DAC RIO MARKERS AND BIODIVERSITY POLICY RESPONSE INDICATORS

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Trends in biodiversity-related bilateral ODA
three year averages, 2004-2012, bilateral commitments, USD billion, constant 2011 prices

- Bilateral biodiversity-related aid commitments by OECD DAC members reached **USD 6.1 billion per year** in 2010-12, representing **5% of total bilateral aid**.
- Increase in share of biodiversity-related aid targeting biodiversity as a “significant” objective.
- Donors are increasingly targeting multiple environmental objectives with their aid.
- In 2010-12, of total biodiversity-related bilateral aid, 82% also target climate change (adaptation, mitigation or both).

Source: OECD DAC Statistics, Aid to Biodiversity (March, 2013)
Joint Task Team on improvement of the Rio markers

• **Goal:** ensure DAC methodologies and data remain a reference for the international community on Official Development Assistance and Other Official Flows* targeting environmental objectives

• **Areas for improvement agreed in first Task Team meeting:**
  - **Quality** of Rio marker data
  - **Coverage** - reconciliation of “green” multilateral finance flows
  - **Use** - supporting transparency and harmonisation in reporting to the conventions
  - **Communication** - including user access and online profile

➢ **In relation to Rio Conventions:** clarify information needs & explore how to build on the existing DAC system and data; increase transparency and accountability in donor reporting to Rio Conventions such as the CBD.

➢ Provide evidence, information and options in a timely manner to inform key international discussions and support good outcomes.

Ref: Terms of reference and scope of work for a Joint ENVIRONET and WP-STAT Task Team on Improvement of Rio markers, environment and development finance statistics. OLIS record reference: DCD/DAC/(2013)8-REV
Recognising the quantitative nature of reporting requirements for the Conventions, the Task Team is exploring the options and basis for developing a harmonised methodology for how to use Rio marker data for reporting to the Conventions.
**Background:** The Convention on Biological Diversity, at COP-10, agreed on the Strategic Plan for Biodiversity 2011-2020, including the Aichi Biodiversity Targets and the Strategy for Resource Mobilization.

**Purpose of this on-going work:** Contribute to the development of Biodiversity Policy Response Indicators useful for monitoring progress towards the achievement of Aichi Target 3 (incentives) & 20 (resource mobilisation).
“By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio-economic conditions”

Operational Indicators

• Trends in the **number and value of incentives**, including subsidies, harmful to biodiversity removed, reformed or phased out

• Trends in **identification, assessment and establishment and strengthening of incentives** that reward positive contribution to biodiversity and ecosystem services and penalize adverse impacts
“By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels.”

(1) Aggregate financial flows, in the amount and where relevant percentage, of biodiversity-related funding, per annum, for achieving the Convention’s three objectives, in a manner that avoids double counting, both in total and in, inter alia, the following categories:

(a) Official Development Assistance;
(b) Domestic budgets at all levels;
(c) Private Sector;
(d) Non-governmental organizations, foundations, and academia;
(e) International financial institutions;
(f) United Nations organizations, funds and programmes;
(g) Non-ODA public funding;
(h) South-South cooperation initiatives;
(i) Technical cooperation;
Positive incentives for the conservation and sustainable use of biodiversity…

OECD/EEA database on economic instruments for environmental policy and natural resource management

Instruments included:
1. Environmentally-related taxes, fees and charges
2. Tradable permit systems
3. Environmentally-motivated subsidies
4. Deposit refund schemes
5. Voluntary approaches

Environmental domains:
- Water pollution
- Air pollution
- Climate change
- Land contamination
- Waste management
- Natural resources management
- Noise
- Energy efficiency
- Transport
- Land management
Incentives, including subsidies, harmful to biodiversity

Support measures can incentivize:

- expansion and intensification of agriculture/fishing practices
- adoption of biodiversity-friendly gear/practices

The reduction of subsidies considered harmful to biodiversity could aid in achieving:

✔ Target 3
✔ Target 20

- (13) Resources mobilized from the removal, reform or phase-out of incentives, including subsidies, harmful to biodiversity...
- (14) Number of initiatives, and respective amounts...in new and innovative financial mechanisms (environmental fiscal reform)...

1. OECD Agriculture Producer and Consumer Support Estimates
2. OECD Government Financial Transfers to Fisheries
Strategy for Resource Mobilization and Target 20

OECD DAC Creditor Reporting System and the Rio Markers

It is possible to use the CRS framework to monitor bilateral biodiversity-related international finance from:

- ✓ Bilateral ODA (Rio markers)
- ✓ Multilateral ODA (imputed contributions)
- ✓ Non-ODA public funding
- ✓ South-South cooperation initiatives
- ✓ Technical Cooperation

OECD and Eurostat data on environmental protection expenditure

<table>
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<tr>
<th>(data availability)</th>
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<th>Country-level data available</th>
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For further information on OECD work on the economics and policy of biodiversity and ecosystems, visit:

www.oecd.org/env/biodiversity

For further information on the Rio markers and official development finance statistics, visit:

www.oecd.org/dac/stats/rioconventions.htm

**Key areas of OECD work on biodiversity:**

- Biodiversity Indicators, Valuation and Assessment
- Economic Instruments, Incentives and Policies for Biodiversity
- Biodiversity Finance, Development and Distributional Issues

- Recent and forthcoming work: Paying for Biodiversity: Enhancing the Cost-Effectiveness of Payments for Ecosystem Services (OECD, 2010); Biodiversity offsets (OECD, forthcoming 2014); Policy Response Indicators for Biodiversity (OECD, forthcoming 2014).

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