



CONVENTION ON BIOLOGICAL DIVERSITY

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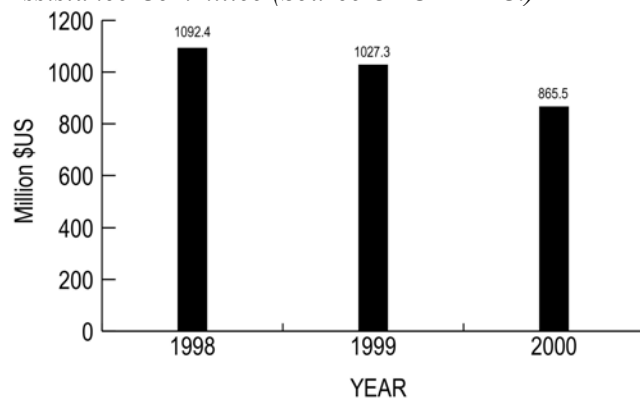
INDICATORS FOR ASSESSING PROGRESS TOWARDS THE 2010 TARGET: OFFICIAL DEVELOPMENT ASSISTANCE PROVIDED IN SUPPORT OF THE CONVENTION

Note by the Executive Secretary

I. SUMMARY

1. An adequate access to resources is essential for the effective implementation of the Convention on Biological Diversity. Bilateral assistance provided to developing countries, as measured by Official Development Assistance (ODA), is an important component of the *financial* resources available for the implementation of the Convention. ODA commitments are reported by OECD member States to the OECD Development Assistance Committee (DAC). Using a “biodiversity marker” jointly developed by the OECD/DAC Secretariat and the Secretariat of the Convention on Biological Diversity, ODA activities targeting the objectives of the Convention have been reported on between 1998 and 2000. The figures reported were 1.09, 1.03 and 0.87 billion United States dollars, respectively (figure 1).

Figure 1. Biodiversity-related aid, commitments 1998-2000 by 19 members of the OECD Development Assistance Committee (Source OECD-DAC.)

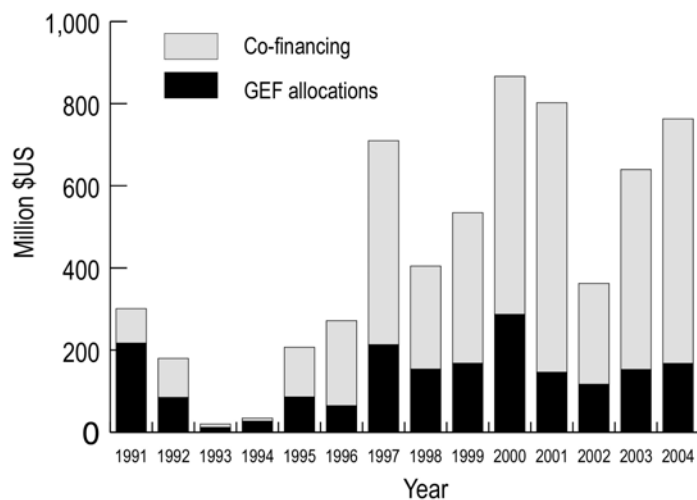


* UNEP/CBD/SBSTTA/10/1.

2. However, only 16.5 per cent of the reported assistance is spent on 'biodiversity-only' projects and a separate analysis of 1,489 biodiversity projects contained in the OECD Credit Reporting System (OECD/CRS) database showed that 60 per cent of projects could be identified to correspond to thematic areas or cross-cutting issues of the Convention. ^{1/} The data assembled to date are insufficient to identify clear trends over time. However it has recently been decided to continue use of the biodiversity marker for at least another three years and it is envisaged that this will give rise to useful information on both status and trends of resource transfers.

3. As the designated institutional structure to operate the financial mechanism of the Convention, the Global Environment Facility (GEF) has emerged as a principal source of financial assistance in direct response to guidance from the Conference of the Parties. The allocations made by the GEF and the co-financing for projects in support of the implementation of the Convention by the developing country Parties are shown in Figure 2.

Figure 2. GEF allocations to projects in support of the implementation of the Convention. Between 1991 and 1993 GEF operated a pilot phase. (Source: GEF Secretariat)



II. RELATION OF THE INDICATOR TO THE FOCAL AREA (STATUS OF RESOURCE TRANSFERS)

4. This indicator is helpful for donor countries to operationalize their commitments made under the Convention (at planning stage), and to track achievements of their commitments (at evaluation stage). Hence, the overall trend of biodiversity-related ODA can help assess implementation of the Strategic Plan of the Convention.

5. In order to present a complete picture of financial flows, information on bilateral development assistance and on GEF would need to be complemented by other data on multilateral assistance as well as on support provided by non-governmental organizations.

6. With regard to *technical* resources, an indicator for technology transfer is yet to be identified/developed.

^{1/} See UNEP/CBD/COP/7/18

III. GENERAL DESCRIPTION OF INDICATOR

7. The OECD DAC collects data on aid flows, *inter alia*, through its activity-specific Creditor Reporting System (CRS). The CRS permits examination of the geographical and purpose of aid simultaneously. CRS data are collected in standard electronic format and techniques for disseminating the information are well advanced.

8. Further to a request by the Secretariats of the three Rio Conventions, the DAC organized a pilot study on 1998 flows as well as a special data collection on flows in 1998-2000 covering aid activities that target the objectives of the Rio Conventions, based on the so-called "Rio markers".^{2/} The main results of this exercise are presented in OECD (2002): *Creditor Reporting System. Aid Activities Targeting the Objectives of the Rio conventions 1998-2000*. DAC Statistics, Volume 2002/1. OECD, Paris.

9. Nineteen DAC members reported a total of 5,439 individual biodiversity-related aid activities in 1998-2000. The total value committed over the three years amounted to approximately \$3 billion. The figures reported were \$1.09 billion, \$1.03 billion and \$ 0.87 billion respectively. The annual average is of \$995.1 million, or 2.7 per cent of total bilateral official development assistance (ODA). Biodiversity-related aid represented a significant share of aid activities in forestry (65 per cent), general environmental protection (32 per cent), fishing (26 per cent) and, to a lesser extent, water supply (9 per cent) and agriculture (7 per cent). In value terms and calculated on the basis of the number of activities reported, biodiversity-related aid seems to be fairly evenly distributed between Africa, Asia and Latin America.^{3/}

10. The report generally presents data as three-year averages, thus evening out the "lumpiness" of commitments and thereby increasing the statistical significance of the data analysis. Importantly, it indicates that data for only three years are not sufficient to establish trends in aid flows in support of the Convention. It is estimated that a minimum of five years of data would be required for that.

11. The report uses the indicator in absolute terms (in millions of US\$) and as a percentage share of total ODA. However, the indicator could also be expressed as a percentage share of GNP of the donor or recipient country. This would ensure that the economic importance of individual donor countries, as well as their differing ODA commitments, are taken into consideration.

12. On 30 January 2004, the executive heads of the three conventions wrote to the DAC Chair to express their appreciation for the work on the Rio markers so far and to request the integration of the markers in regular CRS reporting. The letter stated that the Rio markers "can serve as the basis for streamlining the reporting of the aid-related activities under the Rio conventions by the Parties, thus ensuring provision of consistent data and avoiding double reporting (to DAC in national reports and to the Conventions in national communications or in other similar documents)".

13. In its meeting on 10-11 June 2004, the DAC Working Party on Statistics decided to incorporate the Rio markers in regular CRS reporting for a trial period of three years (2001-2003), with the understanding that coverage and quality of the data received will be reviewed in 2007. Should this review yield satisfactory results, the data available by then will allow the establishment of trends in aid flows in support of the Convention.

^{2/} See section three for a detailed technical description.

^{3/} See OECD (2002), *ibid*, page 16-17, for a more extensive summary.

IV. POLICY RELEVANCE

A. *The Convention on Biological Diversity*

14. The Convention on Biological Diversity, in its preamble, acknowledges: “that substantial investments are required to conserve biological diversity, and that there is the expectation of a broad range of environmental, economic and social benefits from those investments”; and “that the provision of new and additional financial resources and appropriate access to relevant technologies can be expected to make a substantial difference in the world’s ability to address the loss of biological diversity.”

15. Furthermore, the Convention, in Article 20, paragraph 4, states that:

“The extent to which developing country Parties will effectively implement their commitments under this Convention will depend on the effective implementation by developed country Parties of their commitments under this Convention related to financial resources and transfer of technology and will take fully into account the fact that economic and social development and eradication of poverty are the first and overriding priorities of the developing country Parties.”

16. The Strategic Plan of the Convention establishes:

- “Goal 11: Parties have improved financial, human, scientific, technical and technological capacity to implement the Convention.
 - Target 11.1: New and additional financial resources are transferred to developing country Parties, to allow for the effective implementation of their commitments under the Convention, in accordance with Article 20.”

B. *Placement in the 2010 framework of the Convention on Biological Diversity*

17. As noted in paragraph 16 above, goal 11 and target 11.1 of the Strategic Plan relate to the provision of financial resources.

C. *Millennium Development Goals*

- Goal 8: develop a global partnership for development

Indicators for official development assistance:

- 33. Net ODA, total and to LDCs, as percentage of OECD/DAC donors’ gross national income.
- 36. ODA received in landlocked countries as proportion of their GNIs.
- 37. ODA received in small island developing States as proportion of their GNIs.

D. *Plan of Implementation of the World Summit on Sustainable Development*

18. In paragraph 85 (a) of the Plan of Implementation, world leaders agreed to cooperate with actions to make available the increased commitments in official development assistance announced by several developed countries at the International Conference on Financing for Development, and urged the developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national products as official development assistance to developing countries and effectively implement their commitment on such assistance to the least developed countries as contained in paragraph 83 of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, which was adopted in Brussels on 20 May 2001.

E. CSD Theme indicator framework

Sub-theme: Financial status

Indicator: Total ODA given or received as a percent of GNP

F. Other targets

19. For developed countries, the United Nations has established that ODA should represent 0.7 per cent of gross national product.

V. TECHNICAL INFORMATION

20. In cooperation with the secretariats of the three Rio conventions, the DAC developed a set of three “Rio markers”. A detailed description of the biodiversity marker is given in the annex to the present note.

21. The indicator is a measure of the size of flows that are both grant or concessional, and intended principally or significantly to achieve the objectives of the Convention on Biological Diversity. It conveys information about the developing country Party’s receipt of financial assistance from developed country Parties or developed country Party’s grant and concessional flows to developing countries Parties.

22. Reporting on the purpose of aids under CRS entails classification by sector and by policy objective. Reporting on the policy objectives of aid, including on the biodiversity-related activities, is based on a marking system with three values: “principal objective”, “significant objective”, and “not targeted to the policy objective”. Each activity examined and classified can have more than one policy objective.

23. According the definition of the biodiversity marker, an activity should be classified as biodiversity-related (that is, score “principal objective” or “significant objective”) if it promotes at least one of the three objectives of the Convention on Biological Diversity. The activity will score “principal objective” if it directly and explicitly aims to achieve one or more of three criteria (see the description in the annex).

Limitations

24. The indicator does not measure the extent to which Parties have integrated biodiversity consideration into their sectoral or cross-sectoral programmes, plans and policies. ODA utilized in other activities can offset positive impacts of biodiversity-related ODA.

25. Analyses that only draw on financial data may inadequately reflect the real level of donors’ efforts, since capital-intensive investment projects in infrastructure sectors will dominate the data, hiding smaller-scale labour-intensive seminars, training courses, research projects and consultancies in general environmental protection. ^{4/}

26. The indicator does not measure the effectiveness of utilization of ODA.

Data availability, quality and sustainability

27. As indicated above, the DAC Working Party on Statistics decided to incorporate the Rio markers in regular CRS reporting for a trial period of three years (2001-2003), with the understanding that coverage and quality of the data received will be reviewed in 2007.

^{4/} OECD (2002), *ibid*, page 15.

Agencies involved in the implementation of the indicator

Currently: OECD/DAC

Potentially: World Bank Global Finance Indicators Programme

VI. APPLICATION OF THE INDICATOR AT NATIONAL/REGIONAL LEVEL

28. The indicator can be applied to the national and regional levels. It can provide information on development assistance pledged (donor countries' commitments) and/or development assistance received (support by recipient country).

VII. SUGGESTIONS FOR THE IMPROVEMENT OF THE INDICATOR

29. Given the cross-sectoral nature of biodiversity-related activities, most ODA data pertaining to biodiversity have to be found in other sectors, and not in an "own" biodiversity entry. At the present stage, it may often be within the discretion of the national classifier which marking value to assign to a specific activity. The question is, whether the boundary for an activity to be considered as principally or significantly contributing to objectives of the Convention on Biological Diversity can be defined more explicitly. However, any fine-tuning of the definition of the biodiversity marker needs to be based on the experience which is to be gained from the application of the existing definition in the coming trial period. The coverage and quality of the data received will be reviewed by DAC Working Party on Statistics in 2007.

30. Efforts to generate biodiversity relevant ODA data require collaboration between traditional ODA statistics offices and expertise of national environment agencies. In particular the statistic depends on the full and timely participation of Parties and other Governments in marking their expenditure and reporting these figures. Again, the experience to be gained in the upcoming trial period may yield useful insights whether and how to improve coordination and synergy.

31. The information on bilateral development assistance should be complemented with information on multilateral development assistance (GEF). As GEF indicators are currently being developed and it would be desirable to ensure that these are aligned with the CBD indicators.

32. It would also be desirable to capture other public and private financial assistance and investments being made to conserve biological diversity as well as in-country investments for biodiversity.

Annex: OECD DAC biodiversity marker	
AID TARGETING THE OBJECTIVES OF THE CONVENTION ON BIOLOGICAL DIVERSITY	
<p>DEFINITION</p> <p>An activity should be classified as bio-diversity-related (score Principal or Significant) if:</p>	<p>It promotes at least one of the three objectives of the Convention: the conservation of bio-diversity, sustainable use of its components (ecosystems, species or genetic resources), or fair and equitable sharing of the benefits of the utilisation of genetic resources.</p>
<p>CRITERIA FOR ELIGIBILITY</p>	<p>The activity contributes to</p> <ol style="list-style-type: none"> a) protection or enhancing ecosystems, species or genetic resources through <i>in-situ</i> or <i>ex-situ</i> conservation, or remedying existing environmental damage; or b) integration of bio-diversity concerns with recipient countries' development objectives through institution building, capacity development, strengthening the regulatory and policy framework, or research; or c) developing countries' efforts to meet their obligations under the Convention. <p>The activity will score "principal objective" if it directly and explicitly aims to achieve one or more of the above three criteria.</p>
<p>EXAMPLES OF TYPICAL ACTIVITIES</p> <p>1. Typical activities take place in the sectors of: <i>Water and sanitation</i> <i>Agriculture</i> <i>Forestry</i> <i>Fishing</i> <i>Tourism</i></p>	<ul style="list-style-type: none"> • Integration of biological diversity concerns into sectoral policy, planning and programmes; e.g. • Water resources protection and rehabilitation; integrated watershed, catchment and river basin protection and management; • Sustainable agricultural and farming practices including substitution of damaging uses and extractions by out-of-area plantations, alternative cultivation or equivalent substances; integrated pest management strategies; soil conservation; in-situ conservation of genetic resources; alternative livelihoods; • Combating deforestation and land degradation while maintaining or enhancing biodiversity in the affected areas; • Promotion of sustainable marine, coastal and inland fishing; • Sustainable use of sensitive environmental areas for tourism.
<p>2. Typical non-sector specific activities are: <i>Environmental policy and administrative management</i> <i>Biosphere and bio-diversity Protection</i> <i>Environmental education/ Training</i> <i>Environmental research</i></p>	<ul style="list-style-type: none"> • Preparation of national bio-diversity plans, strategies and programmes; bio-diversity inventories and assessments; development of legislation and regulations to protect threatened species; development of incentives, impact assessments, and policy and legislation on equitable access to the benefits of genetic resources. • Establishment of protected areas, environmentally oriented zoning, land use and regional development planning. • Protecting endangered or vulnerable species and their habitats, e.g. by promoting traditional animal husbandry or formerly cultivated/collected plants or ex-situ conservation (e.g. seed banks, zoological gardens). • Capacity building in taxonomy, bio-diversity assessment and information management of biodiversity data; education, training and awareness-raising on bio-diversity. • Research on ecological, socio-economic and policy issues related to bio-diversity, including research on and application of knowledge of indigenous people.