



The case for a green development mechanism

GDM 2010 Initiative

Workshop on the current situation of
consideration for a financial mechanism in biodiversity
21 June 2010

Japan Bank for International Cooperation
Tokyo, Japan

About the GDM 2010 Initiative



The aim:

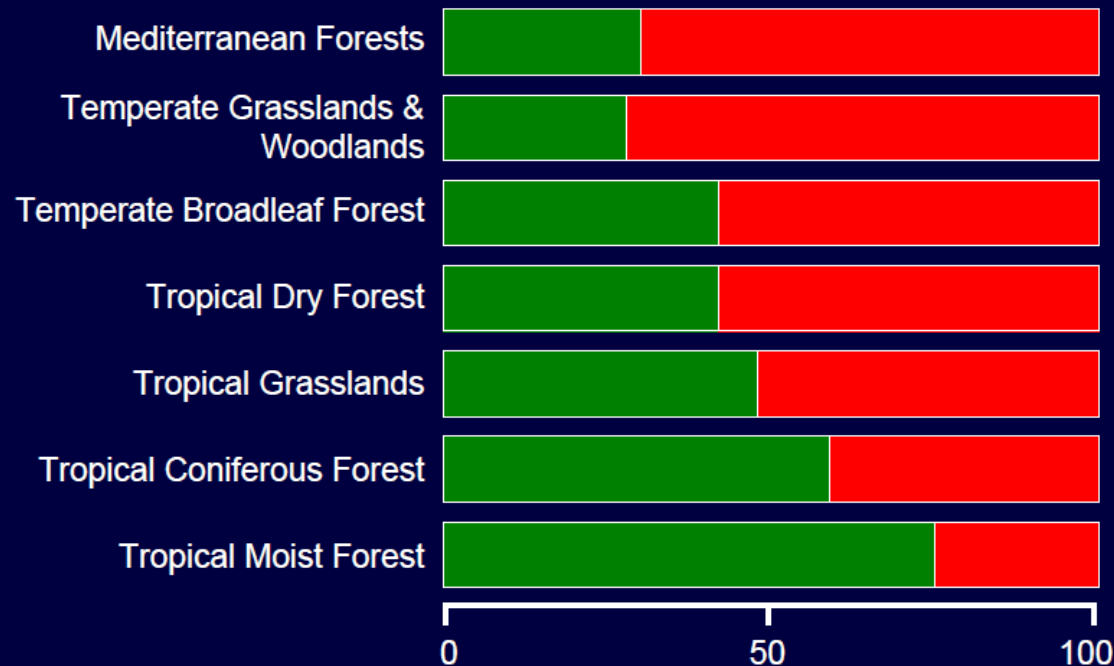
Achieve a significant level of support for a green development mechanism leading to a decision by the CBD COP10 in October 2010 in Nagoya, Japan



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



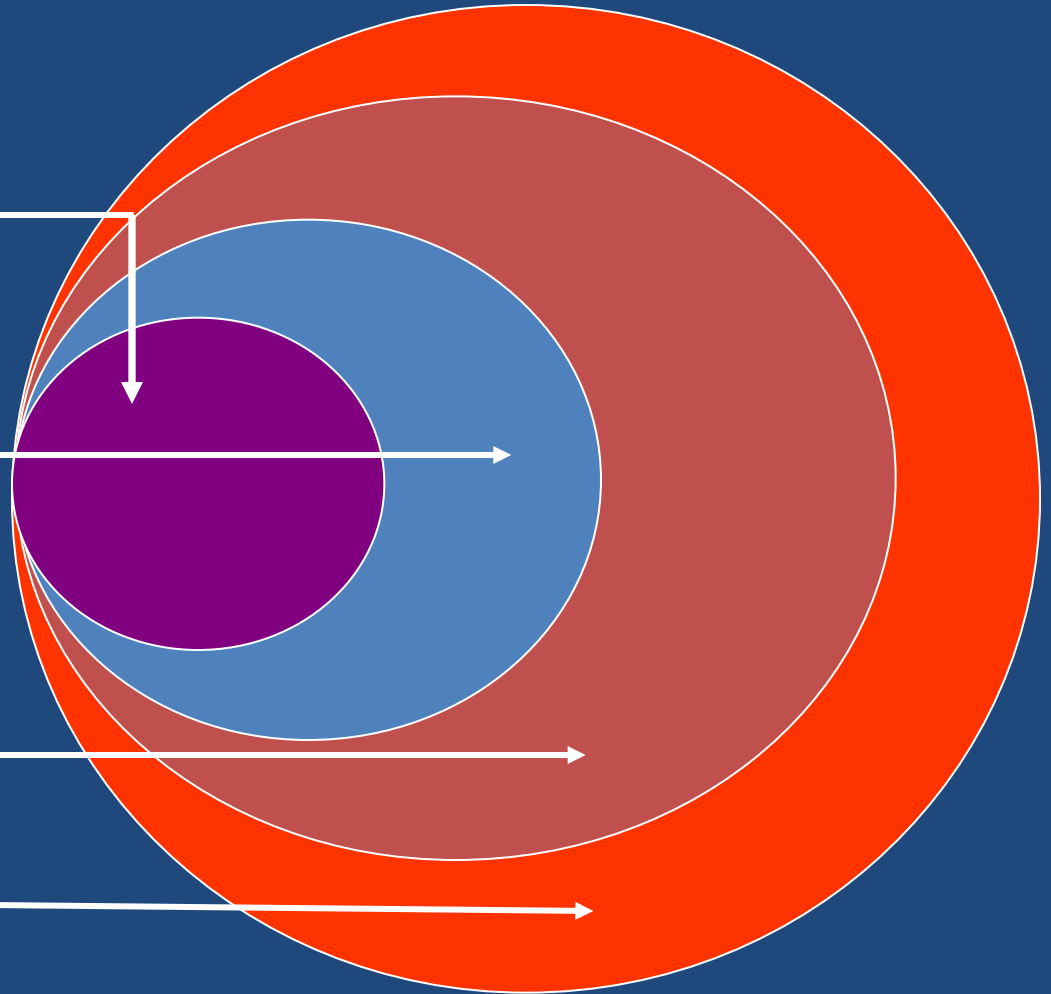
The biodiversity funding gap

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 (May 2010)



“Recognizing the opportunity and need to incorporate biodiversity objectives into emerging new green development initiatives...”

“[5. Invites interested organizations and initiatives to consider the need for and modalities of a green development mechanism, which, in its pilot phase, could develop a voluntary standard and certification process for validating the supply of biodiversity-protected areas...]”

CBD WGR13
Nairobi, Kenya

Creating a market for biodiversity



Biodiversity finance is traditionally based 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 promote *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 gdm-certified areas

The gdm would enable the supply of areas managed to deliver CBD objectives

A gdm-certified area would

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

and, in developing countries, contribute to

- Economic and social development, and
- Poverty eradication

Potential gdm 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 gdm-certified 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 gdm demand

- 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 gdm-certified 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)



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 - *recommendations 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*



From now to Nagoya

Consultations with CBD Parties

- Africa group
- Asia/Pacific group
- Arab League
- Others?

Working papers on the gdm

- Demand and marketability
- Supply, certification and property rights
- Market structures, modalities and transaction costs
- A gdm vis-à-vis other mechanisms



Next steps after Nagoya

A pilot phase for the gdm

- Draft a gdm standard and certification scheme
- Specify market structures and modalities
- Establish pilot gdm-certified areas
 - perhaps six in various ecosystems and regions
- Develop a business plan for the gdm
 - to be presented at Rio+20 and CBD COP11 in 2012



How can Japan get involved?

Japan can play a leadership role in setting up a new and innovative global financial mechanism for biodiversity!

- Between now and Nagoya, promote consultations with CBD Parties on the gdm proposal
- After Nagoya, invest in the pilot phase of the gdm

Support from the Government of Japan and from Japanese business would be most welcome.



A green development mechanism

Enabling markets to conserve biodiversity

The GDM 2010 Initiative

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