



Towards an international mechanism for green development

A presentation by the
GDM 2010 Initiative

Geneva Trade and Biodiversity Day
22 April 2010 - Geneva, Switzerland
Organised by ICTSD and UNEP

GDM 2010 Initiative



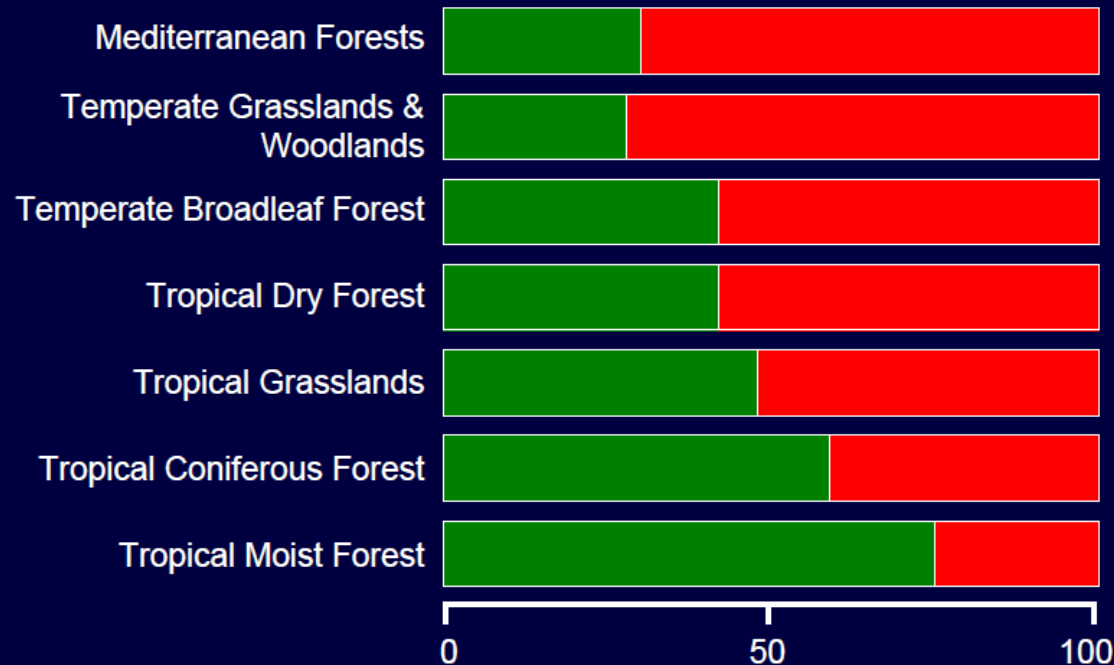
The aim of the GDM 2010 Initiative is to achieve a significant level of support for a green development mechanism (gdm) leading to a decision by CBD COP10 in October 2010 in Nagoya, Japan.



The green development challenge

“Biodiversity is in decline globally, in most regions, and in most of the forms we understand...”

Habitat loss to 1990



Percent of habitat (biome) remaining



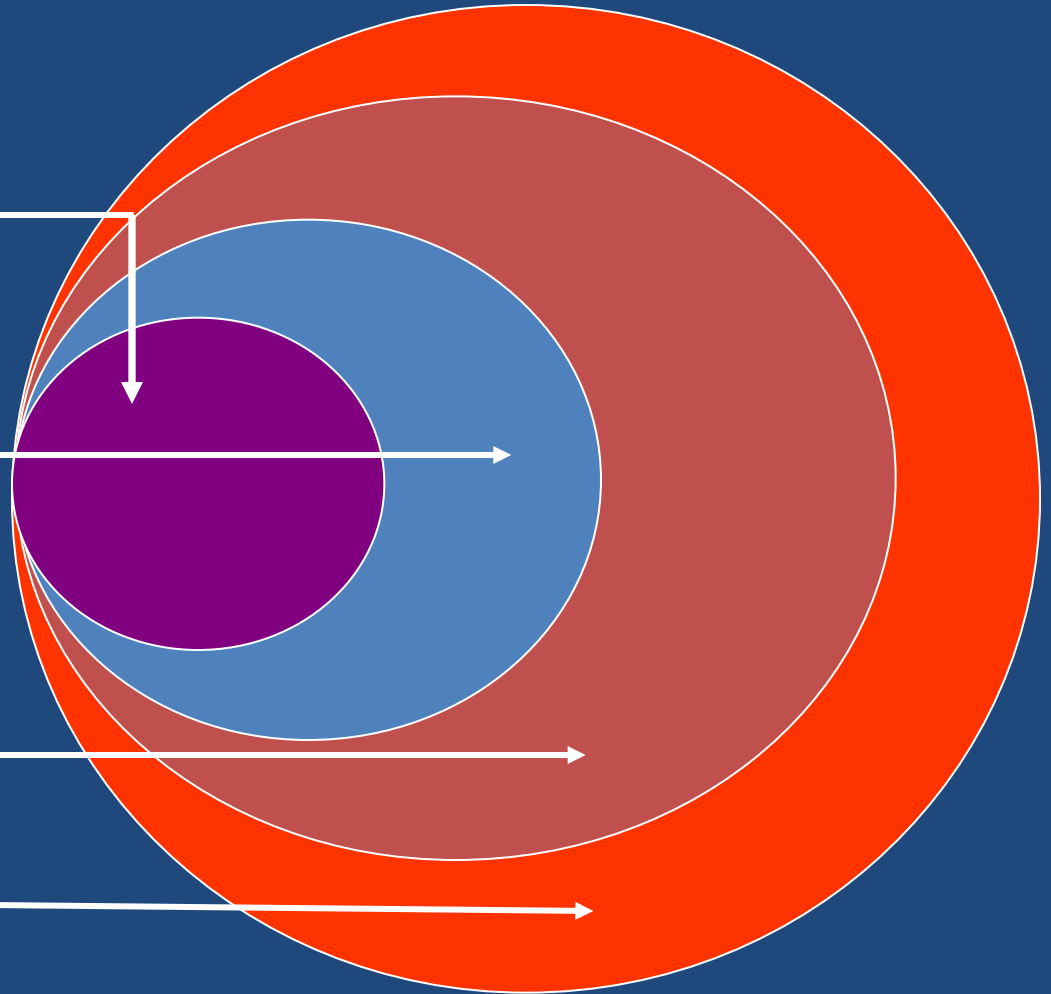
The biodiversity funding gap

Current spending on protected areas (PAs):
~US\$10 billion/yr

Expand & manage PAs in developing countries

Expand PAs globally - 5% terrestrial & 30% marine PA coverage

How much is needed to halt ALL biodiversity loss?
> ~US\$50 billion/yr





The green development opportunity

“Biodiversity is... threatened by rapid global change...”

The 2010 International Year of Biodiversity presents a unique opportunity to address biodiversity loss...

The concept of a green economy in the context of sustainable development and poverty eradication can... deliver economic development opportunities

Current environmental challenges... represent opportunities for individuals, local communities, and businesses...”

The Nusa Dua Declaration
UNEP Global Ministerial Environment Forum
February 2010 - Bali, Indonesia

Building the case for a gdm (Feb 2009)



“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...”

There is a clear mandate for a role for the CBD in the development and future implementation of a GDM.”

1st Expert Workshop on a GDM
Amsterdam, The Netherlands

Building the case for a gdm (Dec 2009)



“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...”

Jakarta Charter on Business & Biodiversity
UNEP/CBD 3rd Business and Biodiversity Challenge Conference
Jakarta, Indonesia

Building the case for a gdm (Jan 2010)



“There was a general consensus on the business-case for... investments in sustainable use and management in rural ‘productive areas’.

The International Workshop supported the proposal to consider the need and viability of a new international mechanism (a ‘green development’ mechanism)...”

CBD/TEEB Workshop on Innovative Financial Mechanisms
Bonn, Germany

Building the case for a gdm (Feb 2010)



“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.

In this regard, a gdm should... establish a gdm standard and related methodologies and modalities...

2nd Expert Workshop on a GDM
Bali, Indonesia

A new global market for biodiversity



Biodiversity finance has primarily focused on *donor/recipient* relationships:

CBD Article 20: “The developed country Parties shall provide new and additional financial resources to enable developing country Parties to meet the agreed full incremental costs to them of implementing measures which fulfil the obligations of this Convention...”

A gdm would focus on *buyer/seller* relationships:

Bali workshop: “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.”



The supply of biodiversity

A gdm project will

- Conserve biodiversity,
- Use biological resources sustainably, and
- Ensure equitable sharing of the benefits arising from this use

with respect to:

- Landscapes, ecosystems, species and genetic resources

and, in developing countries, contribute to:

- Economic and social development, and
- Poverty eradication

Potential biodiversity suppliers



- Field-based conservation projects
 - ecological restoration, sustainable resource management
- Landscape-based industries
 - agriculture, mining, forestry, fisheries, energy, tourism
- Protected area systems
 - protected landscapes, managed resource protected areas
- Property managers
 - residential, commercial, industrial, farm

Examples of biodiversity supply

- 5 hectares of 'green' holiday home property development in a small island country
- 50 hectares of community-managed sustainable coral reef fish harvesting in Indonesia
- 200 hectares of tropical forest restoration and sustainable timber harvesting in Brazil
- 20,000 hectares of organic cattle ranching on protected grasslands in southern Africa





Potential demand for biodiversity

- Corporate social responsibility
 - Nippon Keidanren, Airbus
- Corporate biodiversity management
 - WBCSD ecosystems review, Yemen LNG
- Mitigating supply chain footprints
 - 'offsets plus', RSPO, Danone
- Green investors
 - Dutch green funds, Verde Ventures
- Green consumers
 - WWF, organic products



Certifying biodiversity supply

Establish a multilateral ‘green development’ standard and verification system for *hectares* of certified biodiversity-protected areas.

CBD Article 2: ‘Protected area’ means a geographically defined area which is designated or regulated and managed to achieve specific conservation objectives.

Build on best practice from the conservation, development, trade and business communities.

(Note: biodiversity would be traded as certified areas, while carbon is traded as a certified commodity)



A market for certified biodiversity?

According to classical economics, supply creates its own demand. Will an international supply of certified biodiversity create its own demand?

Amsterdam workshop: Some form of regulatory mechanism will be required in order to achieve the scale of financial flows necessary to effectively deliver biodiversity protection. However, this may be preceded by voluntary activities as part of a demonstration phase of implementation.

Can the gdm be set up initially as a **voluntary** trading mechanism to develop a market for certified biodiversity? Or is a **regulated** mechanism required?



From Bonn to Nairobi to Nagoya

May 2008 - Bonn - CBD COP9

Decision 11 Goal 2.6: Establish enabling conditions for private sector involvement in supporting the Convention's three objectives...

May 2010 - Nairobi - CBD WGR13

3rd meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention - *a recommendation to the COP on the gdm*

October 2010 - Nagoya - CBD COP10

10th Conference of the Parties of the Convention on Biological Diversity - *a COP decision in support of the gdm*



Policy support for a gdm

Section VIII of POLICY OPTIONS CONCERNING INNOVATIVE FINANCIAL MECHANISMS (UNEP/CBD/WG-RI/3/8) provides draft text for a recommendation from WGRI3 to COP 10.

In May in Nairobi, line 7 (b) of the draft text could be amended as follows:

*“Advance global consideration of innovative financial mechanisms, **including initiating work towards establishing a green development mechanism;**”*



A green development mechanism

A green economy transformation initiative
making markets work for biodiversity & development

Your suggestions and support are most welcome!

Thank you.

gdm@earthmind.net

gdm.earthmind.net