

"Submission of Information for the Review of Implementation of the Strategy for Resource Mobilization"

Background

In Decision XI/4, the COP-11 decided that the implementation of the strategy for resource mobilization will be reviewed by the WGRI 5 (Montreal, Canada, on 16-20 June 2014), and requested the Executive Secretary to prepare a review of the implementation of Goals 2, 5, 6, 7 and 8 of the strategy for resource mobilization, based on input provided by Parties and other relevant stakeholders and additional relevant sources of data (para. 10).

The Secretariat has requested the submission of the following information in order to prepare its review:

- i. **Information through the preliminary reporting framework**, attached herewith, using the average annual biodiversity funding for the years 2006-2010 as a preliminary baseline;
- ii. Information on **funding needs, gaps, and priorities**;
- iii. **Experiences in applying the preliminary reporting framework**, including on the successes and barriers encountered in reporting on and monitoring resources mobilized for biodiversity, in line with paragraph 23 of Decision XI/4;
- iv. **Views and lessons learned on possible risks and benefits of country-specific innovative financial mechanisms**, including possible principles and safeguards for their use;
- v. **Any other pertinent information** of relevance to the implementation of Goals 2, 5, 6, 7 and 8 of the strategy for resource mobilization.

The deadline for replies was set for the 28 February 2014. However, considering the need for coordination within the Federal offices concerned, Switzerland asked for an extension until the end of April 2014 in order to allow examination of the draft submission by all interested federal ministries and agencies and respect the national political processes.

Submission

Contents

1	Introduction	2
2	Main considerations and issues	3
2.1	International financial contributions	3
2.1.1	Bilateral ODA	3
2.1.2	Multilateral ODA and other public funds	4
2.1.3	International flows: Private / market, not for profit organisations	5
2.2	Information on national flows of financial resources	6
2.2.1	Domestic budgets	6
2.2.2	Private / market	8
2.2.3	Other financial flows (NGOs, foundations and academia)	9
2.3	Activity classification	11

1 Introduction

Switzerland would like to thank the Secretariat for Notification No. 2013-050 inviting the Parties to provide information through the preliminary reporting framework and, among others, further pertinent information of relevance to the implementation of goals 2, 5, 6, 7 and 8 of the strategy for resource mobilization, for discussion at the upcoming meeting of the WGRI, as requested by the Parties through decision XI/4.

Switzerland wishes to recall its concern expressed in COP-11¹ regarding the setting of quantified targets for resource mobilization, especially because the progress on the methodology of measuring these targets is insufficient and considering that robust baselines, as requested by decision X/3, paragraph 8(i), have not yet been identified. This makes it very difficult for Switzerland to subscribe to the 2015 interim goal as proposed in decision XI/4, paragraph 7(a). Switzerland will act in good faith to live up to the decision XI/4 until 2020 and will take it as a reference for the engagement in national and international biodiversity related activities. Switzerland is committed to contribute its fair share towards an overall substantial increase of funding for biodiversity from all sources, according to Aichi Target 20. Country ownership, and the fact that biodiversity is fundamental for life is essential for Switzerland.

Switzerland has encountered many challenges while working on the establishment of the baseline and can therefore not yet communicate any figures, due to lack of methodology to ensure the robustness and comparability of the figures. Switzerland believes that there is a lot of scope for improving methodologies for the establishment of a robust comparable baseline and for assessing public and private financial flows of all parties in support of the objectives of the Convention.

Such improvement is very much needed as the tools available for the monitoring of the implementation of the strategy for resource mobilization were not developed with the objective of monitoring financial flows (e.g. Rio-markers) or may even be lacking, e.g. at the national level. The lack of instruments and/or the

¹ UNEP/CBD/COP/11/35 Report of CBD COP-11, paragraph 127

technical shortcomings of existing tools results in uncertainty, vagueness and ambiguity when reporting on the implementation of the strategy, thus undermining the achievement of Aichi Target 20. The weaknesses of the existing system are recognised and efforts to further develop instruments are conducted (e.g. Rio-markers are currently discussed and further developed by the OECD). This provides the opportunity to feed the needs of the Convention into these international processes to realize synergies for the benefit of all processes.

In addition, Switzerland would like to recall the relevance of the effectiveness and efficiency of financial flows in support of the objectives of the Convention. The effective and efficient use of investments should be fostered through enabling environments (including the reduction of incentives with harmful effects for the environment). Therefore, Switzerland encourages to include elements to monitor the effectiveness and efficiency of financial flows in support of the objectives of the Convention within the preliminary resource mobilization reporting framework.

2 Main considerations and issues

The present document describes the methodology used to estimate Switzerland's financial domestic contributions in support of the objectives of the Convention, the challenges identified and recommendations for further deliberations to estimate a comparable baseline. Switzerland looks forward to constructive discussions at the upcoming meeting of the WGRI and would like to put forward the following elements:

2.1 International financial contributions

2.1.1 Bilateral ODA

Switzerland put a lot of effort into the assessment of the bilateral public financial flows in favour of the conservation and sustainable use of biodiversity in developing countries. All Swiss bilateral ODA flows reported to OECD-DAC marked as biodiversity relevant (Rio-Marker "biodiversity" significant or principal), were considered for the assessment. However due to the following challenges, Switzerland can to date not report a sound baseline (and may not be the only OECD-DAC Party in this position). The experts involved identified the following barriers to the establishment of a sound baseline for bilateral ODA disbursements:

- **Lack of common international understanding on eligibility criteria to apply the Rio-marker "biodiversity"**
- **Lack of common international understanding on how to apply multiple Rio-markers (including biodiversity)**
- **Lacking basics for the quantification of the principal/significant Rio-markers "biodiversity"**

Conclusions and recommendations:

In the light of the methodological barriers identified above, Switzerland welcomes the ongoing efforts to further develop the Rio-markers within the OECD-DAC and recommends the elaboration of a list of clear, easy to use eligibility criteria (a proposal is included in Table 8). Further, Switzerland recommends defining the Rio-marker "significant", which indicates the indirect biodiversity benefits of a project, and the Rio-marker "principal", which indicates the direct biodiversity benefits of a project, as a percentage of the total

project costs. If possible the same percentage should be used by all parties and it should be assured that the same percentage is used by each party for the assessment of the baseline and future reporting activities in order to improve the comparability and quality of the financial flows monitored and reported by all parties.

2.1.2 Multilateral ODA and other public funds

Switzerland put a lot of effort into the assessment of the multilateral and other public financial flows in favour of the conservation and sustainable use of biodiversity in developing countries. Due to several challenges, Switzerland can to date not report a sound baseline of multilateral ODA and other public funds. The guidance provided by the preliminary reporting framework on how to calculate expenditures for multilateral ODA and other public funds is very vague. The methodology tested provides a potential approach to be further discussed during WGRI, taking the following issues into account:

- **There is a need to provide further information about the supported multilateral organisations**

In order to establish a global framework to monitor the financial contributions spent through multilateral ODA and other public funds in favour of biodiversity it is necessary that all parties report to which biodiversity relevant multilateral organisations they have provided support.

- **Biodiversity marker needs to be included into the accounts of multilateral organisations**

Only a part of the financial flows disbursed through multilateral channels (core contributions) contribute to the conservation and sustainable use of biodiversity. In order to estimate the relevant national financial flows disbursed through multilateral channels, the share of biodiversity relevant spending per organisation would need to be determined. So far, this share is only known for the Global Environment Facility.

Conclusions and recommendations

The methodology for assessing biodiversity relevant financial flows disbursed through multilateral channels, as depicted in the preliminary reporting framework, does not allow for a sound establishment of a 2006-2010 baseline. There is a lack of consensus on the financial flows and the organisation, which can be considered. In addition there is a clear information gap concerning the biodiversity relevant activities and investments of multilateral organisations and therefore a lack of information about the spending of the core contributions on biodiversity relevant activities.

Switzerland recommends that all Parties of the convention report to which multilateral organisations with relevant activities related to biodiversity they have provided support and how high the support was. This would allow to have more comparable figures, since currently there is no common understanding of which organisation can be accounted as biodiversity relevant.

Further, it would be very helpful, if all multilateral organisations would report their share of biodiversity relevant expenditures in order to estimate the relevant national financial flows disbursed through multilateral channels. Switzerland is aware of the efforts conducted by the OECD and multilateral development banks and strongly supports the ongoing work.

2.1.3 International flows: Private / market, not for profit organisations

Private / market

Methodology

To assess the investments and financial contributions for biodiversity and ecosystem services (BES) of the private sector, a survey by the Swiss Government was conducted (see chapter 2.2.2) According to the survey, an assessment of financial contributions for BES is very complicated for the companies.

Results

Due to the limited availability and specificity of data, in particular historical data, the surveyed companies were not able to report their investments for BES in detail, especially the distinction between national and international flows was impossible for them. Due to the high international business activities of multinational companies, Switzerland estimates that their international investments are higher than their domestic investments for BES, but no detailed numbers can be provided. It is estimated that companies with a focus on the Swiss market and mainly national and European supply chains do not invest internationally into BES.

Conclusions and Recommendations

Before a detailed assessment of the private sector financial flows for biodiversity and ecosystem services is possible, specific methods to value biodiversity and ecosystem services for different business sectors, with respect to the size and complexity of the companies, need to be advanced (see also Chapter 2.2.2). The methods should also include the assessment of supply chains.

Not for profit organisations (NPOs)

Methodology

The annual reports and public annual financial statements of Swiss NPOs were consulted to determine their international flows for BES. To get a more in depth view, some NPOs were contacted and interviewed individually.

Results

Due to the limited availability and specificity of data, in particular historical data, the NPOs were not able to report their investments for BES in detail. The individually contacted NPOs stated that the effort to determine the international flows for BES would be very large, as they do not have any standardized marking of biodiversity relevant projects and / or finance flows. In addition the Swiss national branches of most NPOs with activities in the biodiversity and ecosystem conservation domain are predominantly active on a national level. Their investments for BES are therefore mostly national. The NPOs, which are predominantly active in the area of poverty alleviation and development in developing countries, are also active in the field of biodiversity conservation and sustainable use of ecosystem services, but they have not monitored the biodiversity specific investments.

Conclusions and Recommendations

Switzerland will seek an enhanced dialogue with the NPOs to increase the availability and specificity of data for the future and to collaborate with them to jointly live up to the decision XI/4 until 2020.

2.2 Information on national flows of financial resources

2.2.1 Domestic budgets

Methodology used for assessing national flows of financial resources

Expenditures and investments for the conservation of biodiversity and the sustainable use of its components are rarely specifically shown in public sector accounts. Some budgetary items contribute to the objectives of the CBD to some extent, but not entirely. In order to estimate the contribution of a budgetary item to the conservation and the sustainable use of biodiversity, a so called Biodiversity-factor (BD-factor) was used to adjust expenditures where necessary.

Table 1: The BD-Factor is an estimate of the extent a budgetary item contributes to the objectives of the CBD.

Estimated relevance for CBD objectives	Biodiversity factor	
	Value (0 - 1)	%
Budgetary item supports CBD's objectives to its full extent	1.00	100%
Budgetary item supports CBD's significantly	0.75	75%
About half of the Budgetary item supports CBD's objectives	0.50	50%
Budgetary item contributes to CBD's objectives for the smaller part	0.25	25%
A minor part of the budgetary item contributes to CBD objectives	0.10	10%
A marginal part of the budgetary item contributes to CBD objectives	0.05	5%

The national financial contribution in support of the objectives of the CBD was extruded from the model of the Federal Finance administration. This model describes Federal budgets according to major budgetary items at the federal, cantonal and communal level (FS-Modell; Ausgaben nach Funktionen, Bund; FS-Modell Ausgaben nach Funktionen, Kantone im Vergleich; S-Modell; Ausgaben, Gemeinden insgesamt)². The model does, however, not include staffing expenditures. Most of the identified budgetary items contribute to some extent to the objectives of the CBD, but not in their entity. Therefore, the biodiversity factor (BD-factor) was used to readjust the expenses, as well as to avoid double-counts among the various levels. The biodiversity factor applied was defined in consultation with multiple experts from the Federal administration, academia and CSOs. The same methodology was used by Switzerland in the past in the resource mobilization submission of July 2012³. The methodology will be revisited on a regular basis and may be further refined.

² Federal Finance Administration FFA:

http://www.efv.admin.ch/d/dokumentation/zahlen_fakten/finanzstatistik/index.php

³ Secretariat of the Convention on Biodiversity: <http://www.cbd.int/financial/doc/switzerland-funding-biodiversity-en.pdf>

Table 2: The BD-factor used to readjust budgetary items at the Federal, Cantonal and Municipal level.

Code	Category	BD-factor applied:		
		National	Subnational	Municipal
311	Museums and fine arts	0.05	0.05	0.05
741	Water engineering	0.10	0.10	0.05
750	Species conservation and landscape protection	0.75	0.25	0.50
761	Air pollution control and climate protection	0.10	0.10	0.05
769	Countering environmental pollution, NES*	0.25	0.10	0.10
779	Environment protection, NES*	0.25	0.25	0.25
790	Regional development	0.10	0.10	0.05
813**	Improvement of animal breed	0.05	0.05	0.05
814**	Improvement of crop production	0.10	0.10	0.05
816	Agriculture: direct support schemes	0.10	0.00	0.10
820	Forestry	0.10	0.05	0.05
830	Hunting and fisheries	0.25	0.05	0.05

* NES: not elsewhere specified

** The expenses related to the improvement of animal breeds and crop production (Code 813 and 814) target the conservation and sustainable use of genetic resources. The total amount of both categories roughly corresponds to the budgetary item of the "Sélection végétale et élevage" of the Federal Office for Agriculture FOAG (OFAG (2011): Rapport Agricole 2011, Tableau 52, p. A58).

The "Code 750 Species conservation and landscape protection" is earmarked as "direct" related to biodiversity and the other codes as indirect.

Results:

Estimation of the Federal budget in support of the objectives of the CBD:

Table 3: Overview on the annual federal disbursements in support of the objectives of the CBD.
(in CHF million)

	2006	2007	2008	2009	2010	2011	2012
Central							
Directly related	50.6	75.0	59.5	77.2	65.0	67.2	87.9
Indirectly related	304.3	355.2	358.5	378.0	394.4	401.4	406.4
Total	354.9	430.2	418.0	455.2	459.4	468.6	494.3

Estimation of the Cantonal budgets in support of the objectives of the CBD:

Table 4: Overview on the annual cantonal disbursements in support of the objectives of the CBD.
(in CHF million)

	2006	2007	2008	2009	2010	2011	2012
Cantonal							
Directly related	33.6	31.3	31.5	37.5	43.4	48.6	49.7
Indirectly Related	116.3	123.6	124.0	127.5	144.9	141.1	146.3
Total	149.9	154.9	155.5	165.0	188.3	189.7	196.0

Estimation of the Communal budgets in support of the objectives of the CBD:

Table 5: Overview on the annual communal disbursements in support of the objectives of the CBD
(in CHF million)

	2006	2007	2008	2009	2010	2011
Communal						
Directly related	14.9	15.2	22.1	30.1	26.1	22.9
Indirectly Related	58.9	61.1	61.4	64.0	66.9	67.6
Total	73.8	76.3	83.5	94.1	93.0	90.5

2.2.2 Private / market

Based on schemes for corporate environmental accounting, which are currently being developed and discussed in international fora, private companies' expenditures and investments for BES can be broken down into various measures and activities. Some of those activities have a direct or an indirect effect on biodiversity, which is different according to the business sector and the specific measure. Such measures include:

- direct expenditures into site restoration or ecosystem and species conservation measures with a link to business activities or company properties,
- direct sponsoring activities for projects in research, conservation or education,
- direct investments into partnerships with NGOs with regard to BES or (multi-stakeholder) fora on land and natural resource management
- investments into corporate environmental management such as emissions reduction, waste management, water consumption etc. or product development and stewardship, which also have a proportional effect on BES
- investments into new financial mechanisms such as Payments for Ecosystem Services (PES)

In addition, environmental fees and compliance provisions can be linked to biodiversity and ecosystem services to a certain extent. Many sectors have additional specific measures and activities, e.g. investments into different types of complex cooperation with partners to develop certifiable environmentally friendly products. In most sectors, activities with an assumed regard to biodiversity are entangled with others, so that their contributions with regard to biodiversity per se can – according to the feedback of

companies and the information provided in publicly accessible data bases and reports – be hardly assessed in detail.

Methodology

To assess the amount of Swiss company expenditures and investments into biodiversity and ecosystem services from the measures mentioned above, the Swiss Government commissioned a survey. Companies with headquarters in Switzerland, which were known to be aware of being linked to biodiversity and ecosystem services according to their business model and which have disclosed information on biodiversity in their recent non-financial reporting (annual and CSR reporting) were selected. The companies were asked to provide financial data for the abovementioned categories for the baseline between 2006 and 2010. Additional information was derived from public material of the companies, such as sustainability reports and interviews, which were conducted with company representatives responsible for environmental or sustainability management.

Results

Due to lack of data and coherence between the different data sources the total estimated investments for BES from the private sector can't be reported. In order to increase the reliability of the private sector data, much more sophisticated assessment methodologies on specific sector level would be necessary.

Methods for environmental accounting would have to include differentiation possibilities for national and international flows and an individual focus on different forms of natural capital. Company activities with respect to the different forms of natural capital (e.g. expenditure and investments into emissions reduction to respond to climate change, solid waste and waste water management and treatment) would have to be attributed with individual biodiversity factors, according to different business sectors.

2.2.3 Other financial flows (NGOs, foundations and academia)

Methodology

NGOs: There are numerous national and regional NGO's as well as foundations in Switzerland committed to activities related to the objectives of the CBD. However, the present indicator is limited to NGO's and foundations being active at the national level, i.e. having the right to appeal (Verbandsbeschwerderecht). NGOs being active at the international level predominantly are addressed in a separate assessment (non-ODA).

An overview on expenditures/revenues of NGOs and foundations does so far not exist. Therefore, the data for the present indicator had to be gathered on a case-by-case basis, by reviewing each NGO's financial statements and/or annual report.

The work of all the NGO's listed hereinafter has positive effects on biodiversity. Their support of the objectives of the CBD is far from limited to policy making. Year after year these organizations generate substantive funding, mainly from private donors, to carry out biodiversity-related projects.

From the total expenditures, the ones relating to biodiversity were estimated based on available information in annual reports. The project costs have been summarized and transformed by applying a BD-factor, having excluded all administrative efforts to run the NGO's as well as the financial support received from the federal, cantonal and communal administrations in order to avoid double counting (Table 6).

Table 6: NGOs considered for the calculation of biodiversity relevant expenditure and the BD-factor applied.

NGO	Estimated relevance for CBD objectives	
	low-end estimate	high-end estimate
Alpine-Initiative	0.5	0.5
Equiterre	0.5	0.75
Bern Declaration	0.05	0.05
Greenpeace Switzerland	0.5	0.75
Greina Foundation	0.25	0.75
Mountain Wilderness	0.25	0.5
Pan Eco	0.5	0.75
Swiss Foundation for practical Environment Protection	0.1	0.75
Pro Natura	0.75	0.75
Pro Specia rara	0.5	0.75
Rheinaubund	0.5	0.5
Swiss Alpine Club	0.05	0.1
Swiss Energy Foundation	0.5	0.5
Swiss Heritage Society	0.25	0.5
Swiss hiking trails	0.25	0.25
Swiss Foundation for Landscape Conservation	0.1	0.1
SVS/BirdLife Switzerland	0.5	0.5
Swiss Transport and Environment Association	0.1	0.25
WWF Switzerland	0.5	0.75

Academia: Biodiversity-related research and education supports the objectives for the CBD as well, in direct and more in indirect forms. This section provides an overview of existing data in this sector and an estimate of the yearly expenses in Switzerland for research and education.

Data from surveys undertaken by Swiss Statistics and official reports, such as annual reports and audited financial statements were used as a basis for collecting information:

- R&D expenditures at universities and universities of applied sciences (including SNSF-projects)
An adjustment of the expenditure on R&D is made with statistics of the SNSF (share of biodiversity relevant projects approved – adjusted for each year)
- Educational expenditures at universities (without R&D)
An adjustment of the expenditure on education in universities is made with the BD-factor (5% - 10%).
- Educational expenditures at universities of applied sciences (without R&D)
An adjustment of the expenditure on education in universities of applied sciences is made with the BD-factor (5% - 10%)

Results

Table 7: Overview on the budget from NGO's and academia in support of the objectives of the CBD

Mio. CHF	2006	2007	2008	2009	2010	2011	2012
NGOs	59.5	63.8	67.9	74.8	74.2	77.5	84.5
Academia	52.7	54.5	56.8	57.1	68.1	65.7	58.1
Total	112.20	118.30	124.70	131.90	142.30	143.20	142.60

2.3 Activity classification

As mentioned in the conclusions to chapter 2.1, Switzerland recognises the need to define a clear, easy to use list of eligibility criteria to increase the data accuracy and international data comparability.

To do so, Switzerland proposes to organise eligible activities according to categories as proposed by the European Union in its information note on "The Multilateral Environmental Agreements and the Rio-Markers"⁴. A proposal for categories is provided in Table 8.

Table 8: Methodology for the classification of activities for bilateral ODA as implemented by the EC.

Protected areas, protection of ecosystems & species

- Support for the creation and management of protected areas
- Preservation of endangered species, reintroductions
- Anti-poaching activities, fight against illegal trade of endangered species
- Development of legislative framework for the protection of species and sites
- Support to sustainable development activities in the buffer zones of protected areas
- Capacity building of authorities and personnel in charge of protected areas
- Research activities in protected area management
- Fight against invasive species
- Establishment and operation of the structure of ex-situ conservation (zoos, botanical gardens and conservatories, seed banks, gene banks ...)
- Research activities for ex-situ conservation

Water and sanitation

- Protection of water resources, improvement of water quality (when beneficial effects on fauna & flora expected)
- Fight against water pollution (rivers in particular)
- Integrated management and protection of watersheds
- Integrated management of wetlands

Agriculture

- Activities to reduce land use change and expansion of agriculture at the expense of natural areas
- Promotion of environment-friendly agricultural practices (including agro-forestry, organic farming),
- Promotion of practices limiting chemical inputs (fertilizers, pesticides), IPM: integrated pest management
- Activities on soil conservation, fight against erosion

Forests

- Preservation of forests
- Sustainable forest management (in part. community forestry)
- Fight against illegal logging, against deforestation for agriculture or livestock

⁴ EuropeAid E6 Unit (2010) The Multilateral Environmental Agreements and the Rio-Markers"

- Rehabilitation of areas affected by desertification
- Forestry and agroforestry with high biodiversity value (promotion of natural forest / multi-species plantations)
- Institutional support, awareness

Training, research and teaching in taxonomy, biodiversity, ecology etc.

Awareness and public information

Fishing, hunting, gathering

- Promotion of sustainable fisheries (marine, coastal or lakes/rivers)
- Fight against overfishing, illegal fishing, destructive fishing practices
- Inventories and research on the status of stocks, fishing capacity
- Preservation of nursery areas, including mangroves
- Preservation of coral reefs
- Promotion of sustainable hunting practices, Antipoaching
- Promotion of sustainable harvesting (include. Non timber forest products)
- Development of the legislative framework for the activities of fishing, hunting and gathering
- Institutional support, awareness

Business and Economy

- Fight against trade in endangered species, including awareness (of the authorities, consumers), training of personnel (customs etc.).
- Fight against illegal trade in animal products / plants (bush meat, ivory, orchids etc.)
- Activities to prevent importation of invasive species
- Sustainable ecotourism, vision tourism, tourism
- Valuing biodiversity
- Research on economic valuation of biodiversity
- Establishment of mechanisms for equitable access & benefit sharing (ABS) of genetic resources
- Capacity building and awareness

Institutional Support / Obligations under the convention

- Preparation of inventories of biodiversity
- Preparation and implementation of national plans and strategies for biodiversity conservation
- Development of legislative frameworks relating to species, ecosystems (including issue of invasive species)
- Mainstreaming biodiversity in national strategic frameworks and local policies in land use
- Development of innovative, long term, financing mechanisms (trust funds, ecological taxes...)
- Capacity building,
- Development of tools for decision support (databases, information systems)