



THE **ABS**  
CAPACITY  
DEVELOPMENT  
INITIATIVE



L'INITIATIVE DE  
RENFORCEMENT  
DES CAPACITES  
POUR L'**APA**

# Report of Informal Exchange on ABS Indicators

30 June 2021

The development of a post-2020 global biodiversity framework is underway under the auspices of the Convention on Biological Diversity for its adoption at the 15<sup>th</sup> meeting of the Conference of the Parties (COP 15), in Kunming, China. As part of this process, discussions are progressing on goals and targets, as well as indicators to monitor the implementation and impact of the framework. There is still controversy about what can and should be measured on ABS as part of the global biodiversity framework. At the same time, business is moving towards more transparent and evidence-based monitoring and reporting. Commitments and measures on sustainable and ethical sourcing are growing rapidly.

Against this background, UEBT and the ABS Capacity Development Initiative organised an informal exchange on 30 June 2021 to facilitate further reflection and a free and open exchange of views on indicators for ABS that would be practical and meaningful in measuring the true impact of ABS implementation.

The exchange brought together a group of experts and stakeholders with different backgrounds, including representatives from government, the business community, the scientific community, and international organisations. They all participated in their personal capacity under Chatham House Rule. Participants were invited to share their views on the basis of four questions. The following provides an overview of the views, suggestions and insights shared by participants during the discussion:

### Question A: Show me the money

Proposed targets and indicators in the post-2020 global biodiversity framework currently prioritise monetary benefits, aiming to measure the amounts involved or how these amounts increase. Of course, there are many reasons for increasing (or decreasing) amounts, including level of interest in research and development with plants or other biological resources in the country, number of permits issued, risks and rewards of particular projects involved. Can and should such variables be considered? Should the focus be on amount of monetary benefit shared and the basis for calculating these amounts?

#### *Should monetary benefits be the focus?*

- Monetary benefits cannot be the single indicator. The positive impact of ABS on the ground can only be demonstrated through a variety of indicators that can measure outcomes - that is, the impact of benefit sharing on the ground.
- Too much focus on money can be detrimental to looking at the overall value and impact of benefit-sharing. Other types of benefits can have an important positive impact.
- ABS targets in the post 2020 global biodiversity framework should reflect the whole range of ABS-related approaches (e.g., including pathogens, plant genetic resources for food and agriculture, marine genetic resources). Different approaches show that monetary benefits are not always the most relevant (e.g., in International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA), access is the main benefit)
- Companies should also demonstrate a broader approach to benefit sharing, going beyond a narrow description of benefit-sharing and talking about the broader context of ethical sourcing practices in order to demonstrate positive impact. If ABS is examined too narrowly, the numbers will not reflect the extent of positive impact.

- Confidentiality is important in negotiation of monetary benefits and could be impacted in reporting obligations. This could be addressed by aggregating information, although information in countries with limited ABS agreements would point to specific projects or companies. Providers would need to offer reporting frameworks that ensure confidentiality.

### *What should benefits contribute to?*

- Benefit-sharing is not an end in itself. The contribution to conservation and sustainable use is the ultimate goal.
- Can we be prescriptive in terms of targeting benefits towards conservation or sustainable use? Communities often prioritise infrastructure, schooling or other needs related to livelihoods, education and health. These benefits could also be considered to indirectly contribute to biodiversity conservation and sustainable use.
- Monetary benefits are not always beneficial and can be disruptive at the local level. Benefit-sharing should be part of a broader strategy to improve livelihoods, and harness the value of biodiversity for the well-being of communities.
- Long-term vs. short-term benefits: Monetary benefits may only capture short-term benefits, and miss longer-term impacts and how ABS contributes to broader policy objectives.
- To assess whether the sharing of monetary benefits is equitable is a challenge. In addition to amounts shared, a number of factors need to be taken into consideration, including who receives the benefits, who they are distributed to and how they are used.

### *Is benefit-sharing quantifiable?*

- It is not clear that monetary amounts fully reflect the cost, value or impact of benefit sharing.
- Measuring monetary benefits in provider countries may work well when benefit-sharing is centralised, e.g., through a national biodiversity fund.
- Non-monetary benefits generally involve the funding of activities (e.g., capacity-building, infrastructures). How could these investments be accounted for?
- How can the value of non-monetary benefits (e.g., sharing of information, research results) be quantified?
- The benefit sharing fund under the ITPGRFA is a low hanging fruit, as the information is available.

### *Benefit-sharing for resource mobilisation*

- Money is not only an indicator; it is itself essential both as a recognition of the value of biodiversity and ecosystem services and as a major contribution to resource mobilisation for conservation and sustainable use.

- Decoupling access and benefit sharing may be a solution. It would involve collecting money where money is created. It could increase the level of benefits, simplify mechanisms, have everyone contribute (to prevent free-riders) and be invested at community level.

## Question B: Gathering the data

One of the concerns around ABS-related indicators is how easy (or not) it would be to gather such information. Most ABS arrangements are confidential, at least in part. Will companies report on percentages of net revenues shared? Is it possible to calculate the value of joint research projects or information shared? At the same time, more and more companies are reporting on biodiversity and new and improved tools aim to measure the cost and value of biodiversity. Is there "low-hanging fruit" in terms of information to be used in measuring benefit sharing? Is there a role for business associations or platforms to aggregate data? What could a reporting format look like?

### *Types/categories of benefits and their value*

- The "economic value of benefit-sharing" covers both monetary and non-monetary benefits.
- Non-monetary benefits cannot be given a monetary value, in particular non-monetary benefits targeted towards conservation.
- Important long-term benefits can derive from both research and commercial collaborations.
- Can types of monetary/non-monetary benefits be categorized to facilitate reporting?
- How can non-monetary benefits, such as training (e.g., institutional learning) and capacity development be measured?
- ABS goes beyond the Nagoya Protocol. Benefits generated through mechanisms established under other international agreements such as the ITPGRFA should also be monitored.
- The value of benefits may be different depending on whether they are assessed from a user perspective (e.g., final product) or from a provider perspective (e.g., how benefits are used)
- Research and development on genetic resources contributes to societal benefits which are not reflected in mutually agreed terms but should also be taken into account (e.g., the release of new crop varieties)
- Reporting on benefit-sharing should not be limited to the benefits covered by mutually agreed terms (MAT), it should also include up-front payments as well as funds invested in setting up projects which may not be reflected in MAT.

### *Reporting mechanisms*

- Targets under the post 2020 global biodiversity framework related to ABS and sustainable supply chains could be linked. Reporting could be based on Corporate Social Responsibility policies and related standards.
- Reporting on benefit-sharing on a product basis would not be useful and would be difficult to implement.
- Reporting requirements should not be too detailed to take into account commercial data confidentiality and avoid creating an additional administrative burden.

- The UN Sustainable Development Goals (SDGs) could provide a useful reporting framework with respect to benefit-sharing for both industry and the scientific community.
- Reporting should be largely automatised and systematised. This could easily be done for some types of benefits (e.g., publication of research data).
- Industry would be willing to report and share aggregated data, e.g., through associations. Sectoral assessment tools could be developed by users and/or associations.
- A register could be established for users to report on benefits shared.
- Data from ABS projects that have been completed is easier to access than data from projects which are underway.
- A valuation of commercial research projects is possible but industry may not be willing/not able to share investment figures.
- The specific data required from users for reporting on benefit-sharing would need to be identified.
- Would the disclosure of net benefits be appropriate for meaningful monitoring? Users as well as provider countries may have reservations with respect to the disclosure of monetary benefits.
- The ABS Clearing House could be used to gather some data related to ABS implementation.
- Potential synergies with existing standards and reporting formats could be examined as a basis for ABS reporting (e.g., Global Reporting Initiative).
- A voluntary reporting/ declaratory system (e.g., hosted by UEBT) could trigger social recognition of actors
- Governments will have the obligation to report on the implementation of the post-2020 global biodiversity framework. With respect to ABS implementation, it could be a challenge for governments to gather data which is held by users and/or providers.
- If companies report, they could be recognized by the CBD as “ABS champions”. Reporting should not only be an obligation. However, the CBD would need to see the bigger picture, not only champions.

### Question C: The contribution to sustainable development

A recent compilation of ABS cases demonstrated that ABS can contribute to sustainable development in a very concrete manner, including by advancing conservation and sustainable use, promoting local livelihoods, empowering actors in provider countries, and building national research capacities. How can these positive impacts be measured? Are they quantifiable? If not, how can they be taken into account in assessing the impact of ABS? Would the establishment of categories of "in-kind" or "non-monetary" benefits facilitate the reporting?

#### *Categories of benefits and indicators*

- A globally accepted list of categories of benefits could facilitate the establishment of measurable indicators
- A common understanding between providers and users of what is considered a benefit may be needed (e.g., positive impacts on conservation perceived as benefits by users might not be

considered as benefits by providers, in particular broader socioeconomic or conservation aspects)

- Standard clauses in ABS contracts on types or categories of benefits shared could enable the creation of measurable indicators.
- Agreed criteria/indicators to measure positive effects of benefits on conservation may be needed, such as:
  - > shift to non-wild, agricultural harvest
  - > setting up small processing units
  - > hectares in contract farming which protects biodiversity under the ABS contract
  - > mapping of regions of harvest to exactly know where to look for effects
- Benefits should go directly to communities which can decide how to use them to directly address their local problems (e.g., capacity development can be used to increase knowledge about sustainable practices)
- Experience shows that indicators can show impact on conservation and sustainable development as well as socio-economic impacts if the benefits shared go directly to the communities and not to the State.
- The indicators need to enable an assessment of impact on the ground (e.g., how many acres are sustainably used, how much conservation is funded through benefit-sharing)
- A good socioeconomic indicator of the impact of benefit-sharing could be the opportunities created for the young people to stay in the villages instead of going into town.
- Non-monetary benefits, such as capacity-building, could result in tangible developments at country level. Question remains how these developments could be measured over time and by whom?
- How can the creation of public goods through the use of genetic resources be taken into account and measured although they may not be reflected in ABS agreements?
- The impact of ABS on sustainable development could be further highlighted through a number of the SDGs, beyond those specifically related to biodiversity.
- Baselines will need to be established in order to ensure a proper reporting mechanism.

### *Tools/mechanisms to monitor benefit-sharing*

- In cases where research results/data are shared as non-monetary benefits, a post facto evaluation could assist in determining for which purposes these results were used in various fields
- The existence of ABS agreements should be mentioned in publications, even if the content of the ABS agreements and the specific use is kept confidential. The field of publication would hint to the use and thus support monitoring and evaluation.
- An institution could be responsible for monitoring and reporting over time.
- To be relevant to commercial users, targets and indicators should be linked to issues of production and consumption.

## Question D: How to measure the change in paradigm

ABS involves a change in paradigm. That is, a change in behaviour, mindset and practices by both providers and users of genetic resources, leading towards a more balanced and fruitful (fair and equitable) relationship over time. How can this be measured? Is this quantifiable? If not, how can it be taken into account in assessing the impact of ABS?

- The concept of ABS involves a change in paradigm and is increasingly reflected in the behavior and mindset of users
- A number of changes have already taken place:
  - > Companies are including ABS in their sustainability policies and establishing due diligence systems
  - > Users are asking questions about ABS requirements in provider countries
  - > There is greater proactive engagement of users in benefit-sharing
  - > Benefit-sharing mechanisms, such as benefit-sharing funds, have been established which involve communities in determining how the benefits will be distributed, how they can contribute to their livelihoods and also to conservation and sustainable use of biological resources.
- Awareness-raising and capacity-building have played a role in changing mindsets and behaviors related to ABS implementation.
- Additional steps are still needed, such as the establishment of simple and transparent ABS procedures
- Although assessing the change in paradigm is difficult and can only be measured over time, some indicators include the following:
  - > Number of permits granted
  - > Number of ABS agreements
  - > Sharing of monetary and non-monetary benefits
  - > The establishment of benefit-sharing funds involving communities in decision-making regarding the distribution of benefits
- ABS is part of a broader change in behavior and mindsets which is reflected, for example, in increasing consumer demand for ethically sourced products (e.g., information on the origin of products, the sustainable use of resources and relationship with communities where raw material is sourced).
- A new shift is needed to move from regulatory compliance to a broader recognition of the contribution of ABS to sustainable development.
- ABS should be seen from a positive angle, as an opportunity to contribute to conservation and sustainable use and to sustainable development more broadly, not strictly from a regulatory compliance perspective.
- In the post-2020 global biodiversity framework, ABS could be mapped to all targets as one way to further integrate ABS as a mechanism to contribute to conservation and sustainable use.