

The DSI global fund: ACRM3 outcomes and key issues

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# Key questions

- **Who should host the DSI Global Fund? GEF or CBD Secretariat?**
- Placeholder for which entity will administer the fund, based on, inter alia, ACRM recommendations
- **How to disburse the funds? Through projects or direct allocations to countries?**
- Funds generated from DSI use are of a different nature than ODA – they are monetary benefits that providers are entitled to
- Direct access for indigenous peoples and local communities
- **What about the governance arrangements?**
- Under the the authority and guidance of, and accountable to, the COP
- Full and effective participation of indigenous peoples and local communities
- Robust social safeguards framework to respect rights

# **Advisory Committee on Resource Mobilization: Mandate on DSI fund (decision 15/7)**

- (a) Whether to create a dedicated financing mechanism for the Convention under the authority of the Conference of the Parties, which could be designated the “Global Biodiversity Fund”, and what the options would be to operationalize it;*
- (b) Whether the trust fund under the Global Environment Facility (GEF) established under decision 15/15 should be designated the “Global Biodiversity Fund”;*
- (c) Whether and how either of the funding mechanisms mentioned above, or another alternative, would be the adequate entity to receive and disburse the revenue generated by the mechanism established under decision 15/9.***

# Funds considered

- [Dedicated Global Biodiversity Fund] - could be designed to meet all criteria, but may take some time to set up
- Global Biodiversity Framework Fund (w/ sunset clause) - or new GEF Fund
- CBD Trust Fund
  - Managed by UNEP, administered by CBD Secretariat
- CBD Trust Fund under the United Nations Multi-Partner Trust Fund Office (MPTFO)
  - Managed by UNDP, could be administered by CBD Secretariat
- Benefit-Sharing Fund of ITPGRFA - as an existing example of possible arrangements

# Key issues - GEF (1/2)

- Governance
  - Under the authority of the COP - no consensus
  - Fair and equitable - no consensus
  - COP able to decide governance structure - need to amend GEF Instrument
- Contributions from the private sector
  - Due diligence for every private sector donor
  - Not set up to receive large number of contributions
  - Can channel through national governments or dedicated platform

# Key issues - GEF (2/2)

- Ability to disburse to entities in developed countries
  - COP guidance for eligibility criteria - is this possible?
- Project based vs direct allocations
  - GEF not a viable option to implement direct allocations to countries
  - GEF operates under a project modality, with ex-ante assessment
- Direct access to indigenous peoples and local communities
  - GEF can only operate through implementing agencies
  - IPLC representatives did not agree with GEF on its characterization of the Inclusive Conservation Initiative

# Key issues – Fund administered by SCBD

- Need for additional information
- Already established Japan Biodiversity Fund (SCBD), Kunming Biodiversity Fund (MPTFO)
- Initial assessment shows that can meet most of the criteria identified – governance under the COP, accept contributions from private sector, disburse to entities in developed countries (in principle), direct allocations, direct access to IPLCs, operates according to UN financial standards, can be established and operationalized quickly
- May need to build capacity wrt Trust Fund under the CBD in terms of funds administration and if project-

# Further considerations

- ACRM could not reach consensual recommendation regarding which specific entity would be the most adequate; COP16 has to decide on the appropriate entity
- ACRM3 meeting report contains information and reflections on the different options to help COP16 make a decision
- Key issues for future consideration include:
  - Governance of the fund under the authority of the COP
  - Direct allocations - Initial formula to operationalize the global fund soon after COP16
  - IPLCs role in governance of the fund, ability to have direct access
  - Future dedicated Global Biodiversity Fund



Thank you!

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