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### RESOURCE MOBILIZATION

#### SYNTHESIS OF INFORMATION ON EXISTING POLICIES AND LEGISLATION GOVERNING BIODIVERSITY FINANCING MECHANISMS AND ON THE CONTRIBUTION OF COLLECTIVE ACTION OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

*Note by the Executive Secretary*

#### I. SYNTHESIS OF INFORMATION ON EXISTING LEGISLATION AND POLICIES GOVERNING BIODIVERSITY FINANCING MECHANISMS

##### A. Introduction

1. In paragraph 17 of decision XII/3, on resource mobilization, the Conference of the Parties at its twelfth meeting urged Parties to consider undertaking, as appropriate, a review and assessment of existing legislation and policies governing biodiversity financing mechanisms, with a view to identifying opportunities for mainstreaming biodiversity and strengthening current policies and their complementary safeguards, and to make information on this work available to the Executive Secretary, including practical experiences and lessons learned. In paragraph 18 of the same decision, the Conference of the Parties requested the Executive Secretary to compile a synthesis of the information provided by Parties pursuant to paragraph 17 above for consideration by the Subsidiary Body on Implementation at its first meeting.

2. With regard to safeguards, the mandate above is situated in the context of the adoption by the Conference of the Parties, in the same decision, of the voluntary guidelines on safeguards in biodiversity financing mechanisms (see decision XII/3, para 15 and annex III). The guidelines indicate, inter alia, that the potential effects of biodiversity financing mechanisms on indigenous and local communities' rights and livelihoods need to be addressed effectively, in accordance with national legislation, and that particular attention needs to be given to the impacts on, and contribution of, indigenous and local communities as well as women.

3. The Executive Secretary sent notification 2015-067, dated 3 June 2015, inviting Parties to submit pertinent information at their earliest convenience but no later than 31 December 2015. A reminder notification 2015-134 was sent on 23 November 2015. By the time of preparation of the present

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document, no submission from Parties had been received by the Executive Secretary pursuant to the invitation above.

4. In the light of this absence of submissions, the Secretariat analysed the 159 fifth national reports that were submitted by 31 December 2015 with a view to identifying and extracting information on national implementation progress that would respond to paragraph 17 of decision XII/3. A compilation of pertinent excerpts from Parties' fifth national reports is provided in UNEP/CBD/SBI/1/INF/4.

5. In addition, the Secretariat reviewed the template for the third national reports to the Cartagena Protocol on Biosafety.<sup>1</sup> While the template contains questions related to the mobilization of financial resources,<sup>2</sup> those do not ask about biodiversity financing mechanisms or the legislation and policies governing those mechanisms.

6. No reference could be found in fifth national reports that simultaneously responded to all aspects addressed by the mandate. At the same time, many Parties provide information on various individual aspects of the mandate which, when taken together, allow for the identification of some patterns and trends. However, as reports may not necessarily provide comprehensive coverage of the various aspects of the mandate, the numbers provided below may only indicate a lower bound.

7. In their national reports, Parties also report on their progress in implementing individual Aichi Biodiversity Targets. The Secretariat used this information for a global assessment of implementation progress by Aichi Biodiversity Target, which is contained in document UNEP/CBD/SBI/1/2/Add.2. Some sections of this document are also relevant to the present analysis and could be read in conjunction. In addition to information provided for Aichi Target 20, Aichi Biodiversity Target 3 on incentive measures is also relevant, among other things, because some biodiversity financing mechanisms, such as payments for ecosystem services, are also recognized as positive incentive measures, while identifying and eliminating, phasing out or reforming incentives, including subsidies, that are harmful to biodiversity can be an important element of environmental fiscal reforms, which, in turn, is one of the financing mechanisms reflected in goal 4 of the strategy for resource mobilization. In addition, given the explicit reference to safeguards, information on the implementation of Aichi Biodiversity Target 18, on traditional knowledge, innovations and practices of indigenous and local communities relevant for the conservation and sustainable use of biodiversity, could also be relevant.

## **B. Synthesis and analysis**

8. Out of the 159 national reports that were submitted and analysed by 31 December 2015, 125 Parties provided information that is relevant to at least one aspect of the mandate provided in paragraph 17 of decision XII/3. The submissions provide information on various biodiversity finance mechanisms. There is more limited information on the legislation and policies governing these mechanisms; however, approximately one quarter of reporting Parties mention that they passed legislation or adopted policies, including governmental decrees or similar tools, that would introduce or strengthen biodiversity financing mechanisms. Approximately 10 per cent of reporting Parties mention that they are in the process of developing such legislation or policies.<sup>3</sup> The reports generally do not provide more detailed information on the experiences encountered or lessons learned during the necessary policy process.

9. With regard to the review or assessment of such legislation or policies, three countries mention, in general terms, that they have undertaken, or are in the process of undertaking, such policy reviews; for instance, Sweden refers to a report, published in 2012, which contained a survey of policy instruments

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<sup>1</sup> [http://bch.cbd.int/protocol/cpb\\_natreports.shtml](http://bch.cbd.int/protocol/cpb_natreports.shtml).

<sup>2</sup> Question 17 enquires about mechanisms for the budgetary allocation of funds for the operation of the national biosafety framework, and question 203 enquires about the additional mobilization of financial resources.

<sup>3</sup> Depending on the date of submission of the individual national report, such information may no longer be up-to-date, implying that the number of countries that passed legislation or adopted policies in the meantime could be higher.

for achieving Sweden's environmental quality objectives. In the context of implementing Aichi Biodiversity Target 3 on incentive measures, slightly over 10 per cent of reporting Parties mention reviews or assessments that seek to identify incentives, including subsidies, that are harmful for biodiversity. Out of these, only four indicate that these reviews or assessments were completed, while three countries and the European Union indicate that such reviews or assessments are under way and an additional six countries indicate that such reviews or assessments are planned. Two countries refer in this context to the use of strategic environmental assessments.

10. In the context of the study undertaken in the European Union, Croatia explained that it is one of the 12 European Union countries that participate and that the results of this study are expected to contribute to the evaluation of incentives and subsidies that are harmful to biodiversity.

11. Approximately 15 per cent of reporting Parties pointed to examples of specific policies or programmes that were identified as, or are suspected of, generating incentives that are harmful for biodiversity, while approximately 10 per cent of reporting Parties pointed to individual measures generating harmful incentives that were addressed (i.e., eliminated, phased out or reformed):

(a) Argentina pointed to progress in the reformulation of harmful subsidies to biodiversity in its law on "Investments in Forestry" which grants financial support and tax benefits, among other things, for the enhancement of degraded native forests;

(b) Bangladesh noted that subsidies for chemical fertilizer had been reduced, while positive incentives had been put in place to reduce the price of non-urea fertilizer;

(c) Colombia referred to a series of taxes being put in place in order to discourage harmful activities;

(d) Costa Rica referred to its reform of forestry incentives by introducing a payment scheme for ecosystem services;

(e) Croatia referred to its reform of agricultural support, which is now linked with environmentally friendly agricultural practice rather than overall agricultural production, which favoured intensive rather than sustainable agriculture;

(f) Cyprus pointed to its focus on "greening" of agriculture concerning consideration of the nature, protection of habitats and species that depend on agriculture practices;

(g) Denmark pointed to abolishment of subsidies for draining under agricultural grant schemes, and for draining and building roads in woodlands under the woodland improvement scheme;

(h) The European Union pointed to its reforms of the common agricultural and fisheries policies that aim at reducing support that has a negative environmental impact, while rewarding practices that deliver public goods, including biodiversity;

(i) France pointed to its elimination of preferential tax rates on pesticides, as well as its reforms on water tariffs, regulations in rental properties, and the annual dues on pleasure boats;

(j) India referred to its reform of fertilizer subsidies, which is aimed at discouraging the use of more harmful urea-based fertilizer;

(k) Pakistan referred to its elimination of the electricity subsidy for farm tube wells, which was a major cause of groundwater depletion;

(l) Saudi Arabia noted it has been making progress in reorganizing some of its agricultural support mechanisms, as there has been a reduction in the amount of agricultural subsidies granted in the past 11 years;

(m) Switzerland noted that there had been progress in phasing out or reforming incentives harmful to biodiversity in the agricultural sector, such as the phase-out of direct payments for husbandry,

while acknowledging that the current tax and incentive system may affect climate, air and noise as well as soil and biodiversity;

(n) Thailand referred to its preliminary policy of eradicating incentives and subsidies, by concentrating on production cost reduction, with regard to rubber and rice price subsidies;

(o) Uruguay referred to its 2005 reform of the forestry law, which eliminated certain support measures.

12. Addressing harmful incentives may be a necessary but not a sufficient measure for improving biodiversity, as was noted by New Zealand. Its national report explains that the country's agriculture is market-driven and has operated without direct subsidies or price or income support for nearly 30 years. Nor are there direct subsidies for the fishing industry or commercial forest management. While subsidy reform initially had a positive impact on biodiversity, with the intensification of agriculture, especially dairy farming, in recent years, pollution and biodiversity concerns have renewed.

13. At its twelfth meeting, the Conference of the Parties, in its decision XII/3 on resource mobilization, adopted milestones for the full implementation of Aichi Biodiversity 3 (see decision XII/3, para. 21 and annex I). One of the milestones, to be achieved by 2016, calls for the finalization of national analytical studies that identify harmful incentives that are candidates for elimination, phase-out or reform of incentives, including subsidies, that are harmful for biodiversity, and that identify opportunities to promote the design and implementation of positive incentive measures. Another milestone calls for development of immediate policy or legislative action, by 2016, in cases where harmful incentives that are candidates for elimination, phase-out or reform are already known, in the form of their elimination or initiation of their phase-out or their reform. In the light of these milestones, and with due regard to the potential of Aichi Biodiversity Target 3 to mobilize resources for biodiversity, as reflected by the Conference of the Parties in decision XI/4, paragraph 8, while recognizing that the milestones were adopted as a flexible framework, the numbers above do not seem to represent satisfactory progress.

14. The development and inclusion, by 2015, of a national target reflecting Aichi Biodiversity Target 3 in revised national biodiversity strategies and the inclusion of pertinent action items in revised national biodiversity action plans is another milestone adopted by the twelfth meeting of the Conference of the Parties. However, according to the analysis of the contribution of national targets established by Parties and progress towards the Aichi Biodiversity Targets (see document UNEP/CBD/SBI/1/2/Add.2), almost half of the 59 revised NBSAPs received by 31 December 2015 do not contain a national target or commitment related to Aichi Biodiversity Target 3, while approximately 40 per cent more contain a related target with a lower level of ambition or which does not address all of the elements contained in the Aichi Target. This seems to corroborate the assessment in paragraph 14 above.

15. As regards the implementation of specific biodiversity financing mechanisms, while only very few reporting Parties (less than 5 per cent) mention environmental fiscal reform, a significant larger amount refer to measures that may arguably be part of environmental fiscal reform, such as the elimination, phase-out or reform of incentives, including subsidies that are harmful for biodiversity, which, as indicated above, is mentioned by approximately 10 per cent, or the application of fiscal measures, such as green taxes or tax breaks for beneficial activities, mentioned by 15 per cent.

16. Less than 10 per cent of reporting Parties explicitly refer to the introduction or strengthening of payments schemes for ecosystem services, while approximately 5 per cent of reporting Parties refer to conservation offsets, including conservation banking. However, a significantly larger amount of reporting Parties (close to 40 per cent) refer to the introduction or strengthening of positive incentive measures which may involve similar concepts, such as in the case of agri-environmental payments. In this context, nine member countries of the European Union as well as the European Union itself referred to the strengthening of incentive measures for biodiversity in the context of the common agriculture policy and the common fisheries policy, and associated reforms.

17. Approximately 10 per cent of reporting countries refer to the greening of markets or to the establishment of business partnerships, possibly in the context of sector-specific programmes, for instance on tourism (see paras. 19 and 20 below). In the light of the potentially important role financial institutions could play for resource mobilization for biodiversity, one Party (Brazil) explicitly refers to engagement with the financial sector in form of a Green Protocol (Protocolo Verde) to internalize environmental sustainability criteria within the public banking system.

18. Approximately 10 per cent of submissions refer to the strengthening of funds or the establishment of new funds, involving sometimes an interesting range of funding arrangements, mechanisms and sources. For instance, Namibia refers to the establishment of the Game Products Trust Fund (GPTF), with an annual average of N\$8 million disbursed during the period 2010-2013, and explains that the main sources of income for the GPTF were: (a) entrance fees to national parks; (b) ivory sales; (c) live export head levies; (d) hunting concessions; (e) live game auctions; and (f) the trophy hunting of problem animals.

19. As regards mainstreaming biodiversity in the context of financing mechanisms, six developed countries pointed to programmatic strengthening of biodiversity in their development cooperation activities and associated international development finance, while six countries referred to strengthening biodiversity consideration in climate change financing, such as under REDD+. In terms of mainstreaming biodiversity into economic sectors, references to policies, programmes or measures aimed at agriculture and forestry take the lead with close to 20 per cent of submissions referring in both cases, while other sectors, such as fisheries, energy, or tourism, feature less prominently.

20. As regards the strengthening of safeguards in the context of biodiversity financing mechanisms, only one country (Armenia) makes an explicit reference to safeguards in this context, referring to safeguarding prerequisites for establishment of community-managed specially protected nature areas, while only two countries refer to women. However, a significant number of Parties refer to policies, programmes or measures for which consideration of the effects on indigenous and local communities' rights and livelihoods, as called for by the guidelines on safeguards in biodiversity financing mechanisms adopted by the Conference of the Parties at its twelfth meeting, would seem to be of particular importance. In particular, a quarter of reporting countries referred to community involvement in biodiversity management and to the introduction or strengthening of associated positive incentives, for instance arrangements for sharing tourism revenues, such as in the context of community-based natural resource management (CBNRM), the joint management of protected areas, or the establishment and formal recognition of community protected areas.<sup>4</sup> Approximately 5 per cent of reporting countries mentioned strengthening the rights of indigenous peoples and local communities in the context of legislation, policies, or measures aiming at the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

21. As a concrete example, Argentina indicates that it enacted Law 26,331 on Minimum Standards for Environmental Protection of Native Forests, under which funds are transferred to the owners of native forests for preservation, prioritizing farmers and indigenous people living in and from the forest. This progress has been made possible by a 700 per cent increase in the budget of the Administration of National Parks.

22. It is noteworthy, however, that progress is not in all cases linear and that the effects of community-based approaches on indigenous and local communities' rights and livelihoods are not automatically positive. The case mentioned by Botswana is instructive: in analysing the trend in revenues to community-based organizations (CBOs) engaged in natural resources management, the country observes that CBO revenues grew rapidly from around BWP 1 million in 1997 to over BWP 20 million in 2008. Since 2008, however, revenues have declined, particularly in real terms. The report notes that this decline seems to coincide with the implementation of the 2007 CBNRM Policy, which was meant to

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<sup>4</sup> See also paragraph 29 of decision XII/3.

actually support and grow CBOs and rural livelihoods. However, the report concludes that this has not happened, and it is suspected that this is possibly due to the fact that the fund introduced as a result of the policy has discouraged CBOs from further development and expansion.

### **C. Suggested way forward**

23. In the light of the analysis above, the following conclusions could be drawn and were reflected in the draft recommendation for consideration by the Subsidiary Body, as presented in document UNEP/CBD/SBI/1/7:

(a) While some progress is being made towards implementation of Aichi Target 3 and the application of the associated milestones adopted by the Conference of the Parties at its twelfth meeting, it seems that more could be done. Accordingly, the Subsidiary Body may wish to recommend recalling the milestones and the importance of their application. The Subsidiary Body may also wish to recommend supportive activities to be undertaken by the Executive Secretary, in cooperation with relevant international organizations and initiatives, and with input provided by Parties;

(b) There is relatively little pertinent information provided on markets for green products and business-biodiversity partnerships, in particular, despite its potentially important role for resource mobilization for biodiversity, on engaging the financial sector. The Subsidiary Body may wish to recommend strengthening this particular aspect through its work on business engagement;

(c) Despite a multitude of references to approaches, such as CBNRM, which showcase that many countries seek to engage and further incentivize indigenous peoples and local communities in achieving biodiversity conservation and sustainable use, there is little information, including good practices or lessons learned, provided on how the application of safeguards can ensure that the potential effects of biodiversity financing mechanisms on indigenous and local communities' rights and livelihoods are effectively addressed. At the same time, existing evidence seems to indicate that related experiences are not always positive. The Subsidiary Body may therefore wish to recommend pursuing and further strengthening this work, using existing work streams, such as the implementation of the Plan of Action on Customary Sustainable Use endorsed by the Conference of the Parties at its twelfth meeting (decision XII/12 B, paragraph 1 and annex).

## **II. SYNTHESIS OF INFORMATION ON THE CONTRIBUTION OF COLLECTIVE ACTION OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES**

### **A. Introduction**

24. In paragraph 29 of decision XII/3, the Conference of the Parties recognized, in the financial reporting framework, the role of collective action, including by indigenous and local communities, and non-market-based approaches for mobilizing resources for achieving the objectives of the Convention, including approaches such as community-based natural resource management, shared governance or joint management of protected areas, or through indigenous and community conserved territories and areas, and resolved to include activities that encourage and support such approaches into reporting under the Convention. Furthermore, in paragraph 30 (c) of the same decision, the Conference of the Parties invited Parties, other Governments, and relevant stakeholder organizations to consider providing, through the Financial Reporting Framework and other means, information on the contribution of collective action to biodiversity conservation, including on experiences and lessons learned in applying pertinent methodologies.

25. In paragraph 31 of the same decision, the Conference of the Parties requested the Executive Secretary to facilitate the exchange of views and experiences on collective action of indigenous and local communities, and make this information available through the clearing-house mechanism of the Convention and to the Subsidiary Body on Implementation at its first meeting for its consideration for update and provision of relevant guidelines.

26. Pursuant to this request, the Executive Secretary and SwedBio at Stockholm Resilience Centre co-organized the Dialogue Workshop on Assessment of Collective Action of Indigenous Peoples and Local Communities in Biodiversity Conservation and Resource Mobilization, held in Panajachel, Guatemala, from 11 to 13 June 2015 with financial support provided by the European Union and the Swedish International Development Cooperation Agency through SwedBio. A total of 78 government-nominated participants from over 30 countries took part in the dialogue workshop, including representatives of indigenous peoples, academics, government representatives and policy-makers, and members of civil society organizations.<sup>5</sup>

27. The workshop was organized in conjunction with the International Training Workshop on Community-Based Monitoring, Indicators on Traditional Knowledge and Customary Sustainable Use and Community Protocols within the Strategic Plan for Biodiversity 2011-2020, which was financed by the Governments of Guatemala and Japan. A dedicated website was established to inform the deliberations of participants of prior information received (<http://www.cbd.int/financial/collectiveworkshop.shtml>).

28. In order to provide such prior substantial input to the workshop, the Executive Secretary sent notification 2015/043 dated 16 April 2015 inviting the submission of information on the contribution of collective action to biodiversity conservation, including on experiences and lessons learned in applying pertinent methodologies. Submissions were received from Australia, Canada, Colombia, Nepal and Timor-Leste, as well as the Food and Agriculture Organization of the United Nations and the Indigenous Peoples' and Community Conserved Territories and Areas (ICCA) Consortium, were made available at <http://www.cbd.int/financial/collectiveaction.shtml> and brought to the attention of the dialogue workshop.

29. The Secretariat also organized an Online Forum on Collective Action of Indigenous Peoples and Local Communities, which took place from 1 to 15 May 2015 (see <http://www.cbd.int/financial/forumtk.shtml>). Fifty-two additional information items were generated from the online forum and were made available to the workshop under the dedicated website mentioned above.

30. The remainder of this section provides a synthesis of the key outcomes of the workshop, based on its final report, which was prepared under the aegis of the co-chairs of the workshop, Ms. Maria Schultz (SwedBio) and Mr. Edgar Selvin Pérez (Asociación Sotz'íl). The full report is made available as an information document (UNEP/CBD/SBI/1/INF/6).

## **B. Synthesis of key outcomes**

31. Reflecting the mandate of decision XII/3 above, the workshop sought to enhance the visualization, understanding and recognition of the value of collective action and, in particular, to identify concrete ways to describe and measure collective action. The dialogue sought to enhance understanding among participants and contribute to further work in crafting useful models for assessment of collective action.

32. The workshop participants shared and discussed various methodologies and conceptual frameworks to (a) document and evaluate the contribution of collective action; (b) to take into account the needs, values and perspectives of different actors, including indigenous peoples and local communities, governments and academics; (c) to create a link with ongoing efforts to connect diverse knowledge systems, among others, through a Multiple Evidence Base approach based on equity and reciprocity, in order to create outcomes that are legitimate, credible and useful for all actors involved; and (d) to share experiences and lessons learned in applying such methodologies, exploring possibilities for better responses and adaptations to information needs.

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<sup>5</sup> See notification 2015-030 of 10 March 2015 inviting nominations for this workshop and notification 2015-046 of 27 April 2015 communicating the list of selected experts.

33. *Concept and scope.* The workshop conceptualized collective action as “two or more people working cooperatively together towards a specific common goal”. Indigenous peoples and local communities affirmed that the concept of collective action is at the heart of their livelihoods, and that is an important contribution to conservation and sustainable use of biodiversity, framed in their own cultures and worldviews.

34. Participants noted that collective action can contribute to the achievement of all the Aichi Targets. As a consequence, collective action ought to be addressed and visualized under all Targets as embedded in the bundle of contributions towards their achievement. Many tangible examples of collective action were presented, from all continents, ranging from very local to large regional levels, spanning centuries in time, and with different degrees of collectiveness.

35. *Multiplicity of values.* It was stressed that multiple values need to be recognized in assessing collective action. In some cases the benefits of collective action can be reported in monetary terms, provided that it results in sustainable use of biodiversity, but in most cases they will need to be reported as non-monetary contributions. It was stressed by many participants that sociocultural values cannot be measured adequately through monetary valuation, since they are conceived within a specific cultural framework. This constitutes a unique perspective on values, through the many social roles and social-biological relationships that are specific for each territory and knowledge system.

36. *Role of traditional knowledge.* In this context, it was also underlined that traditional knowledge can provide an important contribution on an equal level to scientific knowledge in decision-making and reporting processes, and that this implies that the many ways of holding and transmitting traditional knowledge need to be included and recognized on equal terms, in particular when reporting on collective action by indigenous peoples and local communities as it relates to their contribution to the conservation of biodiversity.

37. *Methodologies for measuring and aggregating data.* Many useful examples, experiences, and methods were shared during the dialogue that show how valuation, measurement and aggregation of data for reporting of collective action can be undertaken in specific cases or countries:

(a) The Multiple Evidence Base approach sets out a process of knowledge mobilization that can bring together scientific and traditional knowledge systems, in order to co-formulate problem issues and responses. This approach is now being applied in various “bottom-up” contexts; for example in eco-cultural mapping activities;

(b) Community Based Monitoring and Information Systems (CBMIS) is a bundle of methods, developed by local communities based on their own monitoring needs, which is used for monitoring the indicators for traditional knowledge under the Convention;

(c) The Indigenous and Community Conserved Areas (ICCA) Consortium has many tools and methods for capturing the contribution of collective action, such as participatory mapping and GIS, video and photo stories, biocultural community protocols, and toolkits for environmental monitoring and assessment of threats to their indigenous and community conserved areas.

38. Top-down methods present particular methodological and ethical challenges, such as regarding prior informed consent. They also risk failing to capture important local considerations. In this context, reference was made to hybrid approaches, where knowledge from local monitoring is aggregated into larger-scale information.

39. *Reporting collective action in the financial reporting framework.* The workshop noted that both quantitative and qualitative measures can be used as indicators for reporting collective action in the financial reporting framework:



(a) A framework that has been suggested and recognized in decision XII/3 is the “Conceptual and Methodological Framework for Evaluating the Contribution of Collective Action to Biodiversity Conservation” developed by the Government of Bolivia with the support of the Amazon Cooperation Treaty Organization (ACTO). It proposes a three-module approach, linking geospatial modelling, institutional analysis and ecological assessment.<sup>6</sup> Discussion should continue about this approach, while it was also stressed that other frameworks can also be used;

(b) It was discussed that aggregated reporting could be based on resources. When the sustainable use of biodiversity has a monetary dimension, aggregated reporting could be based on this value. Other examples mentioned were the time invested or the numbers of people involved in collective action, and the investments and benefits from innovations made by indigenous peoples and local communities in the use and good management of genetic resources, such as seeds, associated with traditional knowledge;

(c) Participants also said that aggregated reporting could be based on assessments of the effects of collective action in the natural environment, for example the extent of areas under customary sustainable use and conservation, the biodiversity elements of these areas, and status and trends of restoration projects and traditional management of forest and aquatic systems including their ecosystem services and functions. These indicators and measurement processes can be based on a wide range of tools.

(d) Participants also noted that reporting could be based on metrics relating to process, such as trends in practice on community based monitoring and information systems, or the existence and implementation of regulations or policies relating to conservation and sustainable use of biodiversity.

40. *Process orientation.* Participants noted that multiple values and units and “process-oriented” assessments are essential for reporting collective action. How assessments of collective action are made was felt to be as important as what the assessments are expected to visualize and verify in reporting.

41. Indigenous peoples and local communities need to be involved in equal, transparent and useful ways in the process of developing assessment methods, as well as the processes of measuring and assessing of collective action. Participants noted that in some countries, there are still gaps in the recognition of the rights of indigenous peoples and local communities.

42. *Methodological pluralism and complementarity.* It can be difficult to assess the relationships between the different kinds of possible measures, and it should not be assumed that a robust and universal equivalence between the monetary and non-monetary measures exists. Qualitative and quantitative data are complementary sources of information, and both should be used.

43. Participants expressed concern that simplistic reporting would fail to disaggregate the many aspects that affect costs, benefits and the diverse values of collective action to indigenous peoples and local communities, and society as whole. There is no “universal guideline” on how to address or monitor the important non-monetary issues that most participants view as essential for biodiversity conservation and sustainable use, including worldviews and systems of indigenous peoples and local communities assigning their own form of non-monetary value.

44. Many participants stressed that more time is needed for the process of including collective action, in particular in the resource mobilization framework, and for analysis of its contribution to Aichi Targets. There were concerns expressed that haste in this process might bring risks for inadequate monetization and misleading financial estimates. Bridging methodologies should be developed which would bring together data on larger scales with bottom-up assessments that transmit significant aspects of the local cultural contexts and worldviews.

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<sup>6</sup> See UNEP/CBD/COP/12/INF/7.

45. *Technical and financial assistance.* There is a need to support indigenous peoples and local communities and developing countries Parties, including through technical and financial assistance, for measuring and reporting collective action, and to establish pilot projects to generate multiple methodologies. At the international level, this process would yield a range of indicators for evaluating the achievements of indigenous peoples and local communities by their collective actions, characterized by cultural diversity. These could contribute to all the 20 Aichi Biodiversity Targets.

46. *Linkages to work on customary sustainable use.* It is necessary and urgent to increase national efforts to protect and promote intergenerational transfer of traditional knowledge, innovations and practices based on collective actions related to customary sustainable use and conservation of biodiversity. While, from the perspective of Governments, assessing collective actions may require investments, it will also generate many benefits, such as strengthening public policies regarding indigenous rights, poverty reduction, food security and food sovereignty, the maintenance of biodiversity and associated ecosystem services and functions, cultural heritage and other aspects of sustainability. In this regard, it was noted that other kinds of resource mobilization, related to collective action, are worth recognizing and supporting. For example, the upcoming implementation of the Action Plan on Customary Sustainable Use endorsed by the Conference of the Parties at its twelfth meeting<sup>7</sup> could be said to be an investment based on collective action.

### **C. Suggested way forward**

47. In the light of the key outcomes of the dialogue workshop as synthesized above, the following conclusions could be drawn and were reflected in the draft recommendation for consideration by the Subsidiary Body, as presented in document UNEP/CBD/SBI/1/7:

(a) The role of collective action, including by indigenous and local communities, and non-market-based approaches for mobilizing resources has potential to contribute to achieving all the Aichi Targets.<sup>8</sup> At the same time, the monitoring and assessment of the contribution of collective action is highly context specific, requiring a broad range of methodological approaches which can be applied in a tailored manner in accordance with local circumstances. Approaches are already applied and hold potential for upscaling and replication, but further methodological work, including pilot projects and associated studies, seems to be needed to refine methodologies and to develop good practice cases. The Subsidiary Body may wish to recommend inviting relevant organizations to support this work, including by providing technical and financial assistance. In light of the particular expertise and representation needed, and with a view to creating synergies, use could be made of existing work processes and arrangements under the Ad hoc Open-ended Working Group on Article 8(j) and Related Provisions, such as the Action Plan on Customary Sustainable Use endorsed by the Conference of the Parties at its twelfth meeting.

(b) In the short run, indicative guidance on methodologies for assessing the contribution of collective action and its integration in financial reporting under the Convention could rest to agreed general principles that would govern the design and application of such methodologies, which would be complemented by an indicative, non-exhaustive list of methodological approaches. Such guidance could rely on the themes identified above, such as (a) multiplicity of values; (b) process-orientation; and (c) methodological pluralism and complementarity. In line with the request of paragraph 31 of decision XII/3, elements of such voluntary guidelines are provided in an annex to the draft recommendation presented in document UEP/CBD/SBI/1/7.

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<sup>7</sup> Decision XII/12, annex.

<sup>8</sup> See decision XII/12 A, paragraphs 6 to 9.