six national report guidelines become available. See WGRI recommendation 5/10, paragraph 12 and 13 of the draft decision.

Annex
Activity classification

For the classification of resources directly and indirectly related to biodiversity, mentioned in questions 1 and 4 above, the table below provides a brief description of both categories as well as an indicative list of the actions that could be considered under each category. **Please list any additional activities that could also be considered under each category.**

Activity classification ⁹		
	Directly related to biodiversity	Indirectly related to biodiversity
Default Description	Funding for activities directly related to biodiversity such as: • <i>In situ/ex situ</i> conservation • Protected areas • Maintaining genetic diversity • Addressing threats from invasive alien species (in situations where the primary purpose is to protect biodiversity) • Addressing threats to specific ecosystems and/or species Also included within this category would be funding related to human resources, policy development and administration for these activities including the development of NBSAPs, frameworks, and CHM. Generally funding considered under this category would be provided by environmental agencies that directly and purposely consider biodiversity within their mandates.	Funding for activities which have benefits for biodiversity but for which biodiversity conservation and sustainable use is not the main focus. Activities under this category would generally be led by agencies outside of the environmental sector or where responsibility lies with multiple sectors. Activities under this category would include: • Sectoral measures which benefit biodiversity conservation and sustainable use within productive sectors (agriculture, forestry, aquaculture, fisheries, etc); • Sectoral measures to conserve water and prevent pollution; • Managing land use to mitigate climate change and increase resilience; • Planning, fiscal and regulatory measures to promote sustainable consumption and production; • Broad scale public awareness and education measures.
Additional activities	• <u>Promotion of sustainable biotrade and biotechnology</u>	

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⁹ To be reviewed in light of emerging guidance, or revisions of guidance, for instance from the OECD DAC task team.