



Brief on the Green Development Mechanism for the UNEP Governing Council meetings

24-26 February 2010 - Bali, Indonesia

Discussions about a Green Development Mechanism (GDM) began to take off at a side event during the 9th Conference of the Parties (COP9) to the Convention on Biodiversity (CBD) in Bonn, Germany, in May 2008. Subsequently, the 1st expert workshop on a GDM took place in February 2009 in Amsterdam. It concluded that “there is a clear need for an international mechanism that will help to generate trans-boundary payments to compensate hosts of biodiversity for their opportunity costs of conservation” and that “there is a clear mandate for a role for the CBD in the development and future implementation of a GDM.”

Further consultations on a GDM were held at the 3rd Business and 2010 Biodiversity Challenge Conference (November 2009, Jakarta) which concluded that “mainstreaming biodiversity into business needs to be enhanced through voluntary corporate actions as well as market-oriented enabling policies and approaches such as the green development mechanism.” The GDM was also explored in some depth at the International Workshop on Innovative Financial Mechanisms (January 2010, Bonn) where there was general consensus subject to further analytical work that a new international mechanism could serve as a means of generating additional resources for green development.

A 2nd expert workshop on the GDM was held, here in Bali, on 22-23 February 2010. The objective was to learn from the experiences of developing countries; to understand their needs; to make appropriate suggestions regarding the modalities of a GDM in a developing country context; and to recommend elements for a GDM decision by WGR13 in Nairobi in May, and COP10 in Nagoya in October of this year.

We are pleased to share the outcomes of this workshop with delegates attending the 11th session of the UNEP Governing Council/Global Ministerial Environment Forum during 24-26 February.

GDM 2010 Initiative
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Draft summary conclusions and recommendations of the 2nd expert workshop on a GDM

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1. There is a need to mobilize new and additional resources in support of the implementation of the CBD, especially from the private sector, through a 'Green Development Mechanism' (GDM).
2. A GDM should address the objectives of the CBD and, as appropriate, support development outcomes and aspirations.
3. With respect to biodiversity priorities, a GDM should reflect the post-2010 targets and indicators to be set by COP 10 and related initiatives.
4. A GDM should support conservation, ecological restoration and biodiversity business activities in relevant sectors, such as agriculture, landscape management, real estate, forestry, fisheries, and tourism.
5. There is a need for further outreach with existing financing mechanisms supporting biodiversity, in particular the GEF.
6. There is a need to confirm the size and scope of demand, in particular from the private sector, for green development activities.
7. A key role for a GDM would be to establish a crediting scheme to identify and verify the biodiversity and/or development outcomes of projects.
8. In this regard, a GDM should build on the experiences of carbon markets and social and environmental certification schemes to establish a GDM standard and related methodologies and modalities for auditing, verification, certification, monitoring and reporting.
9. Further discussion is needed on potential market structures to support payments for GDM-certified activities such as underwriting, registries and financial mediation, arbitration, insurance and governance, as well as where and how a GDM could be established.

For more information on the Bali workshop, please visit:

<http://gdm.earthmind.net/2010-02-bali/>