

AD HOC OPEN-ENDED WORKING GROUP  
ON REVIEW OF IMPLEMENTATION OF  
THE CONVENTION

Third meeting  
Nairobi, 24-28 May 2010  
Agenda item 6.2

**POLICY OPTIONS CONCERNING INNOVATIVE FINANCIAL MECHANISMS**

*Draft recommendation submitted by the Chair of the Friends of the Chair on  
Articles 20 and 21*

The third meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention *recommends* that the tenth meeting of the Conference of the Parties adopt a decision along the following lines:

*The Conference of the Parties,*

*Recognizing* the persistent and critical shortage of financial resources available to support ecosystem services and underlying biodiversity, and that the achievement of the 2020 biodiversity target, to a large extent, will depend upon the level of available funding in all relevant sectors and at all levels;

*Taking note of* the Report of the proceedings of the International Workshop on Innovative Financial Mechanisms (UNEP/CBD/WG-RI/3/INF/5) organized in collaboration with The Economics of Ecosystems and Biodiversity Secretariat (UNEP-TEEB) and with generous financial support from the German Government, and the need for further consultation and elaboration of its outcomes;

*Noting* the contributions, e.g., through the International Workshop on Innovative Financial Mechanisms, in advancing the discussions on innovative financial mechanisms for achieving the objectives of the Convention, from the Organisation for Economic Co-operation and Development, the Global Mechanism of the United Nations Convention to Combat Desertification, [the Business and Biodiversity Offsets Programme, the Green Development Mechanism (GDM) 2010 Initiative,][Africa<sup>1</sup>] and other organizations and processes;

*Reaffirming* the commitment of Parties to meet the obligations set out in the provisions of Article 20 of the Convention and in accordance with the Rio Principles;

*Emphasizing* that any new and innovative funding mechanisms are supplementary to the financial mechanisms established under the provisions of Article 21 of the Convention;

*Being aware* of a range of policy options and suggestions concerning innovative financial mechanisms with potential to generate new and additional financial resources for achieving the Convention's three objectives;

*Acknowledging* that in addition to resourcing potentials, innovative financial mechanisms can be an important tool to support sustaining ecosystem services and underlying biodiversity and promote green development;

*Being determined* to mobilize predictable and adequate financial resources at all levels as agreed to in the Strategy for Resource Mobilization adopted in decision IX/11;

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<sup>1</sup> Africa requires more information on: mandates, governance structures, source of funding, funding criteria (beneficiaries), link with the Convention on Biological Diversity and its programmes of work.

1. *Encourages* Parties, in accordance with their capabilities, to implement the Convention's Strategy for Resource Mobilization, to take an active part in ongoing processes to enhance innovative financing, such as the LifeWeb initiative, and engage in a global discussion on the need and possible modalities of innovative systems for payment for ecosystem services, mobilizing private financing, through an appropriate mechanism;

2. *Requests* the Executive Secretary, in collaboration with the Organisation for Economic Co-operation and Development and other relevant organizations and initiatives, to initiate and facilitate this discussion;

3. *Encourages* Parties and Governments and relevant organizations to undertake concrete activities for developing, promoting and adopting innovative financial mechanisms, including the examination of the report of the International Workshop on Innovative Financial Mechanisms (UNEP/CBD/WG-RI/3/INF/5);

4. *Invites* relevant international and regional organizations and initiatives to, where relevant, cooperate with the Executive Secretary, to:

(a) Cooperate on the development of innovative financial mechanisms, as appropriate ;

(b) Organize regional and subregional capacity-building workshops on innovative financial mechanisms;

(c) Report on these activities, through the Executive Secretary, to the Conference of the Parties at its eleventh meeting;;

[5. *Invites* interested organizations and initiatives to consider the need for and modalities of a green development mechanism, which, in its pilot phase, could develop a voluntary standard and certification process for validating the supply of biodiversity-protected areas and a market-based institutional framework for enabling payments by companies, consumers and other stakeholders;]

6 *Requests* the Executive Secretary to compile views of Parties on the policy options developed in the International Workshop on Innovative Financial Mechanisms and on the findings of The Economics of Ecosystems and Biodiversity and report to the fourth meeting of the Working Group on Review of Implementation for further consideration;

7. *Invites* developed country Parties to provide voluntary financial contributions to support the further work on innovative financial mechanisms for the three objectives of the Convention;

8. *Invites* Parties and other Governments and relevant organizations to ensure full and effective participation of indigenous and local communities in the development and implementation of innovative financial mechanisms.

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