

Biodiversity Funding Needs Assessment for GEF-6

Mandate, Methodology, Results and COP Decision XI/5

GEF COUNCIL CONSULTATION MEETING WITH
CIVIL SOCIETY ORGANIZATIONS
12. November 2012, Washington DC

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Convention on
Biological Diversity

Biodiversity Funding Needs Assessment for GEF-6

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FULL CBD's GEF-6 ASSESSMENT REPORT
UNEP/CBD/COP/11/INF/35

<http://www.cbd.int/doc/meetings/cop/cop-11/information/cop-11-inf-35-en.pdf>

Mandate: Decision X/26: Terms of Reference

- I. Assessing the **necessary** biodiversity funding needs for GEF 6 period 2014 – 2018 according to GEF's rules to only cover **incremental costs** to generate **global environmental benefits**

- II. Funding Needs versus Availability:
Exploring the likely **available** funding for biodiversity in GEF 6 period 2014-2018

Methodology: 3 Elements of the needs assessment

1. Target-by-Target assessment

20 Targets + Biosafety

→ information from GEF Secretariat,
literature, reports, experts

2. Questionnaire to CBD Parties

Sent to all Parties

→ only 8 responses, partly incomplete, more
needed to back the assessment

3. Country Case Studies

first assessment in Ecuador (draft 3rd Oct 2012)

Methodology: Step-wise approach to assess expected incremental costs for GEF Trust Fund

Methodological steps to arrive at expected incremental costs for the GEF Trust Fund

Possible activities to achieve the Aichi Targets by all CBD Parties (193 countries)		
Elaborate eligible activities from COP decisions and COP guidance to the GEF		
Select activities to achieve the Aichi Targets in GEF eligible countries (155 countries)		Non GEF eligible countries
Estimate total funding needs of selected activities for GEF-6 period 2014-2018 of 3 scenarios		GEF-7 period 2019-2022
Apply incremental reasoning to generate global environmental benefits (10% - 100%) to estimated funding needs of selected activities for GEF-6 period of 3 scenarios		National to local benefits
Apply 1:2 co-funding ratio to obtain expected incremental costs for the GEF Trust Fund	Co-funding from other sources	
Apply 1:4 co-funding ratio to obtain expected incremental costs for GEF Trust Fund	Co-funding from other sources	
Apply 1:6 co-funding ratio to obtain expected incremental costs for GEF Trust Fund	Co-funding from other sources	

Methodology: Target-by-Target assessment Challenges / limitations of this first ever exercise

What results have already been achieved (baseline)?

What should be financed by public funds through GEF grants?

What scope of GEF-eligible activities is adequate?

What data and experiences on costs are available?

What are overlaps / synergies between activities / targets?

What are the absorptive capacity of eligible countries?

How can incremental reasoning / global environmental benefits (GEB) be justified?

What may be the co-financing ratio for GEF-projects in future?






Results: Amounts by 20 Targets and Biosafety

Target 10: By 2015 the multiple anthropogenic pressures on coral reefs, and other vulnerable ecosystems impacted by climate change or ocean acidification are minimized, so as to maintain their integrity and functioning

Target 10	Estimated Total Needs 2014-2018 (in Million US \$)			Incremental Reasoning to achieve global benefits without co funding	Estimated Needs for GEF-6 Period after Incremental Reasoning (in Million US \$)		
	Scenario				Scenario		
	1	2	3		1	2	3
Levels of Ambition and Activities							
<u>Level of Ambition 1: 6 new projects</u> A1: Improve resilience of coral reefs	120			80%	96		
<u>Level of Ambition 2: 8 new projects</u> A1: Improve resilience of coral reefs		160		80%		128	
<u>Level of Ambition 3: 10 new projects</u> A1: Improve resilience of coral reefs			200	80%			
Total for Target 10	120	160	200		96	128	160

Results: Amounts by Strategic Goals (also detailed table Target-by-Target available)

Table 24: Estimated Amounts according to CBD's Strategic Goals

GOAL AND TARGETS	Estimated Total Amounts for GEF-eligible activities in GEF-6 (in Million US\$)			Estimated Amounts for GEF-eligible Activities in GEF-6 after applying Incremental Reasoning (IR) (in Million US\$)			
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	IR %
GOAL A: Mainstreaming Biodiversity (T 1-4) 	138,00	283,00	428,00	69,00	141,50	214,00	50%
GOAL B: Reduction of Pressure on BD (T 5-10) 	22.487,00	43.849,00	66.211,00	7.503,70	14.361,90	21.729,10	10-80%
GOAL C: Safeguarding Ecosystems (T 11-13) 	39.115,00	63.230,00	88.345,00	23.107,50	36.215,00	50.322,50	50-100%
GOAL D: Enhancing the Benefits to All (T 14-16) 	12.120,00	24.200,00	36.280,00	4.854,00	9.692,00	14.530,00	40-50%
GOAL E: Enhancing Implementation (T 17-20) 	46,50	91,00	141,50	46,00	91,00	141,50	100%
BIOSAFETY	170,00	170,00	170,00	136,00	136,00	136,00	80%
Total	74.076,50	131.823,00	191.575,50	35.716,20	60.592,40	87.073,10	

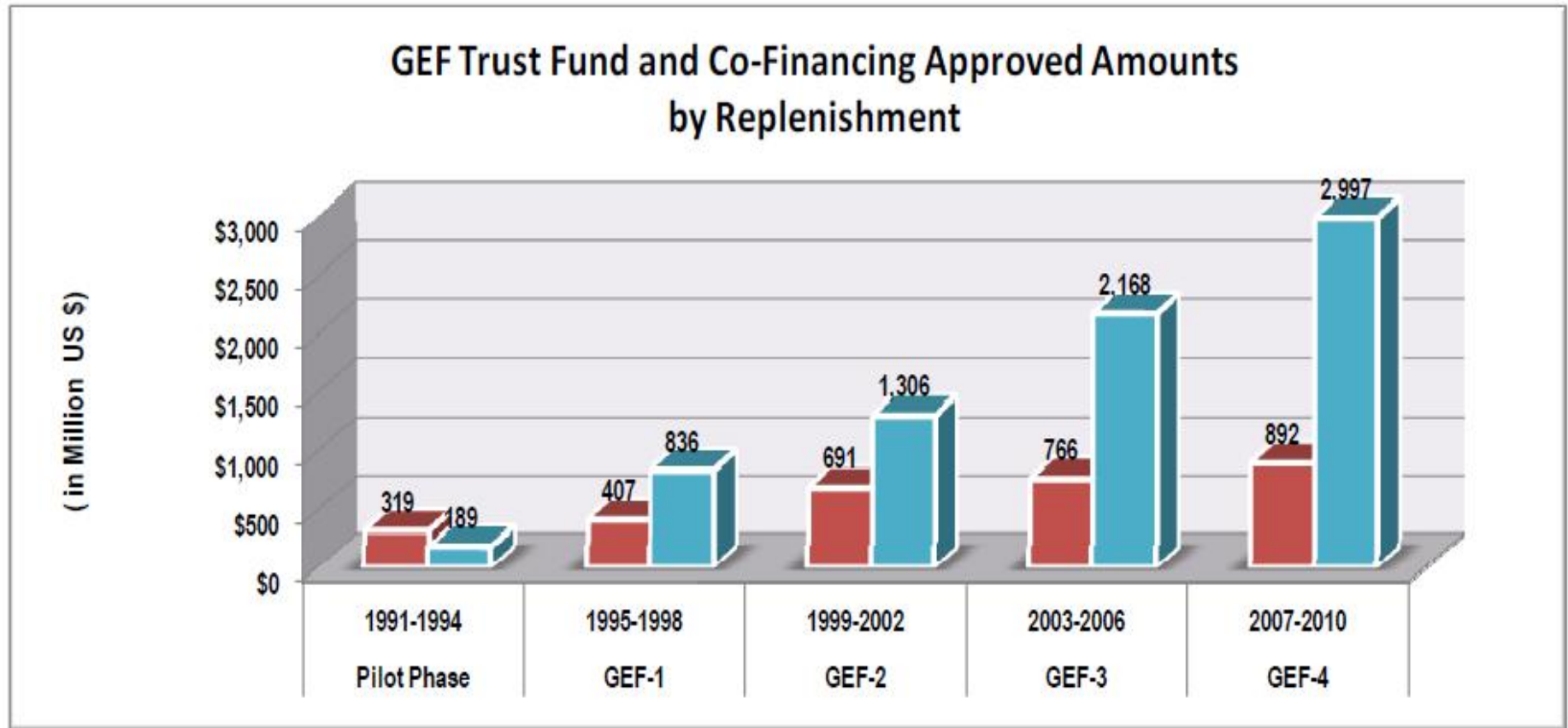
Results: Amounts for GEF Trust Fund 2014-2018

9 Options for consideration: Estimated Amounts

Estimated Amount Needed for the GEF-6 period 2014-2018 <i>before</i> applying incremental reasoning	Estimated Amount Needed for the GEF-6 period 2014-2018 <i>after</i> applying incremental reasoning	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs		
		applied co-financing ratios		
		1:2	1:4	1:6
Scenario 1: US\$ 74 billion	Scenario 1: US\$ 35 billion	US\$ 11 billion	US\$ 7 billion	US\$ 5 billion
Scenario 2: US\$131 billion	Scenario 2: US\$ 60 billion	US\$ 20 billion	US\$ 12 billion	US\$ 8 billion
Scenario 3: US\$191 billion	Scenario 3: US\$ 87 billion	US\$ 29 billion	US\$ 17 billion	US\$ 12 billion

Funding Needs versus Availability: the GEF TF

Figure 1: GEF Trust Fund and co-financing approved amounts by replenishment

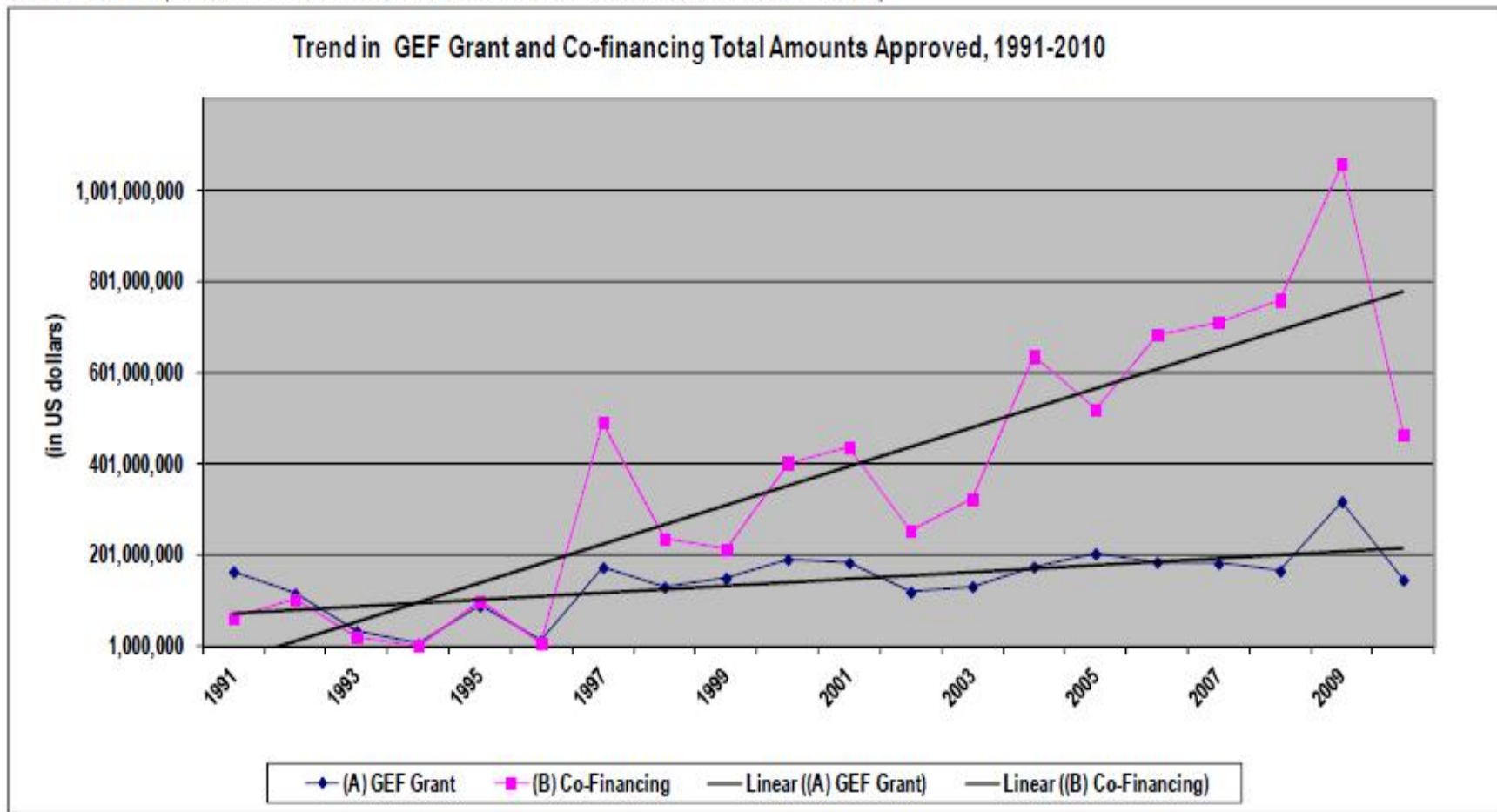


Source: Based on data obtained from the GEF Secretariat, October 2011.

Note: Annual Trust fund including agency fees coverage and co-financing from 1991-2010 were used to estimate the replenishment amounts.

Funding Needs versus Availability: the GEF TF

Figure 3: Trend in GEF Trust Fund Grant and Co-Financing Total Amounts Approved for Biodiversity, 1991-2010 (Source: Data obtained from the GEF Secretariat, October 2011)



Funding Needs versus Availability: the GEF TF

Table 3: Required and Available Amounts from the GEF and calculated increase from GEF-5 to GEF-6

Scenario For GEF-6 Period 2014-2018	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs			Available Amount of the GEF Trust Fund in GEF-5 period 2010-2014 to cover Incremental Costs	Calculated Increase from GEF-5 to GEF-6 based on available Amounts in GEF-5		
	applied co-financing ratio			Biodiversity Focal Area US\$ 1.2 bn	according to co-financing ratio		
	1:2	1:4	1:6	Expected contributions from other GEF Focal Areas and Funds: ~ US\$ 0.4 bn	1:2	1:4	1:6
Scenario 1	US\$ 11 bn	US\$ 7 bn	US\$ 5 bn	US\$ 1.6 bn	~ 7 fold	~4.5 fold	~ 3 fold
Scenario 2	US\$ 20 bn	US\$ 12 bn	US\$ 8 bn	US\$ 1.6 bn	~ 12.5 fold	~7.5 fold	~ 5 fold
Scenario 3	US\$ 29 bn	US\$ 17 bn	US\$ 12 bn	US\$ 1.6 bn	~ 18 fold	~11 fold	~ 7.5 fold

Funding Needs versus Availability: co-funding

Table 4: Calculated Co-financing Needed to Match Expected Amount of Incremental Cost Coverage by the GEF-6 Trust Fund

Scenario For GEF-6 Period 2014-2018	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs			Calculated Co-financing Needs in GEF-6 period*		
	applied co-financing ratio			applied co-financing ratio		
	1:2	1:4	1:6	1:2	1:4	1:6
Scenario 1	US\$ 11 bn	US\$ 7 bn	US\$ 5 bn	US\$ 22 bn	US\$ 28 bn	US\$ 30 bn
Scenario 2	US\$ 20 bn	US\$ 12 bn	US\$ 8 bn	US\$ 40 bn	US\$ 48 bn	US\$ 48 bn
Scenario 3	US\$ 29 bn	US\$ 17 bn	US\$ 12 bn	US\$ 58 bn	US\$ 68 bn	US\$ 72 bn
* rounding errors might occur						

COP-11 Decision XI/5: The Financial Mechanism

The Conference of the Parties ...

11. *Takes note* of the range of funding needs estimated for GEF-6
12. *Urges* the GEF ... to give **due consideration to all aspects** of the expert team's needs assessment report **on the levels of funding for biodiversity**
13. ...*invites* the GEF to identify the Aichi Targets benefiting the most from **synergies with other FA**
14. *Emphasizes* that Strategic Plan 2011-2020 + Aichi Targets are an ambitious framework ... that require **a substantial increase** in the resources available
15. *Transmits* the GEF-6 needs assessment to the GEF for consideration and reporting back to COP

GEF-6 Biodiversity Funding Needs Assessment

**This first ever assessment is a crucial basis
for the replenishment discussion**

Thank you very much for your attention

