CLASSIFICATION SYSTEM for BIODIVERSITY

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CHALLENGE

Multiple approaches to measure biodiversity expenditures and ecosystem accounts.

Goals are similar–tracking how much is spent on intentional biodiversity positive outcomes– but differences in definitions, methodology, and implementing agencies leading to lack of comparability and duplication of efforts

Despite different needs, quality and impact can be increased by improved alignment and/or cross-sector validation

- System of Environmental-Economic Accounting
- Biodiversity Finance Initiative National Assessments
- Convention of Biodiversity Financial Reporting Framework
- Sustainable Development Goals-Goal 15
- Rio Markers

OBJECTIVE

Objective: build consensus over a system of classification for biodiversity actions, expenditures and cost-items that can inform better development planning and financing decisions.

Expected deliverable: options for aligning the different approaches used to measure biodiversity expenditures, making them comparable and more comprehensive.

INITIAL FINDINGS

- Use by **3 different audiences** (conservation, finance and statistics) for different purposes (accounting, SDG reporting, expenditure reviews, communication). **Alignment and additionality** may be preferred to a "single system" or a revision of CEPA/CEA
- National assessments have highlighted that the CEPA/CEA framework is currently unfit for wider use in conservation (e.g. expenditure items fit under "other", underestimation), or for policy and programmatic follow-up
- **Tagging approaches** should be complementary to unique attribution. Principles of classification ("in-and-outs") can provide guidance and may be the initial focus of harmonization
- Technical guidance for the **coefficients** used for **indirect biodiversity** expenditures remain a challenge
- The tracking "negative" expenditures could be further considered. BIOFIN has focused on harmful subsidies to biodiversity
- Top-down and bottom-up approaches should be pursued. Opportunities for **case studies** emerged, e.g. Mexico and further scoping with the Philippines and South Africa.

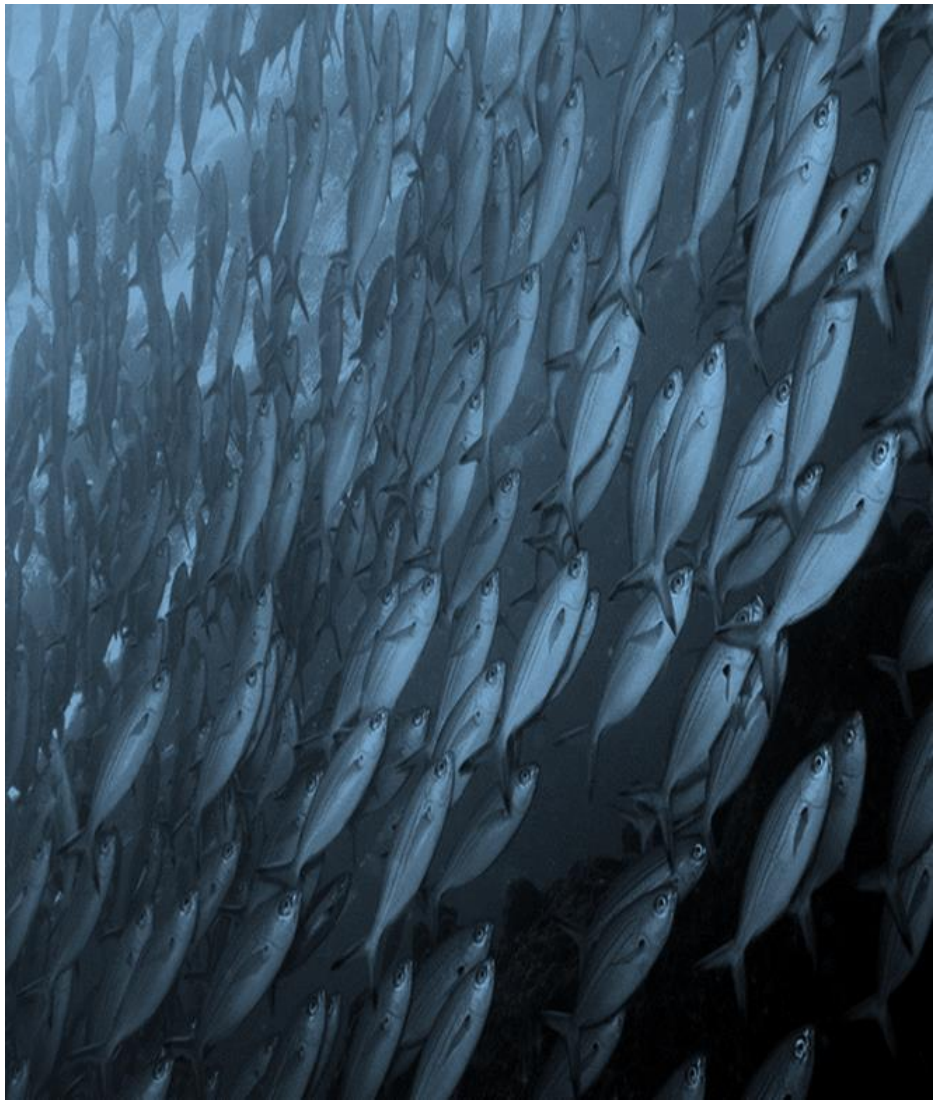
SUGGESTED NEXT STEPS

1. Agree on objective and scope: options for aligning approaches to measure biodiversity expenditures-develop system of classifications

2. Produce a concept paper to be submitted in October for further consideration

3. A compilation guideline for countries to use is developed and piloted in 2018-2019

4. Coordination established with the Eurostat taskforce on the CPEA/CReMA classification



QUESTIONS FOR DISCUSION

1. Are the objective and deliverable suggested relevant and achievable?
2. How can be the process be better structured and under what timeline?
3. How can be the challenges highlighted better dealt with? Are there important considerations missing?

BIOFIN SUPPORTED WORK

OBJECTIVES, PRINCIPLES, CRITERIA

- **Goal**: build consensus over a framework/system for classifying biodiversity actions, expenditures and cost-items (short-medium term) for the development of planning and financial tools and methodologies (long-term)
- **Deliverable**: system of classification
- **Primary use**: classification
    1. **Actions +** common info set, prioritization, link to SDGs and outcomes
    2. **Expenditures +** accounting, effectiveness-analysis, normative guidance
    3. **Cost items +** cost coefficients, standard costs, effectiveness-analysis
- **Secondary use**: planning; financing; advocacy; research
- **Success factors**: “good use” by Government(s); experts’ consensus

OBJECTIVES, PRINCIPLES, CRITERIA

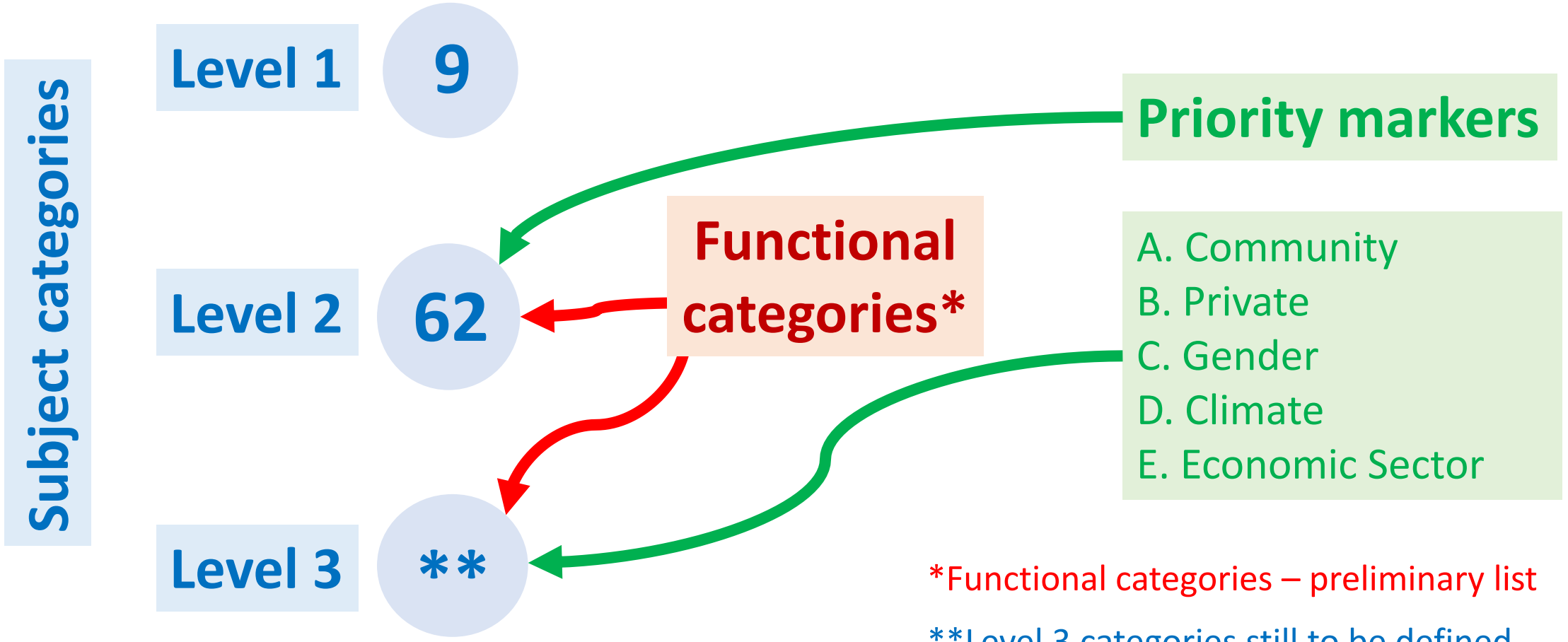
Guiding principles

- Compatibility with Aichi, SDGs, and UN-SEEA
- Internal consistency/coherence
- Conceptual clarity-no ambiguity
- Interconnectivity (e.g. budget coding and/or tagging)
- Comparability of data across countries
- Common language for finance and biodiversity users
- Easy-to-communicate

Additional considerations

- Multiple use: actions, expenditures and cost-items
- Balanced number of top level categories
- Mutual exclusivity
- Flexibility (e.g. full alignment at top level categories)

SYSTEM OF CLASSIFICATION



*Functional categories – preliminary list

**Level 3 categories still to be defined

LEVEL 1	LEVEL 1 DESCRIPTION	LEVEL 2
1. Access and Benefit Sharing (ABS)	*Access to genetic resources, including prior informed consent, distribution of the benefits of genetic diversity, equity, transparency and mutually agreed terms.*	1.1 ABS Clearing House Mechanism
		1.2 Bioprospecting
		1.3 Contractual Arrangement
		1.4 Financial compensation
		1.5 Nagoya Protocol (ratified/enforced)
2. Biodiversity and development planning	*National, state or local planning, policy, finance, legal, coordination, and enforcement actions that cover multiple biodiversity categories or general issues such as biodiversity and development planning and policy.*	2.1 Biodiversity coordination and management
		2.2 Biodiversity finance
		2.3 Biodiversity laws, policies, plans
		2.4 Multilateral Environment Agreement (MEA)
		2.5 Other relevant laws, policies, plans
		2.6 Spatial planning
		2.7 Strategic Environmental Assessment (SEA) frameworks
3. Biodiversity awareness and knowledge	*Campaigns, actions or initiatives raising awareness on biodiversity and its use/value, whether informal or formal, and actions generating the data and/or information required to make sound decisions regarding biodiversity, including scientific and socio-economical research.*	3.1 Biodiversity awareness (e.g. public awareness campaigns)
		3.2 Biodiversity communication
		3.3 Biodiversity scientific research
		3.4 CBD Clearing House Mechanism
		3.5 Data generation and spatial mapping
		3.6 Formal biodiversity education
		3.7 Indigenous and local communities knowledge
		3.8 Non-formal biodiversity education, incl. technical training
		3.9 Technology innovation for biodiversity
		3.10 Valuation of biodiversity and ecosystems

LEVEL 1	LEVEL 1 DESCRIPTION	LEVEL 2
4. Biosafety	*Prevention, containment, and eradication of Invasive Alien Species as well as safe handling, transport and use of living modified organisms resulting from biotechnology that may have adverse effects on biodiversity and human health.*	4.1 Genetically modified organisms (GMOs), including Living modified organisms (LMOs)
		4.2 Invasive alien species
5. Green economy	*Biodiversity benefits from private and public sector actions that aim to reduce the negative impacts of economic activities on nature - by improved design, engineering, planning, investing, operations, policy, and management - and positive benefits from the financing and management of nature through green infrastructure, biodiversity-friendly business, sustainability certification, and sustainable supply chains.*	5.1 Corporate social responsibility (CSR)
		5.2 Environmental Impact Assessment (EIA)
		5.3 GHG mitigation
		5.4 Green supply chain
		5.5 Sustainable consumption
		5.6 Sustainable energy
		5.7 Sustainable extractive industries
		5.8 Sustainable investing
		5.9 Sustainable tourism
		5.10 Sustainable transportation
		5.11 Sustainable urban areas
6. Pollution management	*Biodiversity benefits from actions whose primary purpose is the prevention, reduction and elimination of pollution. It includes the activities listed in the Environmental Protection category of UNSEEA.*	6.1 Other pollution reduction measures
		6.2 Protection and remediation of soil, groundwater and surface water
		6.3 Protection of ambient air and climate
		6.4 Waste management
		6.5 Wastewater management

LEVEL 1	LEVEL 1 DESCRIPTION	LEVEL 2
7. Protected areas and other conservation measures	*In situ and ex situ measures to protect and safeguard biodiversity at genetic, species and ecosystem levels.*	7.1 Ecosystem connectivity
		7.2 Expansion of protected areas
		7.3 Ex-situ conservation of species (botanical gardens and gene banks)
		7.4 Landscape/seascape conservation, incl. of valuable ecosystem services
		7.5 Loss of valuable habitats, incl. targeted conservation of species outside PAs
		7.6 Other effective area-based conservation measures (OECMs), incl. buffer zones
		7.7 Poaching, wildlife trade and CITES
		7.8 Protected areas, including indigenous and communities conserved areas
8. Restoration	*The restoration or the rehabilitation of degraded ecosystems for biodiversity and ecosystem services provisions.*	8.1 Post-disaster relief
		8.2 Reintroduction of species
		8.3 Site re-development and engineering
		8.4 Site-management
9. Sustainable use	Biodiversity benefits from the sustainable use of natural resources. This category is distinguished from the Green Economy by its focus on ecosystem services – primarily production and the underlying support services.	9.1 Agrobiodiversity
		9.2 Sustainable agriculture
		9.3 Sustainable aquaculture
		9.4 Sustainable fisheries
		9.5 Sustainable forestry
		9.6 Sustainable land management (UNCCD and multiple use)
		9.7 Sustainable marine and coastal management
		9.8 Sustainable rangelands
		9.9 Sustainable wildlife
		9.10 Watershed management

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THANK YOU