



Convention on  
Biological Diversity

## Funding Needs Assessment for GEF-6

Forty-Second Council Meeting of the GEF  
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**CBD**

## GEF-6 Funding Needs Assessment

# The CBD and GEF-6 Funding Needs Assessment

### ❑ Objectives of the CBD

- Conservation; Sustainable use, and ABS

### ❑ Numerous COP Decisions

- Strategic Plan for Biodiversity 2011-2020 (X/2)
  - ❖ Aichi 5 Goals and 20 Targets
- Resource Mobilisation Strategy (IX/11, X/3)
- Consolidated Guidance to GEF (X/24, X/25):
  - ❖ Policy and Strategy; Eligibility Criteria;
  - ❖ Program Priorities,
  - ❖ Four-year outcome-oriented framework of program priorities;
- **GEF-6 Funding Needs Assessment (X/26) taking into account the relevant Decisions and the Objectives of the Convention)**



## Resource Mobilization for the Upcoming COP-11

### RESOURCE MOBILIZATION

- ❑ X-2: has 5 goals and Target 20
  
- ❑ X-3: consists of the following:
  - ❖ Methodological and implementation guidance on indicators
  - ❖ Determination of baselines
  - ❖ Views on targets and Review of goals 1,3,4, 6 and 8

### FINANCIAL MECHANISM

- ❑ X-24: Review of guidance to the Financial Mechanism;  
Four-year outcome-oriented framework of program priorities.
  
- ❑ X-25: Additional guidance to the financial mechanism
  
- ❑ X-26: GEF-6 Needs Assessment
  
- ❑ X-27: Fourth review of effectiveness of the financial mechanism



## Decision X/26 and Procedure of Implementation

### COP-10, Decision X/26: Determination of Funding Needs

- ❑ Adoption of the ToR for a full assessment of the amount of funds that are necessary for GEF-6;
- ❑ Invitation to Parties to identify their national prioritized funding needs and to set their own targets within the flexible framework ... bearing in mind national contributions to the achievement of the global targets;
- ❑ Request to the E.S. and GEF to conduct a review of the draft assessment;
- ❑ Request to the E.S. to contract a team of five experts and ensure completion of the assessment for consideration by WGRI-4...

### Memorandum of Understanding (MoU)

- ❑ COP-11: To make an assessment and determine the amount of funds for the GEF-6 Replenishment taking into account:
  - Information communicated through national reports; NBSAPs;
  - Number of eligible programs and projects submitted to the GEF;
  - Experience gained in implementation of projects...
- ❑ COP-11: To transmit the assessment of the amount of funds to the GEF, so that the Facility indicates how it responded in its regular report.



## GEF-6 Financial Needs Assessment

### Appointment and Mandate of the Expert-Team

- ❑ **Contract of Expert Team Members (ToR and COP support)**
  - Two from developing countries: India and Brazil ,
  - Two from developed countries: France and Sweden, and
  - One from an International NGO – WWF- based in Germany
  
- ❑ **Mandate**
  - ✓ Consult widely with all relevant persons and institutions ...
  - ✓ Design a questionnaire on funding needs...
  - ✓ Interviews and consultation meetings...
  - ✓ Regional and sub-regional consultations, taking advantage workshops...
  - ✓ Transparent, reliable and replicable approach with clear incremental cost reasoning...
  - ✓ Address additional issues that may be raised ..
  
- To prepare a report on the full assessment of the funding necessary and available for the implementation of the Convention for the period 2014-2018.



## GEF-6 Financial Needs Assessment (Decision X/26)

### □ From an economic perspective:

- ❖ Biological diversity and ecosystem resources are valuable assets to society (their loss makes society worse off);
- ❖ Choices and activities of society have tremendous impacts on them
- **Annual value of biodiversity loss: \$2-\$4.5 trillion/year** (TEEB, 2009)
- ❖ **Main issue: disproportionate distribution of income and biodiversity**

### □ From a policy perspective:

- ❖ Need for strategic planning and action;
- ❖ Many issues to tackle at the same time for optimal results (biological, social...);
- ❖ Numerous economic and climatic shocks creating risks
- ❖ Very High Opportunity Cost of Policy Inaction :
  - Estimated loss between 2000-2010: €545 billion
  - Future additional loss: €50 billion per year (COPI, 2007, 2008)
- ❖ **Main issue: High costs of policy inaction - Biodiversity losses increasing at increasing rate in many scenario studies** (Slingenberg et al, 2009; Karousakis and Perry, 2011)



## Objective and Scope of the FNA

- ❑ **The primary objective:** To assess the funding needs of biodiversity for the GEF-6 Replenishment period, 2014-2018, by taking into account :
  - ✓ Objectives of the CBD;
  - ✓ Strategic Plan of Action for Biodiversity 2011-2020 and the Aichi 5 Goals and 20 Targets (X/2);
  - ✓ Resource Mobilisation Strategy (IX/11, X/3);
  - ✓ Guidance to the Financial Mechanism (X/24, X/25).
- ❑ **The Scope:**
  - ✓ Comprehensive Assessment
  - ✓ Agreed full incremental costs approach
- **Overall Aim:** To enable COP -11 determine the amount of resources needed in accordance with Article 21, parag. 1 and Decision III/8.



## GEF-6 Financial Needs Assessment

# Methodology

- ❑ Target by Target Costing - Top Down Approach
  
- ❑ Two Bottom Up Approaches:
  - GEF-6 Questionnaire to collect financial needs information;
    - Only 9 responses received (partly incomplete...
    - It is possible that generating the required information may also require funding
  - Assessment of funding needs in 8 selected countries
    - Slow progress due to various problems

### ❑ An Assessment of Historical Trends;

➤ Reliance of the GEF-6 Assessment on the **Target by Target Costing Approach** complemented by feedback, comments, submissions, historical trends... from different sources.

➤ **Complementarity** between **GEF-6 FNA** and the **High-Level Panel Global Assessment** of the Funding Needs of Biodiversity.





## GEF-6 Financial Needs Assessment

### Methodology (cont.)

- ❑ **Following the Methodology and ToR in Decision X-26,**
  - **Target by Target** Costing of the 20 Aichi Targets by avoiding double counting, and ensuring accuracy of information to inform decision X-3.
  - **Decision X-26 - three filters**
    - Activities limited to the four year period 2014-2018;
    - Activities specific to GEF eligible countries; and
    - Activities to be undertaken in GEF-eligible activities (incremental cost reasoning)
      - e.g. Protected Area:**
        - Increases in PAs areas achieved during earlier periods
        - Targeted increase for 2011-2020;
        - Actual and expected global needs and gaps ...
- ❑ **Sources of information:**
  - Literature, NBSAPs, Ongoing projects, ...
  - Questionnaire, Submissions from Parties, Country case studies...



## GEF-6 Financial Needs Assessment

### Methodology (Cont.)

#### ❑ **Target by Target Costing**

➤ **Evaluation** of Technical rationale, COP Decisions, GEF Guidance and Milestones **to identify** :

- Priority activities that help achieve a specific Target; and
- Activities needed or relevant in most countries... per Target

➤ **Costing of activities separately** to be able to:

- Identify overlaps of activities between Targets;
- Avoid double counting of activities and overestimation

➤ **Estimated Total Investments Need** = Sum of costs of activities per Target

➤ **Estimated GEF-6 Investments Need:**

- Assessment of potential global benefits of each activity
- Determining % of incremental cost that could be attributed to GEF-6 investments need (Incremental Reasoning)

- Estimation of the GEF-6 Investments Need per Target

➤ **Estimation of Investment Needs at 3 levels of ambitions or Scenarios.**



## Recommendations of the Ad Hoc Open-ended Working Group on Review of Implementation (WGRI-4)

- ❑ Reminded Parties to provide required information to the Convention;
- ❑ Expressed its appreciation to the Expert Group;
- ❑ Requested the Expert group to further develop the report taking into account ...:
  - The views expressed by Parties and observers at the WGRI-4;
  - Additional views submitted by Parties, other Governments and organizations prior to 30 June 2012;
  - Work conducted by the high-level panel on financing for biodiversity, co-sponsored by India and the United Kingdom
  - Other relevant technical information on the costs of implementing the Strategic Plan for Biodiversity 2011-2020 and achieving the Biodiversity target
- ❑ Recommended that the Conference of the Parties:
  - ❖ Adopts a four-year outcome-oriented framework of program priorities for 2014-2018....
  - ❖ Invites donors to increase their financial contribution through the GEF...
  - ❖ Takes note of the range of funding needs estimated for the sixth replenishment....



## GEF-6 Financial Needs Assessment

### Country case-studies

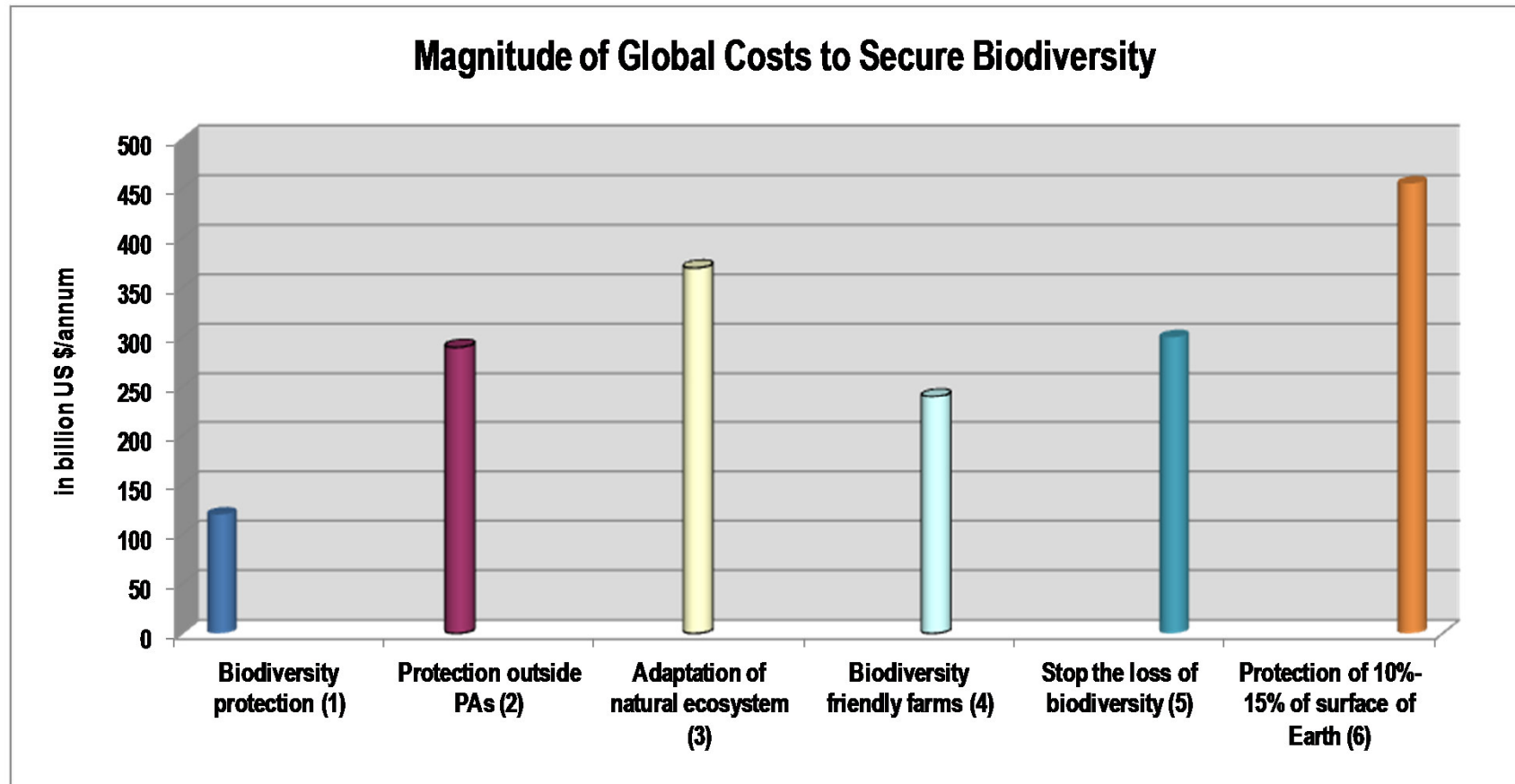
- Countries selected by the Expert Team from a long list based on these and other criteria

REGIONS AND COUNTRIES	UNDP** Project	UN-REDD Support or Project	UNFF SIDS	Mega Diverse	Low Forest Cover <10%	Wetland and Ramsar Sites	Coral Reef	Hotspot Areas	Moun- tain BD	IUCN PRO JECT	% Terrestrial PAs 2010	% Marine MPAs 2010	Human Dev't index 2010
<b>LATIN AMERICA AND CAREBBIAN (LAC)</b>													
1 Brazil	√			√		√	√	√	√	√	26.3	16.5	0.699
2 Ecuador	√	√		√		√	√	√	√		25.1	75.36	0.695
<b>AFRICA</b>													
3 Madagascar	√			√		√	√	√			3.1	0.1	0.435
4 DRC	√	√				√		√			10.0	4.4	0.239
<b>ASIA PACIFIC</b>													
5 India	√			√		√	√	√	√	√	5.0	1.7	0.519
6 Indonesia	√	√		√		√	√	√	√		14.2	2.0	0.600
<b>INDIAN AND PACIFIC OCEANS: (SIDS)</b>													
7 Fiji			√			√	√	√			1.3	0.1	0.669
<b>EUROPE / CENTRAL ASIA</b>													
8 Kyrgyzstan		√			√	√		√	√		6.9	na	0.518



## GEF-6 Financial Needs Assessment

**Costs of Various Activities to Secure Biodiversity are Very High:  
Hundreds of billions - trillions of \$\$**



**Source:** 1) IUCN, 2010; 2) James et al, 2001; 3) Berry, 2007; 4) James et al, 2001; 5) IUCN, 2011; and 6) Simpson (2004) as cited by Mountford, 2009.



## GEF-6 Financial Needs Assessment

### Estimates of Benefit : Cost Ratios very High

Biodiversity Activity	Benefit – Cost Ratios
Coral reef conservation	1.3:1 to 5:1
Water and sanitation	4:1 to 14:1
Air pollution control	<1 up to 15:1
Soil and water conservation	up to 2:1
Investment in PA systems	25:1 to 100:1
Investment in the control of invasive alien species (IAS)	
- Water Hyacinth invasion in Central African Republic	31:1
- Foot and mouth disease in USA	25:1
- Mediterranean fruit fly in USA	20:1

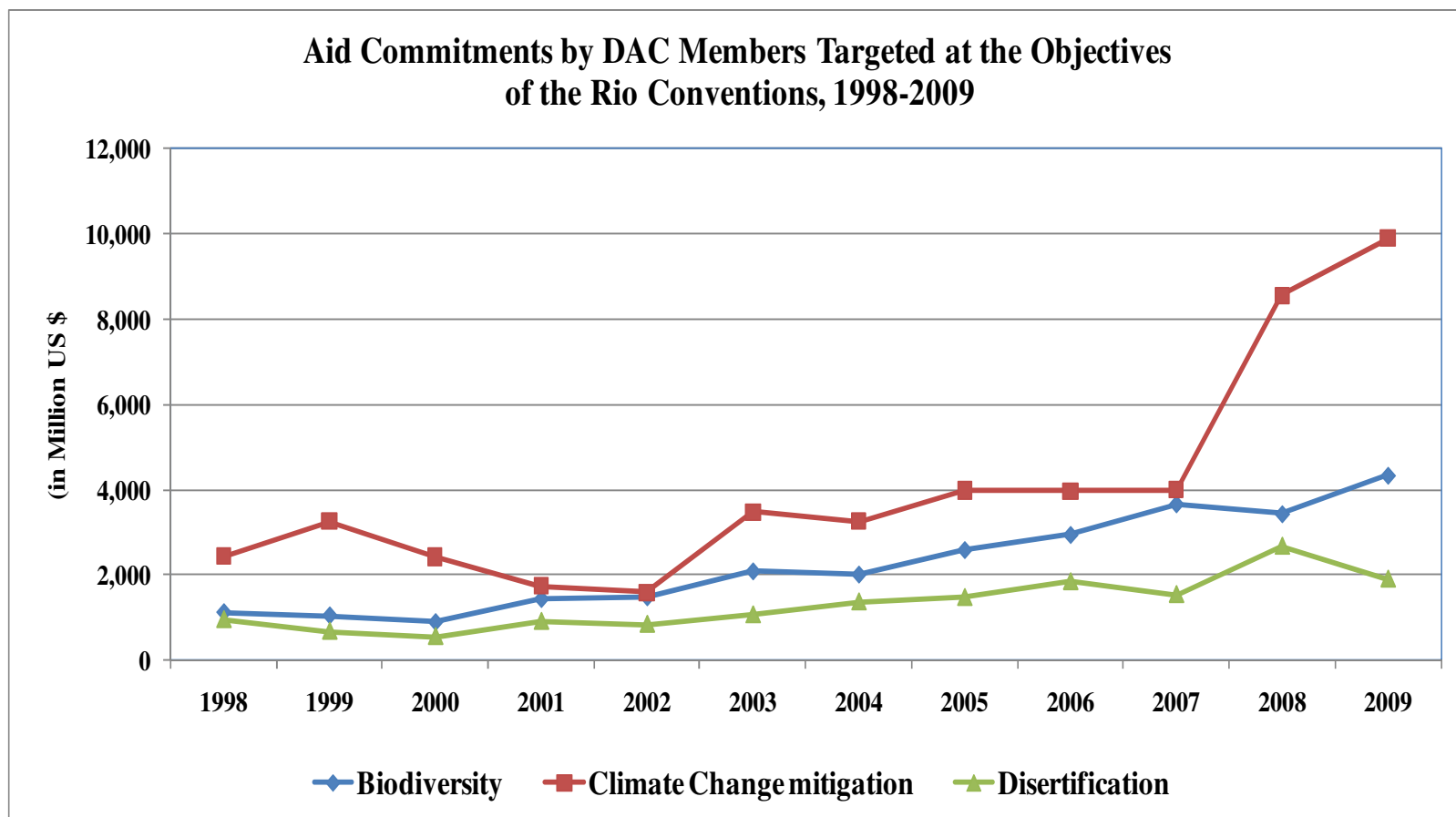
**Source:** PEP economic study undertaken by David Pearce, Sept. 2005 as cited by SCBD, n. d.; GISP, n. d.; EU Framework, 1993, TEEB, 2009

**❑ Even an investment of \$50 billion/year in PAs leads to \$5 trillion/year in benefits! (TEEB, scoping study)**



## GEF-6 Financial Needs Assessment

**ODA: Aid Commitments by OECD- DAC members:  
Average 2000-2009: \$2.5 billion per year  
2009: 4.3-\$4.6 billion**



Source: Based on data from OECD-DAC – Rio Marker data updated in May 2010



Thank you - Merci

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