

**Submission by the EU and its Member States to CBD Notification 2019-086:
Call for evidence on Resource Mobilisation: Questionnaire**

The overall reply contains responses to questions (a) to (h) listed in the questionnaire annexed to Notification 2019-086. At the same time, the EU and its Member States note that, beyond the 2008 Strategy for Resource Mobilization, several other key elements, such as the Decisions XI/4 and XII/3, have guided the efforts of Parties regarding resource mobilization over the last years. Any upcoming assessment of the current Resource Mobilization elements under the Convention should go beyond analysing the Strategy for Resource Mobilization, and should look at other COP Decisions, noting that the current format of the Financial Report is mainly based on the decisions taken at COP XI. It should also be clear(er) that while the Resource Mobilization component of the post-2020 global biodiversity framework needs to address all three objectives of the Convention and capacities by Parties to achieve them, it is not merely a strategy to implement the convention or structure its work, but a strategy to mobilise all relevant resources at the scale and through the modalities needed to effectively and sustainably address the global biodiversity crisis.

Please find the replies by the Commission and the following individual EU Member States (Germany, Finland, France, Croatia, Malta, Sweden and United Kingdom) in the Annexes.

(a) Please provide your evaluation of the structure, content and effectiveness of the Strategy for Resource Mobilization adopted by decision IX/11¹ indicating as much as possible the gaps in meeting the targets.

The Strategy for Resource Mobilization has provided a useful basis for assessing the EU and its Member States funding needs, gaps and priorities regarding biodiversity and ecosystem services. While many of the elements of the structure and content of the CBD Strategy for resource mobilization remain appropriate, the current gap between resource needs and resources available – and related biodiversity loss – has shown that the effectiveness of the Strategy was limited. The resource mobilization component of the post-2020-framework will need to be more efficient. The EU and its MS have identified a number of gaps in meeting the targets, such as the following issues (NB: comments include but are not limited to the EU region):

- While the CBD Strategy for Resource Mobilization provides useful general orientation which should guide Parties' efforts to mobilize additional resources for biodiversity, the strategy is not very operational. The main objectives having guided Parties' work regarding resource mobilization over the last years seem to correspond mainly to the 2012 Hyderabad commitments. In this context, it remains unclear whether the Strategy for Resource Mobilization has had tangible effects. The future Resource Mobilization component of the post-2020 global biodiversity framework should therefore be aligned with the strategic direction of the Post-2020 framework and be operational to be an

¹ <https://www.cbd.int/doc/decisions/cop-09/cop-09-dec-11-en.pdf>

effective tool for resource mobilization. None of the goals addressed harmful subsidies and incentives.

Specific gaps were identified regarding the following goals:

Goal 1: Improve information base on funding needs, gaps and priorities

The Strategy for Resource Mobilization has provided a useful basis for assessing the EU and its Member States funding needs, gaps and priorities regarding biodiversity and ecosystem services. At the same time, while Goal 1 of the Strategy for Resource Mobilization was intended to provide support to Parties to assess their biodiversity financial needs, several ongoing studies are developing methodologies and indicators to assess and measure the funding needs, gaps and effectiveness (OECD, BIOFIN, GCP).

The strategy lacks a transparent methodology for reporting on resources mobilization. That is why COPXIII/22 requested to the CBD Executive Secretary for the possibility of an up-to-date voluntary guidance in order to facilitating financial reporting.

Experience with implementing the Rio-Markers has shown that these are a useful and internationally recognized tool for the monitoring and reporting of finance flows. Their practical implementation has nonetheless raised challenges in some cases, and their full reliability remains to be fully assessed. While the criteria and the newly adopted table by the OECD supporting the application of the biodiversity marker provide useful references for the assignment of the marker, there remain some challenges on how the markers are used in the reporting under the convention. Additional work carried out with parties on how they use the Rio markers for their reporting under the Convention would therefore be needed. Also, while the biodiversity marker is applied for bilateral ODA as well as OOF, some gaps still exist concerning the tracking of multilateral biodiversity related development finance. While the MDBs have developed a joint methodology for tracking their climate related finance, such a joint approach is still missing for biodiversity related finance. Also, currently there is almost no information on private biodiversity finance mobilized available. The work under the Research Collaborative on tracking private Climate Finance could also be helpful in determining methodologies and data on biodiversity finance mobilized. It should also be noted that, while some experiences and methodologies have been developed for identifying and monitoring ODA contribution to biodiversity, such task is far more complex when it comes to “Other Official Flows.

For implementing the strategy and preparing financial reports relates to the fact that the template of the Financial report is not aligned with the Strategy and mainly structured on the basis of the Hyderabad commitments. In the future, the template of the Financial report should be further aligned with any future Resource Mobilization component of the post-2020 global biodiversity framework.

It has also proved difficult to integrate the concepts of transformative change and mainstreaming of biodiversity into discussions on funding needs and resource mobilisation. The indirect economic and social externalities of biodiversity are difficult to quantify and internalise in the way markets and investments work.

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

The EU and its Member States have made significant efforts over the last decade to strengthen their capacity to mobilize domestic funding for the three objectives of the Convention, which has resulted in significant increases since 2010. Funding programmes having biodiversity and nature as a core focus has had a particularly positive impact on achieving the three objectives of the Convention.

At the same time, significant challenges have been faced, in particular in relation to:

- The need to further mainstream biodiversity in all policies and sectors, and ensure policy coherence as a key driver of transformative change, with a view to reducing the impacts of productive sectors – and potential biodiversity harmful subsidies – while maximising the potential contribution of domestic and international financial instruments to funding (cf. [*biodiversity proofing guidelines developed by the European Commission to biodiversity proof a number of EU funding instruments*](#));
- Use of sectoral funding programmes in which biodiversity has been mainstreamed. The lack of capacity for utilisation of these programmes and associated resources has been a challenge, even if a number of tools were developed to address such shortcomings;
- Deepening synergies with domestic climate policies and associated financial instruments to support nature-based solutions and their contribution to climate mitigation and adaptation while maximizing their contribution to the three objectives of the Convention is essential.

Goal 3: Strengthen existing financial institutions and, promote replication and scaling-up of successful financial mechanisms and instruments

The need for the private and finance sectors to invest in nature and biodiversity has become evident, as shown by a number of assessments provided by e.g. IPCC, IPBES, OECD, including at practical level (e.g. Economics of Ecosystems and Biodiversity, natural capital accounting, costs of environmental policy inaction, sustainable finance) with specific work on increasing awareness (UN, WEF, nature-base track of climate action, etc.) The discussion about non-monetary values that was brought forward from the Hyderabad commitments, further to the most recent decision 14/16² (Methodological guidance concerning the contributions of indigenous peoples and local communities), and that is reflected in IPBES through the values assessment³, is important for reaching a more comprehensive understanding and recognition in society.

Some of the gaps identified in the current Strategy for Resource Mobilization relate to:

² <https://www.cbd.int/doc/decisions/cop-14/cop-14-dec-16-en.docx>

³ <https://ipbes.net/values>

- The importance of promoting natural capital accounting, and internalizing at all levels and in all sectors the real cost of biodiversity loss as well as the actual co-benefits of projects beneficial to biodiversity;
- The need to further promote sustainable financing, and circular and green economy, as well as the mobilisation, of blending finance and financial tools not limited to public financing or guarantees and of risk sharing instruments. Reflecting the real value and collective returns of investments in nature and biodiversity is essential. This was reflected in the Hyderabad commitments and it is key for creating a comprehensive understanding of the need for protection of biodiversity. Political support is still needed to engage non-environmental actors, such as finance ministries, fiscal administrations, central banks, commercial and development banks, private funds, business, economic sectors, development actors and others into biodiversity. There is a clear need for appropriate cross cutting nature protection, sustainable use and biodiversity-related legislation, standards and market regulations to cover relevant externalities, whether at the level of domestic resources or in terms of international capital and financial flows. There is a need to promote biodiversity finance and resource mobilization based on a wider, more open strategy, plugged into the economic, finance and fiscal world;
- The role of multilateral as well as national development banks as frontrunners for biodiversity-friendly and biodiversity-neutral investments and practices was addressed insufficiently;
- The insufficient identification of ecosystems, habitats and species as key enablers for (and increasingly a necessary condition to) most SDGs. The role of public finance institution such as central banks, national development banks, regional development banks, multilateral development and finance institution, which engage 1 Trillion USD per year in support of development. Their alignment with the strategic goals of the CBD and with the future post-2020 global biodiversity framework should and can be strengthened, notably by risk approaches (strengthening safeguards and redlines for the most impacting development activities) and by opportunity approaches (biodiversity co-benefits in sectoral projects, nature based solutions for cities, water sanitation, coastlines, agriculture, energy, health and education);
- The role of private finance sector should be stressed as a key component of all resource mobilization strategy at all levels;
- The role of notation agencies to provide information on biodiversity impact and/or performance of companies (based on business reporting and independent assessment) for investors;
- The role of NGOs to “track” business and financial institutions (reputation risks) but also to help them (with other partners) and raise their awareness on the link between business/finance and biodiversity (financial risks and possible new benefits/return);
- Climate finance is more structured than biodiversity finance both in the public and private finance sectors, with over 1 trillion of both public and private funds. The Green Climate Fund also supports projects and programme with the aim to enhance ecosystems. Parties should make better use of already existing opportunities.
- The role of mainstreaming biodiversity in the most impacting sectors (especially agriculture, forestry and fisheries) should be stressed as a key avenue for resources

mobilization, in as much as reducing the n°1 pressure on biodiversity (see IPBES global assessment May 2019), it directly diminishes the protection and restorations costs and expenses;

- The need to link, for business and financial institutions, biodiversity issues with those better known of ESG (environmental, social and governance) and climate;
- The need to reduce the limitations of the GEF in providing non-grant financing and the difficulties in applying different levels of concessionality based on the development status of recipients.

Goal 4: Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention

Since the adoption of the Strategy for Resource Mobilization by the Convention in 2008, significant experience has been gathered in terms of innovative financial mechanisms in support of biodiversity, such as through the EU Natural Capital Financing Facility. Such mechanisms have shown that it is possible to invest in biodiversity and natural capital, and to generate economic activities while attracting new funding to biodiversity. At the same time, experience gathered so far has demonstrated that the uptake of such financial mechanisms remains relatively slow and concerns often small scale projects.

Upscaling innovative financial mechanisms is likely to require a number of key actions and elements, which should be more explicitly presented in the future Resource Mobilization component of the post-2020 global biodiversity framework:

- The usually relatively small size of projects requires financial mechanisms specifically tailored to biodiversity, such as dedicated instruments to provide capacity building and distribute to individual projects as well as potentially provide specific conditions for access to funding (e.g. through loans);
- The need to encourage biodiversity investments and project developers to define business models that can generate cash flow to cover loans and interests;
- The need to encourage further natural capital accounting and disclosing by the financial sector, both in terms of addressing ecological footprint and dependencies on nature and related risks;
- Develop biodiversity impact finance to scale. Initial reflections could include, but are not limited to, strengthened standards in mainstream finance instruments, de-risking mechanism using public finance institutions, transparency and non-financial reporting (climate, biodiversity, social) of funds' performances, building upon the experience gathered via relevant initiatives such as the EU Action Plan on Sustainable Finance;
- Fully mobilise public institutions such as development banks operating at national, regional and global levels, and multilateral institutions and instruments to leverage private finance capacity to invest in and finance pro-nature economy;
- By working with coalition and alliances both among public (IDFC) and private finance sector (*Finance for Tomorrow, Finance for Nature*), initiate a rapid alignment of finance fluxes with the Paris Agreement, the post-2020 global biodiversity framework and SDGs/2030 agenda;

- Climate funding mechanisms can deliver biodiversity co-benefits and nature based climate solutions;
- The need for applying safeguards framework (ref decision 14/16) to ensure full and effective integration and mainstreaming of biodiversity, where social as well as environmental trade-offs are avoided or acted upon.

More international cooperation is needed on taxation and market regulation. The main obstacle to scaling up innovative financing remains the need to steer markets and investments to better reflect externalities of global public goods, the need to better align environmental action with social and economic development objectives and the need to integrate long term sustainability (all 3 “pillars”) into international capital flows and value chains.

Goal 5: Mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities including the linkage between Convention’s work programmes and Millennium Development Goals

While there has been progress in mainstreaming biological diversity and its associated ecosystem services in development cooperation plans and priorities, there remains a necessity to link the biodiversity agenda to development agendas such as climate and the SDGs. Work in the CBD context and amongst biodiversity and environment experts clearly emphasizes the relevance of biodiversity for SDGs, climate change, risk and disasters prevention and social and economic priorities at all levels, and the importance of positive externalities of investments in nature, especially in the long term. However, capital flows and overall resource mobilisation are far from reflecting this reality.

There are increasingly visible and quantifiable economic, social and environmental costs of inaction on and/or degradation of ecosystem services, as well as a more robust science based on the economics of biodiversity and nature. This has resulted in renewed political impetus over the last 2 years and in particular since COP 14 in 2018, to align resource allocation and financial flows with an integrated 2030 Agenda (SDGs) at international level.

The innate weakness of considering biodiversity finance as an independent function of economic investment. The economics and finance of biodiversity mainstreaming in the most impacting sectors holds the brunt of a development fully bearing the costs of biological resources and ecosystem use. This can be better achieved through strengthened national regulations and enforcement, sustainable trade and custom controls, extra financial reporting for all medium and large enterprises, certification, voluntary schemes, biodiversity and climate ranking;

Close ties with all key UN and international agencies will be key for the definition and implementation of the post-2020 global biodiversity framework. Policy coherence for development and impacts on nature and biodiversity need to be even more systematically factored into all cooperation programs (including South South).⁴

⁴ <https://www.oecd.org/dac/environment-development/mainstreaming-biodiversity-for-sustainable-development-9789264303201-en.htm>

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

While excellent practices and programs have been developed, action in that area is not yet at scale and domestic resource mobilization very often does not reflect the economic and social importance of investing in biodiversity and nature. Implementation of MEAs remains insufficient despite significant cooperation programs and capacity building actions in this area.

Developing national biodiversity finance strategies, as outlined in Aichi Target 20, remains central to achieving the implementation of the post-2020 global biodiversity framework and its 2050 vision. To that purpose, while most approaches and tools already included in the Aichi 2020 target are still very much in need of implementation, there is much opportunity in advancing at national levels:

- Natural capital accounting, its methods and integration;
- Develop national biodiversity scenarios and their economics and finance;
- Optimising the use of development finance and the leveraging;
- Enforcing national regulations and enforcement to improve the economic sectors' integration of biodiversity efforts / mainstreaming as a key avenue to reduce pressure on biodiversity and thus protection and restoration costs.

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

At the time of the adoption of the 2008 Strategy for resource mobilization, access and benefits sharing was a relatively new concept. It has been necessary to build capacity with different stakeholders involved in the ABS implementation (amongst others institutions granting access to users of genetic resources). Considering this, we find it useful that the first step of the RM strategy on Goal 7 focused on raising awareness and capacity building to implement ABS.

To contribute to the achievement of Goal 7, Parties to the Convention negotiated the adoption of a specific instrument implementing the third objective of the CBD Article 15, namely the Nagoya Protocol.

The EU and its Member States support activities promoting awareness-raising about ABS and support capacity building both in the EU and in developing countries. We also support the adoption of code of conducts to carry out activities promoting ABS compliance. Although progress has been achieved, the implementation of the Protocol is still at its early stage and we need to continue to raise awareness and build capacity. Therefore, it is difficult to assess whether and to what extent the implementation of this ABS instrument has contributed to mobilize resources. In addition, there is no assessment of the value of the resources mobilized through ABS initiatives and mechanisms put in place until now. Such assessment could help identifying ABS practices that are successful in mobilizing resources in the future.

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

The Strategy for Resource Mobilization should have been more explicit regarding potential opportunities for synergies with the global climate agenda, the 2030 Agenda and resources to support nature-based solutions and their contribution to climate mitigation and adaptation at global level. As pointed out by both IPCC and IPBES, it is imperative to ensure resources benefit both environment and climate with a specific effort to minimise the trade-offs needed between the two (current climate finance does not adequately reflect the role of healthy ecosystems and positive impacts on nature and biodiversity. Climate and biodiversity efforts should not be seen as mutually exclusive, but rather enhance synergies and co-benefits.

The mobilisation of Ministries of Finance, Central Banks and heads of State on the post-2020 global biodiversity framework is key. All opportunities for such mobilization should be seized during the year 2020, and especially key moments when Heads of States can be involved, such as the World Nature Congress in Marseille, the UN 2020 Summit on Nature in September, and CBD/COP-15 in Kunming.

One possible way forward could be to engage with NDAs (National Designated Authorities) and Accredited Entities under the GCF to work towards better realizing the potential to achieve biodiversity co-benefits and to strengthen the contribution of funding proposals and projects directed towards the GCF's biodiversity related key result areas (e.g. ecosystems and ecosystems services, land use and forests).

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

[see individual responses by the Commission and individual Member States annexed to this document]

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

[see individual responses by the Commission and individual Member States annexed to this document]

(d) Please provide your views on the possible structure and content of a draft resource mobilization component of the post-2020 biodiversity framework, as a follow-up to the current Strategy for Resource Mobilization;

The EU and its Member States believe that the future Resource Mobilization component of the post-2020 global biodiversity framework need to be based on key issues such as:

- The resource mobilization component of the post-2020 global biodiversity framework should be concise, concrete and operational. Possible targets should be accompanied by indicators and concrete actions. This could include linking the future Resource Mobilization component with the post-2020 biodiversity framework and lessons learned as well as national reports;
- Besides improving traditional biodiversity funding approaches concentrating on public finance, it should enable moving towards a smart framework enabling to also attract private finance, with the relevant safeguards.⁵ Systematic changes within our financial and economic systems are needed to align investments with international climate and biodiversity goals and to achieve the 2030 Agenda on Sustainable Development. There is also a need to explore opportunities for regulatory and non-regulatory initiatives, fiscal measures and other incentives, and mechanisms for natural capital accounting with a view to internalizing the real costs associated with biodiversity and dependencies to promote a fundamental shift to an economy and policies benefiting to nature and biodiversity. A Taskforce for nature related financial disclosure, modelled on the taskforce Climate related Financial Disclosure could be helpful;
- It should place specific emphasis on the need to maximize synergies with financing the implementation of the SDG's and climate financing with a view to encouraging further financial support to nature-based solutions in favor of climate mitigation and adaptation as well as of the three objectives of the Convention.
- Experience gained through a number of relevant initiatives, in particular BIOFIN, shows that it has proved to be a useful tool to provide financial and technical support and capacity to Parties, or also the Poverty Environment Initiative;
- Cross-cutting issues of the post-2020-framework, such as mainstreaming and capacity building, and which are also relevant in the context of resource mobilization, should be coherently addressed and duplications should be avoided. Resource mobilization for biodiversity should also be in line with resource mobilization for the implementation of the 2030 Agenda;
- It should also be clear about the audience targeted by this future component, and be framed in a way that appeals to all relevant actors, including governments, economy, finance and development actors;
- Particular attention should be paid to ensuring that all key actors, in particular government actors at national, regional and local level are equipped with the necessary capacities to finance and direct financial flows towards biodiversity and its sustainable use.

This resource mobilization component should therefore cover three key areas:

⁵ decisions COP 12/3 Annex 3 and COP 14/15

- **Enhanced efficiency and effectiveness:** enhancing effectiveness and more effective uptake of available funds needs receive special attention, as well as integration of biodiversity and related targets in financial programmes, plans and initiatives. How to make existing investment in biodiversity more efficient needs to be a key element of any resource mobilization component of the post-2020 global biodiversity framework.
- **Reducing the need for resources:** resource mobilization efforts should be complemented by i.e. encouraging resource mobilization through transformative change, mainstreaming and reducing biodiversity harmful subsidies; closing the financial gap can only be achieved through realigning existing policies, financial flows, and investments (particularly those which currently lead to biodiversity loss) with biodiversity objectives, and through improved sectoral integration, with a focus on co-benefits and positive impacts on nature. It is crucial that policies and investment decisions better reflect the negative impacts (negative “externalities”) of ecosystem degradation and the co-benefits (positive externalities) of investments in the protection of biodiversity. Natural capital related risks associated with biodiversity loss should therefore be assessed and reflected in financial and investment decisions and institutions to align financial streams with biodiversity goals. Internalizing environmental costs in value chains and reflecting them in the price of commodities and consumer products can encourage the transformational change we need.
- **Generation of new resources from all sources:** In this regard, in particular domestic resource mobilization needs to be improved, by creating an enabling environment, creating incentives and using economic instruments, i.a. through tax reform that is socially acceptable. This should be accompanied by adequate capacity building, and awareness raising and underpinned by enhanced biodiversity mainstreaming.

The EU and its Members States also wish to underline the principles set out by the Addis Ababa Action Agenda for development financing and the importance of making use of the co-benefits offered by projects jointly addressing nature and biodiversity protection and other environmental issues, including climate change, desertification or deforestation. It is key for mainstreaming to make these projects deliver.

The future resource mobilization component of the framework should support the need to reflect at all levels the real cost of healthy ecosystems and their services, including for instance their degradation and the real value of investments in biodiversity, ecosystems and their services protection.

It is important to ensure that resource mobilization, including through combined public/private financing and risk sharing instruments, but also for the sustainable use of natural resources and ecosystems - and their services - and the promotion of access and benefit sharing of genetic resources.

The EU and its Member States would also like to explore possible ways to further integrate benefit sharing as part of the future Resource Mobilization component of the post-2020 Global Biodiversity Framework.

(e) Please provide your views and any relevant information concerning options and approaches for mobilizing and providing additional resources from all sources;

Building on the above elements, the EU and its Member States believe that the future resource mobilisation component of the post-2020 global biodiversity framework should take into account the following elements:

- The need to mainstream the three objectives of the Convention in all policies and sectors, plans and budgetary and investment frameworks at all levels and ensure policy coherence, with a view to reducing the negative impacts of those sectors – and potential biodiversity harmful subsidies – while maximising potential positive contributions and co-benefits;
- The need for natural capital accounting, and internalising at all levels of investments and policies the real cost of biodiversity loss as well as the actual co-benefits of projects beneficial to biodiversity and apply biodiversity safeguards in investments;
- The potential opportunities provided by sustainable financing and circular and green economy, as well as the mobilisation of blending tools and risk sharing instruments to reflect the real value and collective returns of investments in nature (it is critical to create the right incentives, market conditions and political support to attract investments and ensure reward for positive externalities);
- The need to scale up and strengthen bankable projects and other investment opportunities for green and sustainable finance;
- The potential need for a specific monitoring/review system at global and EU level to strengthen the monitoring of resource mobilization and use by Parties, including positive impacts from mainstreaming and policy coherence;
- Potential opportunities for synergies with the 2030 Agenda and the global climate agenda and resources to support nature-based solutions and their combined contribution to climate mitigation and adaptation, on the one hand, healthier and more resilient ecosystems on the other;
- The need to ensure reliable estimates of biodiversity financing both at international and domestic level, drawing upon the lessons learned from the application of the Rio markers;
- The need to make political leaders, heads of State, members of parliaments and Ministries understand the imperative of integrating biodiversity, climate and the planetary environmental stability in all aspects of their financial ruling, decisions and deliberations, especially with regards to laws and regulations to achieve net zero impacts and full integration of environmental responsibility within economic activities;
- At the same time, the need to sensitize economic leaders on the importance of including biodiversity in their risks/return schemes and the imperative of integrating biodiversity

- risks and opportunities in their due diligence, general accounting and their reporting with ESG and climate issues;
- Recognizing the importance of implementing safeguard frameworks (decision XII/3 Annex 3, and decision 14/16) and also link to the development in the new fully integrated post-2020 Programme of Work on Art 8(j), about a specific IPLCs safeguards framework;
 - The need to align the private financial sector to the targets and goals of the CBD. Ask for commitments and monitor implementation.

(f) Please provide your views and any relevant information on possible ways to strengthen the engagement of a wider range of financial and private institutions, at all levels and from all sources, to support the implementation of the post-2020 framework;

The EU and its Member States believe that the future resource mobilization component of the post-2020 global biodiversity framework should strengthen the contribution from the private and financial sector. Businesses are increasingly aware of their impacts and dependencies on nature and biodiversity and the risks that ecosystem degradation pose for their activities, as well as the opportunities of positive investment in natural capital (see e.g. the Global Risk Assessment published each year by the World Economic Forum).

Mainstreaming of biodiversity into private funding are critical elements to reach this overall objective. An enabling environment through e.g. policy innovation and appropriate governance measures needs to be created for the private sector and financial institutions to contribute to the three objectives of the Convention. In this regard, it would be important to facilitate the alignment of different approaches developed by business and to support companies and financial institutions in developing generally accepted accounting principles, as well as to promote incentives and regulations in place.

Furthermore, blending is an important instrument, i.e. combining public and private funds, and different types of modalities, such as grants, loans, equity, risk sharing instruments supported by technical assistance and capacity building could be considered. All these instruments will require strong support at political level and a more conducive environment for (innovative or classic) sustainable investments (externalities).

The mobilisation of public finance providers such as regional and national development agencies and banks is a key instrument. For example, the International Development Finance Club gathers 28 institutions committing 850 BnUSD/year to development. It has already aligned 150BnUS/year to the Climate Paris Agreement. A working group on biodiversity has been established (end 2018) and results on benchmarking, fluxes and possible taxonomy are expected to be available for 2020.

Experience has also shown that it is often difficult to obtain accurate data and information on resources mobilised by the private sector for biodiversity. Here the work that is currently underway under the Research Collaborative for tracking private climate finance could serve as an example also for Biodiversity Finance. In this regard, disclosure and reporting on impacts

and dependencies on biodiversity and natural capital could contribute to better recognising and taking into account business contributions for biodiversity.

(g) Please provide your views and any relevant information on possible ways to further mainstream biodiversity into national economic budgets and development plans, including key productive sectors;

The EU and its Member States believe that strengthening the mainstreaming of biodiversity into national economic budgets and development plans will be a key element to achieve resource mobilization levels in line with the financial needs to implement the future post-2020 global biodiversity framework. Whole of government approaches and in particular the involvement of ministries of economy, finance and development is crucial for the effective mainstreaming of biodiversity in their work. In this context, it is also important that NBSAPs are adopted as a whole-of-government policy document and directly taken into account in national budgets, fiscal and economic policies, with stronger ties and synergies with other MEA and the SDG implementation.

(h) Please provide your views and any relevant information on possible ways to improve the readiness and capacity of Parties to access and utilize financial resources in support of the implementation of the post-2020 framework.

The EU and its Member States are actively involved in supporting capacities for sustainable development and environment throughout the world, including through implementation of MEAs. The capacity of Parties to access and utilize financial resources in support of the implementation of the post-2020 framework should be further supported, building on existing initiatives such as BIOFIN and other international, regional, and bilateral initiatives, including at South-South and North-South levels. The Long-term Strategic Plan for Capacity Building, to be adopted at COP15, is also important for increasing resources mobilisation efforts for the post-2020 global biodiversity framework.

Annexes

Individual responses by the Commission and Member States to questions (b) and (c)

ANNEX 1. THE EUROPEAN COMMISSION

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

You may wish to structure your replies to questions (a) and (b) above in accordance with the goals of the Strategy for Resource Mobilization, namely:

Goal 1: Improve information base on funding needs, gaps and priorities

The European Commission has carried out a number of funding needs assessments over the last years, in particular through:

- the 2015 mid-term review of the Biodiversity Strategy to 2020;
- the 2017 “Fitness Check” of the European Birds and Habitats Directives;
- the 2018 Impact Assessment of the LIFE Regulation;
- the 2019 Priority Action Frameworks developed by EU Member States in the context of the Natura 2000 policy.

Based on these assessments, it is estimated that the overall costs of conserving and restoring biodiversity – based on the objectives of the 2011-2020 EU Biodiversity Strategy – are in the range of 11 to 20 billion EUR per year. This includes the annual costs of managing the Natura 2000 network and green infrastructures connecting Natura 2000 sites, which are estimated at around 6 billion EUR per year, though more recent – though not yet public - assessments⁶ show that this amount may be significantly higher. This overall amount of 11 to 20 billion also includes implementation of the EU biodiversity strategy target to maintain and enhance ecosystems and their services, including through restoring 15% of degraded ecosystems, which corresponds to costs around € 5 billion per annum (an average of different estimates). While the latest domestic financing figures show that 12,8 billion EUR were dedicated to funding biodiversity in 2018, the above assessments concluded that there remains a significant gap in funding, in some cases due to challenges in mainstreaming biodiversity in relevant policy sectors. It is possible that the 11 to 20 billion EUR figure is conservative given recent progress in science and knowledge of indirect drivers of biodiversity loss.

The Commission has also developed a specific methodology⁷ to ensure the tracking of biodiversity expenditures in the EU budget (2014-2020). The methodology applies the Rio markers, outlining key challenges, and proposes a workable approach to tracking expenditure at different levels and stages of the budgeting process. The fund-specific guidance documents

⁶ 2019 Priority Action Frameworks developed by EU Member States in the context of the Natura 2000 policy

⁷ https://ec.europa.eu/environment/nature/biodiversity/financing_en.htm

provide an approach to tracking biodiversity-related expenditure under the EU funding instruments (Common Agricultural Policy, Cohesion Policy, European Maritime and Fisheries Fund, Horizon 2020, LIFE programme, etc.) The latest version of the methodology (2017) also reviews opportunities for biodiversity funding in the private sector, in particular through payments for ecosystem services. One of the main challenges faced in developing this methodology relates to implementation of the Rio Markers and the assessment of the contribution of specific actions under each funding instrument part of the EU budget.

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

Significant efforts have been undertaken by the European Commission to strengthen domestic resource mobilization.

Biodiversity was integrated in the European Commission's proposals for the EU budget (Multiannual Financial Framework) for 2021-2027, and for related EU funding instruments. It includes a significant increase of the proposed budget for the LIFE Programme, the dedicated instrument for catalysing the implementation of EU environment and climate objectives. Under the priority area Nature and Biodiversity, new Strategic Nature Projects (SNaPs) were introduced, with a specific focus on mainstreaming nature and biodiversity objectives into other policies and financing instruments.

At the same time, the current levels of funding (11,9 billion EUR/year on average during the period 2014-2018) remain below actual funding needs. The mid-term review of the EU Biodiversity Strategy identified lack of financing, and lack of integration into sectors, in particular agriculture, as one of the main constraints for meeting the EU's overall biodiversity targets.

In 2014, the European Commission published a practical common framework⁸ for biodiversity-proofing the EU budget, which includes general guidelines for national and regional authorities and for European Commission services, in order to ensure that spending has no negative impacts but supports biodiversity objectives. It also includes specific guidelines targeting national and regional authorities in EU Member States, for Cohesion Policy Funds, Common Agricultural Policy funds, the Connecting Europe Facility, and the European Maritime and Fisheries Fund.

Goal 3: Strengthen existing financial institutions and, promote replication and scaling-up of successful financial mechanisms and instruments

Lessons learned from initiatives aiming at strengthening financial institutions contribution to biodiversity – such as the Community of Practice for Biodiversity Financing⁹ under the EU Business&Biodiversity Platform – have shown that dialogue between financial institutions is key to share experiences, raise awareness and promote best practices on how to integrate biodiversity and natural capital into mainstream financial activities and foster investments in natural capital as a new asset class. Such dialogue has proved useful in accelerating the process

⁸ https://ec.europa.eu/environment/nature/biodiversity/financing_en.htm

⁹ https://ec.europa.eu/environment/biodiversity/business/workstreams/finance/index_en.htm

of learning and supporting implementation both at strategic level and in practical experience, thereby supporting the transition towards a sustainable financial sector.

Significant experience has also been gained since the adoption of the EU Action Plan on Sustainable Finance in 2018, aiming at operationalizing the ambitions of the Paris Agreement and the Sustainable Development Goals into a concrete legislative roadmap¹⁰. The action plan has 3 main objectives:

- reorient capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth
- manage financial risks stemming from climate change, environmental degradation and social issues

foster transparency and long-termism in financial and economic activity. It includes the ongoing development of an EU taxonomy of sustainable activities, which is likely to include in the future a list of economic activities that can make a substantial contribution to biodiversity and ecosystems.

Goal 4: Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention

Significant efforts have been made in the EU to encourage financial contribution from the private sector. The EU Business and Biodiversity Platform¹¹ provides an EU-level forum for sustained and strategic dialogue about the links between business and biodiversity. Through three separate thematic workstreams – on natural capital accounting; innovation for biodiversity and business; and access to finance and innovative finance mechanisms – the Platform has proved as a useful instrument to deliver tangible results by working with business to develop tools and approaches that integrate biodiversity considerations into business practice. The Platform also helps to coordinate and to raise awareness of innovative national and international initiatives on business and biodiversity, and showcase business best practices at EU level. The B@B Platform's third workstream (on access to finance and innovative finance mechanisms) focuses on demonstrating the benefits to business, including SMEs, of biodiversity-related investments, as well as showcasing financing schemes for biodiversity and champions in the finance sector who are funding biodiversity-related projects or who are using nature-related criteria for financing decisions. The workstream identified a range of biodiversity investment opportunities (e.g. pro-biodiversity business/certified products, biodiversity offsetting and habitat banking, Payment for Ecosystem Services schemes and bio-carbon markets, financial services), funds and financial instruments supporting investment in biodiversity in the EU and worldwide, and key actors in the financial sector championing integration of biodiversity into investment decisions. The workstream developed a more detailed analysis of financial needs and opportunities in key areas of biodiversity action (certified products, offsets, green infrastructure, Payment for Ecosystem Services, biodiversity friendly businesses). The role of

¹⁰ For more information: http://europa.eu/rapid/press-release_IP-18-3729_en.htm?locale=en.

¹¹ http://ec.europa.eu/environment/biodiversity/business/index_en.htm

different sources of private and public sector finance, including EU funds, in addressing these needs and opportunities was also examined.¹²

The European Commission and the European Investment Bank (EIB) established also in 2015 the Natural Capital Financing Facility (NCFF),¹³ a financial instrument which provides loans and investments to support projects in EU Member States which demonstrate that the preservation of natural capital can generate revenues or save costs, whilst delivering on biodiversity and climate adaptation objectives. Currently there are clear barriers to the uptake of many natural capital projects, including lack of experience, long investment and project payback periods, and uncertainties about target markets, revenue streams and profit margins. The NCFF is a pilot to establish a pipeline of replicable, bankable projects that will serve as a "proof of concept" and demonstrate the attractiveness of such projects to potential investors. Eligible projects will address payments for ecosystem services, green infrastructure, biodiversity offsets and investments for innovative pro-biodiversity and adaptation businesses. The final recipients for NCFF are public or private entities, including public authorities, land owners and businesses. The total budget for the Investment Facility amounts to EUR 100 – 125 million for 2014-2021. The European Commission contributes EUR 50 million as a guarantee for the investments and finances a EUR 10 million support facility.

Any future work on the development of the resource mobilization component of the future post 2020 global biodiversity framework could build upon the lessons drawn from these initiatives.

Goal 5: Mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities including the linkage between Convention's work programmes and Millennium Development Goals

The EU's Agenda for Change¹⁴ adopted in 2011 sets out the overarching development policy of the European Union. It states that development is not sustainable if it damages the environment, biodiversity and natural resources or increases exposure and vulnerability to natural disasters. Furthermore, it promotes a green economy that can generate growth, create jobs and help reduce poverty by valuing and investing in natural capital. In line with the Agenda for Change, an EU flagship initiative – Biodiversity for Life (B4Life)¹⁵ – was created to support developing countries through efforts to halt biodiversity loss and address its drivers, in particular by connecting conservation with sustainable use, development, security and the fight against wildlife and forest crime (cf. EU Action plan against wildlife trafficking adopted in 2016¹⁶). It focuses on delivering support to regions suffering from biodiversity and ecosystem crises, such as deforestation, wildlife poaching and ecosystem function collapse, and by tackling biodiversity and ecosystem conservation in ways that also aid socio-economic development and poverty eradication. B4Life brings together under the same umbrella framework all EU-funded development cooperation projects and programmes that target biodiversity as principal objective, with the aim of ensuring better coherence and coordination. B4Life concentrates its operations in three priority areas: good governance for a sustainable

¹² The 2014 and 2015 reports issuing from the workstream are available at http://ec.europa.eu/environment/biodiversity/business/workstreams/workstream3-access-to-finance-and-innovative-finance-mechanisms/index_en.htm

¹³ http://ec.europa.eu/environment/life/funding/financial_instruments/ncff.htm

¹⁴ https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en

¹⁵ https://ec.europa.eu/europeaid/eu-biodiversity-life-b4life-flagship-initiative-leaflet_en

¹⁶ https://ec.europa.eu/environment/cites/trafficking_en.htm

management of natural capital; ecosystem conservation for food security and sustainable rural development; and ecosystem-based solutions towards a green economy. Considerable work was put in supporting protected areas and their multiple economic and social services, in particular in Africa. Biodiversity financing has become one of the pillars of support to SDGs.

Biodiversity-proofing of EU development cooperation has also been addressed through the mainstreaming of environment and climate change. A compulsory environmental screening for any new development cooperation action addresses potential impacts on protected or vulnerable areas, ecosystem services, the introduction of alien species, and the use of fertilisers, pesticides or other chemicals. Programming has paid special attention to the potential for biodiversity protection and improvement.

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

The EU has been a donor to BIOFIN, in order to support countries to measure current biodiversity expenditures, assess financial needs, identify the most suitable finance solutions and provides guidance on how to implement these solutions to achieve their national biodiversity target. Capacity building is more generally a fundamental aspect of EU external cooperation, particularly regarding implementation of MEAs, resolutions and decisions of COPs (CBD, CITES, UNFCCC, UNCCD...) and reinforcing capacities in relation to environment and the fight against trafficking and corruption.

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

With the adoption of the Nagoya Protocol, to which the EU contributed, Parties agreed on a standardised framework for access and benefit sharing. Since 2012, the EU has funded capacity-building projects to support the Protocol's ratification and set up ABS frameworks in developing countries. Progress has been made, however in most cases the adoption and implementation of ABS measures is a long and complex process, and further capacity building is still needed in order to ensure that operational ABS mechanisms are in place.

In addition, the EU adopted internal legislation to implement the compliance provisions of the Protocol in the Union, i.e. Regulation (EU) n. 511/2014 on compliance measures for users of genetic resources in the EU. The European Commission has engaged in awareness raising campaigns on access and benefit sharing targeted at wide range of stakeholders in the EU, and it has promoted code of conducts and good practices in access and benefit sharing to facilitate compliance with ABS legislations.

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

See above (for example in relation to goal 5).

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

Reliable estimates of the resources needed to implement the post 2020 global biodiversity framework will be key for meaningful discussions of the Resource Mobilization component of the framework. The assessment by the panel of experts, as requested under decision 14/22, will provide a useful contribution to the process. In this context, one of the key figures to be taken into account is the amount of financial flows of all types and origins that needs to go towards diversity (current estimates range between € 300 and 500 billion) of which only a fraction can come from ODA, thus demonstrating the need to increasingly focus ODA on leveraging other resources, incentivising nature friendly investments and mainstreaming biodiversity in all sectors.

ANNEX 2. GERMANY

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

Financial contribution to international biodiversity conservation

Over the past twenty years, Germany has continuously increased its financial contribution to international biodiversity conservation. Since 2013 Germany has provided more than 500 million euros annually for the conservation of forests and other ecosystems worldwide; it has thereby more than quadrupled its contribution since 2007. The German Government has thus adhered to the funding pledge made at the ninth Conference of the Parties to the CBD in Bonn in 2008. At the twelfth Conference of the Parties in 2014, the member states agreed that international financial flows for the implementation of the Strategic Plan 2011-2020 should be doubled by 2015 against the baseline of average annual biodiversity funding for the years 2006-2010. Further, it was agreed that this financial commitment should be maintained at least at this level until 2020. The German Government has achieved this target and is determined to continue to fulfil this commitment.

International Cooperation on Mobilization of Resources

Successful implementation of the 2011-2020 Strategic Plan requires not only capacity-building and raising awareness of the value of biodiversity, but also the mobilization of sufficient financial resources. Germany therefore supports its partner countries in devising funding strategies for the implementation of their NBSAPs. This support is provided, for example, within the framework of the Biodiversity Finance Initiative. Furthermore, Germany advises partner countries on the valuation of ecosystem services and on integrating them into development plans and budgets, including those of productive sectors. Support is also provided for innovative funding mechanisms. A focus of the German involvement is the development of sustainable finance mechanisms for protected areas. German cooperation provides long-term funding for the management of protected areas, such as low-interest loans and funds for conservation. At the same time, it also provides incentives for biodiversity conservation, for example through ensuring that local populations receive a share of the revenue from tourism in protected areas. In this way, management costs can be reduced, and the compatibility of conservation and the sustainable use of biodiversity can be promoted. Opening up new sources of funding is key to this - including from the private sector.

Examples for such sources are payments for ecosystem services, tax incentives for sustainable production, and “green” public investment programmes for biodiversity conservation.

In line with the Strategic Plan 2011-2020, one focal area of Germany’s development cooperation is the mainstreaming of biodiversity conservation into other sectors of public household planning and budgeting. Since 2012, successful cases of such mainstreaming have been implemented in partner countries, often with a focus on integrating biodiversity ‘sectoral components’ into projects and programmes with other principal objectives, such as those that promote agriculture, water resource management or sustainable economic development.

Need for Further Action

While the actions and measures summarized above and those of other Parties to the CBD and other stakeholders provided positive examples and led to improvements in resource mobilization, further action will be needed for the implementation of the post-2020 global biodiversity framework, including the use of resources provided through official development assistance (ODA) to leverage the mobilization of new and additional resources, especially from domestic sources, from the private sector and civil society, and through the mainstreaming of biodiversity into national economic budgets and development plans. In this regard, we refer to the answers to questions (a) and (d) to (e).

For more detailed information, including on the mobilization of domestic and international resources as well as on the assessment and evaluation of values, please see the German submissions within the Financial Reporting Framework.

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework.

We would like to stress that the estimation of resources needed for the implementation of the post-2020 framework will also depend on how ambitiously and at which point of time implementation measures will be taken. The estimation should take into account the potential of reducing the need for resources, including through transformative change, mainstreaming and reducing biodiversity harmful subsidies, and of enhanced efficiency and effectiveness of resource use. It should also take into account the benefits derived from biodiversity and ecosystem services and the costs of inaction on biodiversity loss – as substantiated by research.

ANNEX 3. FINLAND

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

The Constitution of Finland from 11 June 1999 include Section 20 – “*Responsibility for the environment Nature and its biodiversity, the environment and the national heritage are the responsibility of everyone.*”

The public authorities shall endeavour to guarantee for everyone the right to a healthy environment and for everyone the possibility to influence the decisions that concern their own living environment.

In 2019 our government decided to invest substantially into halting the loss of biodiversity in Finland. **In Finland public funding for nature conservation will be increased by 100 million Euros** at the annual level. We will for example increase protected areas and implement a special marshlands and ecosystems protection programme (Helmi). We will also promote forestry practices that enhance our carbon sinks and biodiversity in commercial forests in line with the Governments programme.

One example, Finland established its 40th National Park, Hossa in 2017 to celebrate the 100 years of independency of Finland. The surface area of the Hossa national park is about 11 000 hectares and it is included in the Natura 2000 network. At total of EUR 2.5 million was made available for establishing the national park will be used over a period of three years.

Between years 2014-2018 Finland has invested about 1 M€ to regional cooperation on biodiversity in the northern and Arctic regions. One example of such cooperation is *the Green Belt of Fennoscandia*, which is a chain of existing and planned nature protection areas in the border areas of Finland, Norway, and Russia. The countries cooperate to develop connectivity between the protected areas.

The National Biodiversity Strategy and Action Plan: “Saving Nature for People” 2011-2020 for Finland includes a section on resource mobilization biodiversity. Finland submitted its Resource mobilization strategy to the Secretariat in March 2014 (CBD notification 2013-50). This submission builds upon the initial report in 2012 and the submission in response to notification 2012-023. Finland has submitted the resource mobilization figures to the CBD as requested and using the Rio Markers (OECD).

In Finland increased reliance on Official Statistics has evolved positively. For the private sector statistics on environmental expenditure in industry have been reported. For the public sector the environmental protection statistics expenditure is allocated to environmental domains according to CEPA 2000 classification (Classification of Environmental Protection Activities and Expenditure).

Since 1997, the CBD decisions have been implemented in Finland within the framework of the NBSAP. The monitoring of the NBSAPs takes a broad-based approach including all ministries, stakeholders, NGO's and scientific institutions.

The Ministry of the Environment set up in 2013 an ecosystem services and biodiversity planning group. The aim of the working group has been to raise general awareness on ecosystem services, in order to structure and implement the ecosystem service goals included in the 2012–2020 strategy and action plan for the conservation and sustainable use of biodiversity in Finland. Furthermore, the working group promotes research and development work on the theme, with special attention paid to the wide array of benefits produced by ecosystems. The working group drafts, monitors and promotes communication on ecosystem services, enhances cooperation between the authorities and various research institutions on projects related to ecosystem services – such as the objectives of the 2020 European Union Biodiversity Strategy – and prepares Finland's opinions for international ecosystem services meetings, such as IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services).

Regarding the assessment of values of biodiversity, Finland has been involved in TEEB-related initiatives through the Mapping and Assessment of Ecosystems and their Services (MAES) initiative, which involves a component on valuing ecosystems and their services, and integrating these values into accounting and reporting systems.

The Finnish Government 2019: Programme of Prime Minister Antti Rinne *Inclusive and competent Finland – a socially, economically and ecologically sustainable society aim at* “An ecologically sustainable Finland will pave the way in mitigating climate change and protecting biodiversity. Taking the lead, Finland can play a bigger role than the size of the nation would suggest in finding solutions to humanity's common challenge. This will open new doors for Finnish research, competence, innovation and businesses. We must make sure that our use of natural resources is proportionate to the goals of sustainable development. Our solutions in the manufacturing industry and forestry and agriculture will serve as an example for others. Finland's forests and their sustainable use are an important part of the work to combat climate change, not the source of problems.

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework.

The future estimation should take into account the efficiency and effectiveness of using existing resources, enhancing cost-effectiveness and more effective uptake of available funds needs receive special attention, as well as integration of biodiversity and related targets in financial programmes, plans and initiatives. Transformative change, mainstreaming and reducing biodiversity harmful subsidies, and of enhanced circular economy can improve and should be taken into account. We need also to take into account the benefits derived from biodiversity and ecosystem services and the costs of inaction on biodiversity loss by research.

The future resource mobilization component of the post 2020 Global Biodiversity Framework should enable to strengthen the contribution from the private and financial sector.

ANNEX 4. FRANCE

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

French financial regulation

France implemented in 2015 a pioneering regulation to take into account Environmental, Social and Governance (ESG) risks and fight against climate change in investment decisions. **The article 173-VI of the law on Energy Transition for Green Growth** requires institutional investors and trust companies to disclose information related to:

- Their consideration of ESG criteria in their investment policies and strategy
- The means used to contribute to the energy and ecological transition
- The financial risks associated to such transition

This article inspired a lot the works of the Task-force on Climate-related Financial Disclosures (TCFD) which promotes, at an international level, a reinforcement of transparency requirements and a better consideration of ESG criteria by companies and investors. These recommendations, based on the French model, were taken up by the European Commission in its « Action Plan on Financing Sustainable Growth », and more specifically regarding the regulation linked with Sustainability-related disclosures.

In order to address biodiversity issues, France recently adopted a new regulation (**LOI n° 2019-1147 du 8 November 2019 relative à l'énergie et au climat**) that will have direct impact on the ESG disclosures. Financial market participants will now have to disclose how they take into consideration biodiversity-related risks in their sustainability (or "ESG") risks.

National biodiversity action plan

Biodiversity financing is directly part of the national biodiversity action plan, as illustrated by the following actions.

- [Action 1] **We will co-finance innovative projects to reinforce the integration of nature into cities and provide access for all citizens to areas rich in biodiversity.** These projects may form part of the Investing in the Future programme, especially through the calls for projects from the *Ademe* (innovation contests) and the *Caisse des dépôts et consignations* (demonstrative initiatives and very ambitious innovative areas) to foster the development of an economic sector that is innovative and creates employment opportunities. The goal is to lead all our cities and conurbations to attain an average of between 1 tree per 4 inhabitants and 1 tree per 10 inhabitants, and ensure an increase in the proportion of green space by the year 2020. Furthermore, we encourage all municipalities with more than 100,000 inhabitants to set up a Nature in the City plan to develop access to natural areas for residents.
- [Action 32] **We will strengthen the biodiversity criteria of green finance labels.** In particular, we will work on the labels of Energy and Ecological Transition for the Climate and Participative Funding for Green Growth to encourage investors and savers to take a better account of biodiversity in their investment strategies.
- [Action 86] **We will start work to diversify the sources of funding for biodiversity and to experiment with new incentives to encourage sponsorship.** A special focus will be put on protected areas, in cooperation with the managers of these areas, and inspired by the

existing original initiatives in other fields, such as the cultural heritage lottery, crowdfunding and sponsoring contracts, etc.

Further work

Further work is ongoing to assess the impact of the private sector on biodiversity. As an illustration, CDC Biodiversité developed the **Global Biodiversity Score (GBS)**. This corporate biodiversity footprint assessment tool focuses on the biodiversity impacts of economic activities across their value chain, in a robust and synthetic way.

The **G7 French Presidency** endeavoured to set milestones towards the emergence of biodiversity financing, especially through two studies that it requested. The OCDE presented its work on economic interest for biodiversity preservation and quantification of financial fluxes in its favour. WWF and AXA handed their joint report on the integration of risks linked to biodiversity in private investment decisions

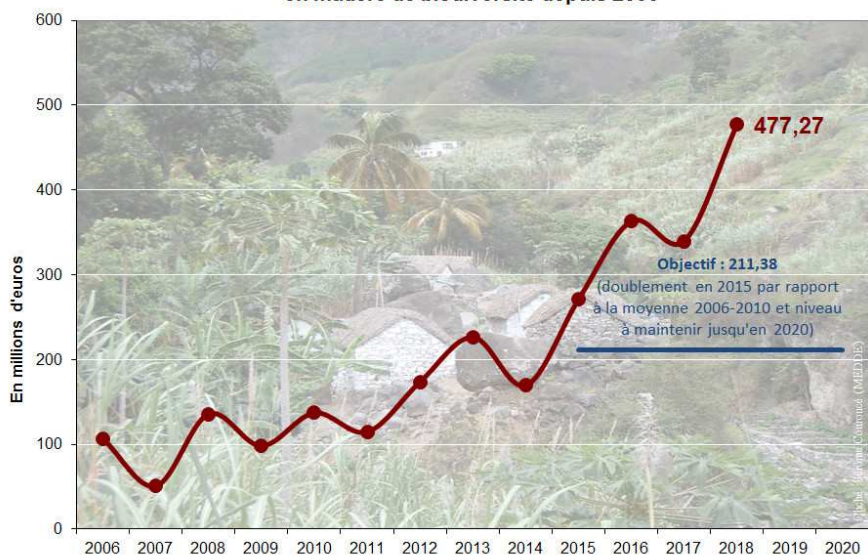
(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

France keeps an **annual domestic biodiversity expenses budget** (ex : 2,045 Bn EUR in 2016), covering all central and local budgets. Information on private funding and efforts for positive biodiversity impacts still need to be completed. France currently mandated the French association Orée (national focal point for the CBD Global Partnership for Business and Biodiversity) to develop a methodology to account private international biodiversity funding dedicated to biodiversity.

France global biodiversity funding contribution through official development aid (ODA) is as well followed and quantified yearly. France implements the Hyderabad commitments. Its ODA dedicated to biodiversity as illustrate by the picture below¹⁷.

¹⁷ <http://indicateurs-biodiversite.naturefrance.fr/fr/indicateurs/aide-publique-au-developpement-a-international-liee-a-la-biodiversite>

**Dépense nationale pour l'aide publique au développement international
en matière de biodiversité depuis 2006**



Note : Les données comprennent les actions bilatérales et multilatérales « biodiversité » de coopération au développement française (AFD, FFEM, volet biodiversité du FEM). Les données ne comprennent pas les actions relatives à la recherche.


ONB Visuel ONB, d'après :
 Observatoire National de la Biodiversité
 Origine des données : AFD et FFEM ; Direction générale du Trésor
 Traitements : MEAE, juin 2019

ANNEX 5. CROATIA

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

Resource mobilisation plan is integral part of Croatian NBSAP, which describes framework for resource mobilisation on national level. Croatia has secured additional resources for biodiversity financing in the period 2010-2020 based on the priorities analysis, which mainly refer to increase in using the EU funds in relation to total national funding. Improvement is also seen in developing further national innovative financial mechanisms as an additional potential to scale up finance mechanisms for biodiversity. These opportunities and achievements contributed to increase in financial sustainability of the nature protection system and have more than doubled the total nature protection funding in the last five years.

The Republic of Croatia has had positive experiences in the implementation of national innovative financial mechanisms so far, such as the introduction of fiscal reforms through the system of fees payable by environmental polluters and users in the private and public sector on the basis of the polluter pays principle, where the Energy Efficiency and Environmental Protection Fund provides one part of the collected funds to projects contributing to biodiversity conservation.

One of the globally accepted mechanisms being applied in the Republic of Croatia for a long period is the mobilization of additional funds in protected areas through the improvement of services and content, and through entry ticket sales. The new legal mechanism of financial solidarity between national and nature parks was established in 2017 named Joint Funds of Croatian Parks, which now functions as a shared service center for the parks. Public institutions of nature and national parks finance the joint fund with 3% of their annual revenues. In addition, the Ordinance on measures and ways of use national parks and nature parks donations and own revenues ([OG 65/17](#)) has been adopted. That gives Croatian parks two distinct advantages, low-income parks will now be able to apply for co-financing of various projects, and all parks will receive additional support in common services, such as legal support, public procurement and joint marketing.

In line with the climate change and biodiversity conservation policies interlinkages becoming more visible, additional funds for biodiversity are ensured through EU emissions trading system (EU ETS) in Croatia. Croatian Government in 2018 adopted Plan for the use of funds obtained from the sale of emission units through auctions in the Republic of Croatia until 2020 ([OG 19/18](#)). Within this Plan, biodiversity has been recognised as one of the priorities for financing, since implementation of projects aimed at preserving biodiversity and ecosystem services contributes to adaptation and mitigation activities to climate change.

ANNEX 6. MALTA

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

The promotion and conservation of biodiversity is mainly financed from national and European sources, as well as international funding programmes.

At a national level, the national budget is the main source of funding. Other potential sources are the National Environment Fund, Local Councils, Research Institutions, environmental NGOs and the private sector for the co-financing of projects and voluntary contributions.

At the European level, potential sources of funding opportunities exist under each of the European Structural and Investment Funds (ESIFs), which include the European Agricultural Fund for Rural Development (EAFRD), the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF) as well as the LIFE Programme.

The National Biodiversity Financing Plan to support the implementation of the current and future NBSAPs will be adapted, to cater for the funding needs for implementing the measures set out in the post-2020 global biodiversity framework.

Financial incentives, taxes and other economic instruments, such as the ones listed below, are considered effective and efficient ways to meet environmental policy objectives.

Moreover, in order to stimulate the demand for more sustainable goods and services, Malta has adopted national green public procurement guidelines where specific products and services must satisfy certain green criteria.

At national level, ongoing inter-institutional cooperation, needs to be catalysed in order to ensure that decision-making process, within various sectors, incorporates biodiversity considerations.

Further information on the implementation of Aichi Target 20 in Malta can be found in Malta's:

- *Financial Reporting Framework: Reporting on baseline and progress towards 2015*, available online at: <https://chm.cbd.int/database/record/238174>
- *Financial Reporting Framework: Reporting on progress towards 2020*, available online at: <https://chm.cbd.int/database/record/247213>

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

In line with the obligations under the EU Habitats Directive (92/43/EEC), the EU and its Member States are to provide a Prioritised Action Framework (PAF) for the ecological network

of protected areas known as the Natura 2000. The PAF is an exercise aimed to identify the necessary measures and costs to implement the EU Natura 2000 network and its associated green infrastructure. The financing needs for these measures are indicated and will be linked to potential sources of funding under national and EU funding programmes, following the adoption of the new Multiannual Financial Framework.

Malta understands that the PAFs from the individual Member States along with the more comprehensive EU wide document could provide relevant insight for the estimation of resources. Cost estimation provided by Malta in its submission indicates an indicative national need of approximately €24.5 million/year.

Moreover, it is understood that the outcomes of the Open-ended Working Group on the Post-2020 Global Biodiversity Framework and relevant thematic workshops will provide a sound background for the discussion on resources needs for the implementation of the post-2020 Global Biodiversity Framework.

ANNEX 7. SWEDEN

(b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

Sweden has, in the efforts of achieving Aichi Biodiversity Target 20 and the three objectives of the Convention, made significant efforts to mobilize both domestic funding and ODA for biodiversity which has resulted in significant increases since 2010.

ODA

In an analysis made by the Swedish International Development Cooperation Agency (SIDA), the total amount of biodiversity-related ODA has increased steadily over the last decade. Comparing 2018 with 2010 (baseline year for measuring Sweden's progress to contribute to the international biodiversity agenda – the Strategic Plan for Biodiversity 2011-2020, including the 20 Aichi Biodiversity Targets) the total sum of the contributions related to biodiversity has almost tripled and increased with 194 %. The majority of the funds are targeting biodiversity indirectly. This means that the overall objective of the intervention is something else, but where it has been formulated or adjusted to indirectly support the promotion of biodiversity and/or ecosystem services. However, since 2013 there has been an increase in support to contributions directly targeting biodiversity with a significant leap in 2018. In 2018, just over 34 % of the funding were directed to contributions where biodiversity is a principal objective and the remaining 66 % where it was a significant objective. The data was derived using the OECD Rio marker for biodiversity.

Domestic funding

Information on current domestic biodiversity expenditures (all values are in Swedish krona)

2017: 7,397,972,000

2018: 8,245,515,000

Data are based on information from the Swedish Environmental Protection Agency, the Swedish Agency for Marine and Water Management, the Swedish Board of Agriculture and the Swedish Forest Agency. Appropriations (from the Government central budget) that directly and mainly concern biodiversity have been taken as a whole. Appropriations that directly but only partly concern biodiversity have been calculated based on assessed proportions. Expenditures indirectly related to biodiversity are not included. The total amount of domestic funding for biodiversity has increased with 63 % between 2010 and 2018.

Mapping harmful subsidies and developing incentives

The Swedish government has taken several measures to map potentially harmful subsidies and to review possibilities for developing incentive measures that are beneficial for biological diversity and ecosystem services. Most of the measures described are about gathering information that can be used at a later stage. As regards the agri-environmental payment scheme

under the Rural Development Programme (RDP), the outlined strengthened RDP support has resulted in an improved potential for maintenance and restoration of high nature value farmlands. There is a wide range of economic incentives available to the agricultural and forestry sectors that are judged to be positive for biodiversity. Examples include agri-environmental payments, measures for the preservation of nature and cultural heritage, preserving and developing of biodiversity in forest, and promoting biodiversity of broad-leaved deciduous forest. There is also compensation to landowners for habitat protection and nature conservation agreements. The EU Rural Development Programme has a key part to play in slowing the negative trend regarding abandoned husbandry of semi-natural and cultural values of the farmed landscape. The above are examples and not a complete list of Sweden's contributions towards Aichi Biodiversity Target 3.

In 2014, four government agencies were commissioned to map potential environmentally harmful subsidies within their areas of operation: the Swedish Environmental Protection Agency, the Swedish Board of Housing, Building and Planning, the Swedish Agency for Marine and Water Management and the Swedish Agency for Economic and Regional Growth. Within these areas, the only subsidies that were identified as potentially harmful to biodiversity were various state contributions to regional development with importance for transports, energy use, land-use changes or water usage, which may in turn affect biological diversity.

A broader analysis was performed by the Swedish EPA in 2017, again on commission from the government. Building on earlier analyses, the EPA focused on potentially harmful subsidies in the transportation, energy and agricultural sectors. Any potentially positive effects of the identified subsidies were also identified. This mapping identified several potentially harmful subsidies, including tax deduction on bioenergy from land ecosystems, state contributions to forest roads, and some categories of payments distributed through the European Union agricultural and fisheries policies. Regarding the latter two, the analysis demonstrated several improvements, compared to earlier analyses in 2010 and 2005, such as green direct payments in the agricultural policy, although this particular reform is of limited relevance for Swedish conditions. Direct payments contribute to the maintenance of an open and varied landscape in marginal areas, potentially contributing to biological diversity.

The government has taken several measures to review possibilities for developing incentive measures that are beneficial for biological diversity and ecosystem services. For example, the Swedish Board of Agriculture has been commissioned to develop potential agri-environmental payments within the Swedish Rural Development Programme (RDP), which is a part of the Common Agricultural Policy of the European Union. The government strengthened RDP support for conversion to organic farming practices, leading to more diverse production systems that favour biodiversity, and reduced use of pesticides, favouring pollinators. Payments for maintaining biodiversity-rich semi-natural grasslands and meadows has also increased, contributing to the maintenance of cultural environmental values. The Swedish Forest Agency has been commissioned to review existing economic incentive measures for development of natural and cultural values. A special commission of inquiry was appointed develop measures for a more efficient and coherent implementation of ecological compensation, which may

contribute to implementation of the polluter pays principle. The report (Swedish Government Official Report 2017:34) was delivered in 2017 and is now under consideration.

Obstacles and scientific and technical needs related to the measures taken

In Government Bill 2013/14:141 A Strategy for Biodiversity and Ecosystem Services, the Government declared that the design of the economic incentives that have a direct impact on biodiversity and ecosystem services should be reviewed in the light of increased knowledge about the value of ecosystem services. Suitable changes to these should be made with the aim of cost-effectively achieving the environmental quality objectives concerned and contributing to developing the polluter pays principle. Monetary valuation of ecosystem services is often perceived as highly relevant in analyses of the negative environmental effects of economic incentive measures. However, the economic effectiveness of incentive measures is difficult to estimate with current lack of knowledge on the values of ecosystem services and long-term effects on biological diversity of current incentive measures.

Development of environmental accounts to include ecosystem services

Statistics Sweden has been commissioned to develop methods to include the value of ecosystem services in environmental accounts. The government assesses that this is needed in order to improve sustainability indicators and monitor the implementation of the Swedish Environmental Quality Objectives, and that Statistics Sweden should continue to participate in international cooperation in this area. Based on lessons from earlier pilot studies done by Statistics Sweden, the work has focused on combining data on land/water use, economic activities and biological diversity.

The results are promising in that methods for linking economic activity with biological diversity and ecosystem services have been improved, showing a good potential for improving ecosystem assessments in the near future. However, further work will be required in order to enable a systematic accounting of changes in ecosystem services and their linkage with economic activities. Examples of statistics that can be produced through linking to statistics in this project to come closer to a part of the reasoning could be over data for analysing green infrastructure, for example. It is possible to describe “hot spots” to illuminate whether it is possible to find land with many competing users, such as nature areas or forests close to localities, mining concessions versus living and cultivating land, wind power versus military facilities and water protection areas close to roads.

Obstacles and scientific and technical needs related to the measures taken

Collaboration is needed between the international and national research community and the statistics community to reach maturity. It is necessary to develop both a harmonised way of making calculations and statistical methods and to identify the approaches that can be considered stable and provide reasonable values for ecosystem services. Highly specific knowledge about a specific ecosystem service is often needed to make the calculations. A service must have reached a certain “maturity” regarding research, knowledge supply and data to be capable of integration into the statistical system.

Many services are difficult to quantify, either due to the lack of data charting the presence of a specific service, or due to the fact that the service is based on subjective opinions that are difficult or even impossible to capture in statistics. This is a particular characteristic of social and cultural services.

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

The increase in directly biodiversity related funding in Swedish ODA can be attributed to new strategies/budget lines which explicitly targets development interventions in the area of biodiversity and ecosystem services. There has also been a push for initiatives on strengthening the links between for example human rights and democracy and environment and climate contributions which has made available contributions from other budget lines, indicating the importance of nexus thinking, mainstreaming or integration in other areas/sectors as well as increased focus on policy coherence as a driver to source financial commitments from other sectors to contribute to additional funding in biodiversity and ecosystems interventions

ANNEX 8. UNITED KINGDOM

b) Please provide a summary of your experiences in achieving Aichi Biodiversity Target 20 and implementing the Strategy for Resource Mobilization, and their adequacy, and your views on the need for appropriate further action.

Sixth National Report

In January 2019 the UK published its [Sixth National Report to the CBD](#). This gives an extensive account of the UK's experiences and efforts in achieving Aichi target 20 and implementing the Strategy for Resource Mobilisation through a range of funds and activities. These include the investment of £5.8bn to support International Climate Finance between 2016 and 2021, which is helping to halt deforestation and help communities to protect and restore forests. The programme has supported the inclusion in Marine Protected Areas of over four million square kilometres of marine environment across the UK Overseas Territories.

In addition, the UK has made a number of recent announcements:

The Economics of Biodiversity: The Dasgupta Review

In spring 2019 the UK Treasury commissioned an independent review into the economics of biodiversity, to be led by Professor Sir Partha Dasgupta, Emeritus Professor of Economics at the University of Cambridge. The Review is global in scope, and aims to assess the economic value of biodiversity; to assess the economic costs and risks of biodiversity loss; and to identify actions that will simultaneously enhance biodiversity and deliver economic prosperity. An Advisory Panel made up of leading global experts from public policy, science, economics, finance and business, will provide insight and challenge to support Professor Sir Partha Dasgupta deliver the Review's objectives (further information about the Advisory Panel is available on the UK Government's website [here](#)). The Review will report ahead of the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity in China in October 2020. The Review aims to help shape the international and UK response to biodiversity loss, including the post-2020 framework.

The Review's Call for Evidence closed in early November 2019 and the Review team – economists, scientists and policy advisers supporting Sir Partha and the expert Advisory Panel – will draw upon the wide range of helpful submissions to ensure that the Review is informed by robust, relevant and up-to-date evidence. The Review team will continue with its programme of stakeholder outreach and engagement, gathering evidence and listening to the insights and perspectives of well-placed voices across sectors and from around the world.

The UK's International Biodiversity Fund

The UK's new £220 million International Biodiversity Fund includes £100 million for a new Biodiversity Landscapes Fund targeted on global biodiversity hotspots. This fund will be used to help slow, stop and reverse biodiversity loss in some of the world's most valuable habitats, including by pioneering green corridors.

In addition the government's Darwin Initiative has received an uplift to £90 million over the three years from 2021/22-23/24 – a tripling of annual funds - to protect international biodiversity. £30 million has been committed to tackle the Illegal Wildlife Trade over the three years from 2021/22-23/24. You can find further information [here](#).

(c) Please provide any relevant information that would support the estimation of the resources from all sources needed for different scenarios of the implementation of the post-2020 framework;

The UK does not have any new evidence to add at this point, but that we are keen that the findings from the OECD project '[Biodiversity: Finance and the Economic Case for Action](#)' are taken into account. In addition we would like the findings of the Dasgupta Review on the Economics of Biodiversity (referenced above) to be considered once published.