

# BBNJ Finance Brief: The Special Fund as a Critical Financing Mechanism Under the BBNJ Agreement

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## Key messages

- The financial mechanisms can support efficient implementation provided that the appropriate management measures for effective BBNJ implementation are identified and engagement with relevant IFBs is undertaken so as to ensure coherence and efficiency in execution, monitoring, reporting, and verification (MRV) and enforcement.
- The design of the finance mechanism as well as the ultimate scale and operational effectiveness of the Special Fund will be key to enhanced capacity-sharing.
- Rapid ratification and robust implementation, including finance is key to delivering biodiversity and earth system benefits.
- The economic and ecological potential of ABNJ are vast, ocean accounting and blue natural capital assessments are some of the tools that can highlight these opportunities and help to develop investment cases.

## Context of the BBNJ Agreement

The ocean hosts vast biodiversity and delivers a broad range of ecosystem services to humankind. This marine biodiversity is under increasing threat from overexploitation, pollution, and climate change. The BBNJ (Biodiversity Beyond National Jurisdiction) Agreement adopted in 2023 provides the legal framework to conserve biodiversity and sustainable use of marine resources.

- **Preamble:** The parties to the Agreement state in the Preamble their intention: “Desiring to act as stewards of the ocean in areas beyond national jurisdiction on behalf of present and future generations by protecting, caring for and ensuring responsible use of the marine environment, maintaining the integrity of ocean ecosystems and conserving the inherent value of biological diversity of areas beyond national jurisdiction”. They are “Recognizing the importance of contributing to the realization of a just and equitable international economic order which takes into account the interests and needs of humankind as a whole and, in particular, the special interests and needs of developing States, whether coastal or landlocked”.

## Financing mechanism

The BBNJ Agreement created an innovative finance mechanism to ensure broad participation and fairness in delivering rapid and comprehensive implementation. The Special Fund set up under Art. 52 of the BBNJ Agreement plays a crucial part in this regard.

- **Approach to Funding:** Art. 52 of the BBNJ Agreement states “Each Party shall provide, within its capabilities, resources in respect of those activities that are intended to achieve the objectives of this Agreement.” Developed State parties will contribute annually to a Special Fund based on 50% of their assessed budget contributions.

In time for the [second preparatory commission](#) meeting in New York in August 2025 this note highlights the specific role the Special Fund under article 52 of the BBNJ Agreement can play to shape the implementation of the BBNJ’s financial mechanism. The official document ([A/AC.296/2025/18](#)) on the “Operationalization of other provisions on financial resources and mechanism under the Agreement...” provides relevant guidance.

### Financing Mechanism Rationale

The BBNJ finance mechanism is set up to [effectively support the implementation requirements](#) under the Agreement through “the provision of adequate, accessible, new and additional and predictable financial resources” (art.52.3). The vast scale, broad scope and significant ambition of the treaty require Parties not only to provide resources directly but also to engage with other actors such as international organizations (art.52.11) and by mobilising

“public and private sources, both national and international, including, but not limited to, contributions from States, international financial institutions, existing funding mechanisms under global and regional instruments, donor agencies, intergovernmental organizations, non-governmental organizations and natural and juridical persons, and through public-private partnerships” (art.52.8).

The [financial mechanism](#) therefore needs to be considered in the context of the BBNJ Agreement as a whole and be based on the general principles and approaches outlined in Article 7 of the BBNJ Agreement. This approach holds across the four pillars of the Agreement, whether we for instance discuss [climate-smart considerations](#) for [area-based management tools](#), [health implications](#) in environmental impact assessments, opportunities arising from marine genetic resources and [digital sequencing](#) or [ocean science investment](#) as capacity-building and technology transfer.

Adequate finance across this range of ambition will require strong commitments from multiple sources as well as a willingness to consider [innovative finance approaches](#). The Agreement puts this responsibility squarely with the Conference of Parties to whom the financial mechanism is accountable (art.52.9). The Conference of the Parties and the Global Environment Facility shall agree upon arrangements to give effect to the above paragraphs at the first meeting of the COP (art.52.10) which underlines the importance of these arrangements. Likewise: “the Conference of the Parties shall establish a finance committee on financial resources” (art. 52.14).

## Specifics of the BBNJ Special Fund

In contrast to the complexities of the BBNJ finance mechanism overall as outlined above, the Special Fund itself will have a specific amount from the start, which will depend on the budget overall, as it receives annual contributions in accordance with Article 14 (6) (from developed States Parties) A Party's rate of contribution shall be 50 per cent of that Party's assessed contribution to the budget adopted by the Conference of the Parties under article 47, paragraph 6 (e). Such payment shall continue until a decision is taken by the Conference of the Parties.

The design of the operational modalities of the Special Fund needs to take into account a number of important considerations, a number of which result from express obligations under the BBNJ Agreement, some of which are listed below:

- 1) Funding under the special fund shall be distributed according to equitable sharing criteria, taking into account the needs for assistance of Parties with special requirements (art.52.12)
- 2) The special fund and the Global Environment Facility trust fund shall be utilized in (a) Fund capacity-building projects under this Agreement, including effective projects on the conservation and sustainable use of marine biological diversity and activities and programmes, including training related to the transfer of marine technology;(b) Assist developing States Parties in implementing this Agreement;(c) Support conservation and sustainable use programmes by Indigenous Peoples. and local communities as holders of traditional knowledge;(d) Support public consultations at the national, subregional and regional levels; (e) the Parties. (art.52.6)
- 3) The financial mechanism should seek to ensure that duplication is avoided, and complementarity and coherence promoted, among the utilization of the funds within the mechanism. (Art.52.7)
- 4) A special fund that shall be funded through the following sources: (i) Annual contributions in accordance with article 14, paragraph 6; (ii) Payments in accordance with article 14, paragraph 7; (iii) Additional contributions from Parties and private entities wishing to provide financial resources to support the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction
- 5) In recognition of the urgency to address the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, the Conference of the Parties shall determine an initial resource mobilization goal through 2030 for the special fund from all sources, taking into account, inter alia, the institutional modalities of the special fund and the information provided through the capacity-building and transfer of marine technology committee.

In addition to these items that expressly mention the Special Fund the broader integration of the financial mechanism into the institutional arrangements and the interactions with the various BBNJ entities including the Secretariat and the subsidiary bodies need to be addressed. This raises [a number of important issues for consideration for Parties](#), for instance:

- 1) How to ensure that modalities chosen at outset best deliver distribution and utilisation goals along a needs-based approach
- 2) How to design those modalities to effectively manage monies potentially available from other sources at a later stage
- 3) How to structure the Special Fund operationally to facilitate finance from a wide range of partners
- 4) How to set up processes to reflect the need to respect the balance of rights, obligations and interests set out in the Convention
- 5) How to deliver on the objective of this Agreement is to ensure the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction, for the present and in the long term

*The design of the BBNJ Special Fund presents an opportunity to integrate it into the emerging comprehensive ocean finance architecture, [incorporating innovative mechanisms](#) to support biodiversity conservation at scale.*

## IUCN Recommendations

1. **Focus on BBNJ objectives:** Prioritize the delivery of tangible biodiversity benefits, including capacity building and equitable benefit-sharing.
2. **Develop recommendations for COP1:** Advance detailed proposals for the operationalization of the Special Fund.
3. **Alignment with other Multilateral Environmental Agreements (MEAs) and other relevant Processes:** Foster coordination between the BBNJ and relevant other bodies to facilitate interaction but optimal use of the different financial mechanisms.
4. **Encourage Ratification:** Engage stakeholders to sign and ratify the BBNJ Agreement and actively participate in preparatory discussions.
5. **Communicate Benefits:** Highlight the value of the BBNJ Agreement for biodiversity conservation and economic development, particularly for developing nations.

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