IUCN

BBNJ HIGH AMBITION COALITION

IUCN BBNJ Finance Primer

Operationalising the BBNJ Financial Mechanism: The Role of the Special Fund

About IUCN

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

Created in 1948, IUCN is now the world's largest and most diverse environmental network, harnessing the knowledge, resources and reach of more than 1,400 Member organisations and around 16,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

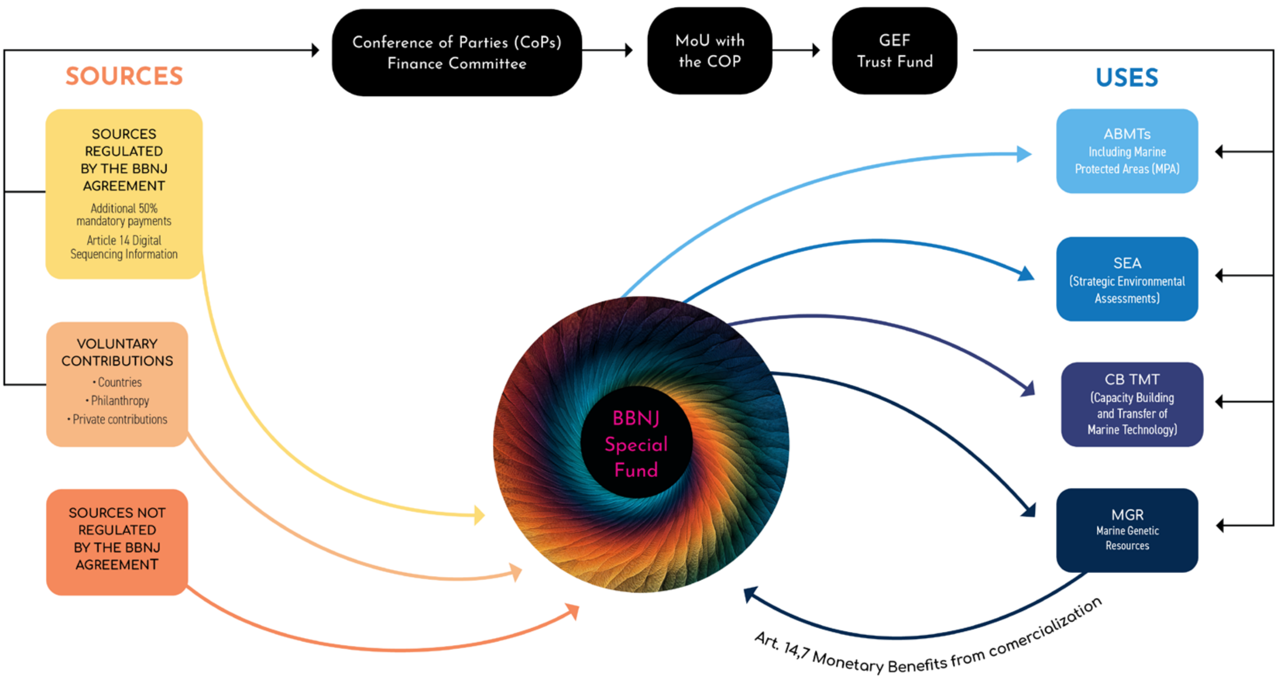
IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, Indigenous Peoples' Organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people's well-being.

www.iucn.org

Operationalising the BBNJ Financial Mechanism: The Role of the Special Fund

As delegates convene for the third substantive Preparatory Commission of the BBNJ Agreement (PrepCom3), finance emerges as a central pillar for enabling effective and equitable implementation. This brief examines the role of the Special Fund within the broader financial mechanism established under Article 52, with a focus on how financial flows can be structured to deliver on the Agreement's ambition. Moving beyond institutional design, it highlights key considerations for negotiators, including **governance, access, accountability, and delivery** to ensure that the commitment to provide adequate, accessible, new and additional, and predictable financial resources is translated into practical outcomes at COP1 and beyond. In addition to, "The Special Fund as a Critical Financing Mechanism Under the BBNJ Agreement" this primer looks at potential flows of funds. It suggests five considerations for negotiators.



5 Key Considerations for Negotiators

1. Finance is a Critical Topic at Prepcom 3
2. Design Principles and Implementation Approaches for the Financial Mechanism
3. Governance and Accountability
4. Money Flows
5. Access and Delivery

1. Finance is a Critical Topic at Prepcom 3

At the Second preparatory meeting, the financial mechanism was considered in terms of process, participation and decision-making. Proposals to address these issues will need to be finalised at Prepcom3 so that the first BBNJ Conference of Parties (COP1) can make decisions that lead to rapid and effective implementation. Yet finance is not just an issue of institutional set-up. Delegates will reflect both on implications for direct flows of funds and on potential future considerations for the effective management of nearly half of the planet. The BBNJ Agreement according to art.52.3. established a mechanism for the **provision of adequate, accessible, new and additional and predictable financial resources**. Translating these terms into a practical reality that can be adopted at COP1 is a key task for Prepcom3 and ahead of COP1.

2. Design Principles and Implementation Approaches for the Financial Mechanism

Form follows function. As the role of the mechanism is to assist developing States Parties in implementing the BBNJ Agreement it must be designed accordingly. This needs to be real at the beginning, suggesting that all components should be operational from the start but also remain over time to be able to deliver on COP decisions that will shape BBNJ implementation. Resources may be new and additional and predictable at the start, at which point the emphasis will be to make them accessible through fast implementation. At a future date the focus may be on adequate resources. The BBNJ Agreement suggests **multiple pathways to address these different considerations, including through a resource mobilisation goal for 2030, through private sector contributions and public private partnerships** and through engagement by BBNJ State Parties at respective international financial institutions. This means that a key design consideration will have to be how future finance flows can support the BBNJ Preamble text:

“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”.

The Financial Mechanism comprises many interconnected parts that interact with other parts of the BBNJ Agreement; therefore, it cannot be designed in isolation. The financial design approach will also play a role not only across the pillars of the BBNJ agreement but also in the context of cooperation and coordination with other bodies.

3. Governance and Accountability

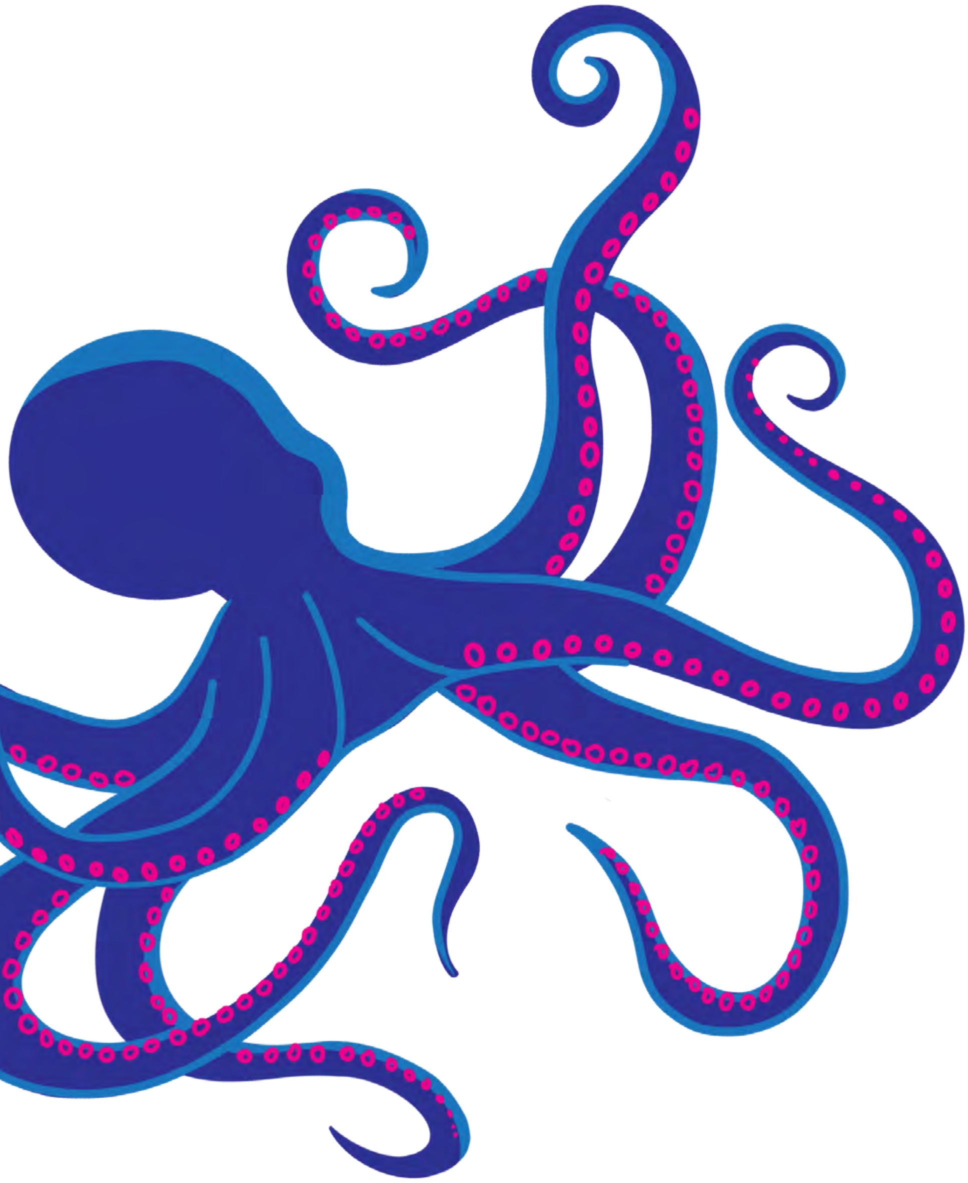
The financial mechanism functions under the authority and guidance of the Conference of the Parties and shall be accountable thereto (Art 52.9. BBNJ Agreement). This provision guides the institutional set-up, both in terms of the substance of the proposed MoU between the BBNJ COP and the Global Environmental Facility (GEF) on the GEF Trust Fund and in terms of the potential governance structure of the Special Fund. Whilst the operational aspects of the GEF trust fund will be informed by existing GEF process, **the Special Fund requires its own technical expertise and management and board to deliver** on its tasks. The format chosen will not only need to allow both entities to effectively implement all aspects of Art. 52.6. it also needs to do this in line with the provisions of Art.52.7.8. and 11. Furthermore, its governance and accountability are part and parcel of the wider institutional set-up of the BBNJ and thus requires clarity of engagement not only with the BBNJ secretariat but with a number of subsidiary bodies, including the finance committee.

4. Money Flows

From the outset, the financial mechanism under the BBNJ Agreement has access to a number of discrete funding flows. each serving distinct but interlinked functions. Voluntary contributions will capitalise the voluntary trust fund, GEF-9 allocations are expected to support the BBNJ GEF Trust Fund, and assessed contributions from developed States— set at 50% of their budget allocation—will finance the Special Fund. The core budget will underpin the functioning of all BBNJ institutions. As such, **early agreement on the programme budget and its institutional scope is a critical prerequisite** for determining the scale and predictability of available resources. In practice, the initial resource base will depend largely on contributions from Parties that have ratified the Agreement by the time of COP1, through both mandatory and voluntary channels, with the potential for additional voluntary contributions from non-parties. Ensuring **clarity, coherence, and transparency across these funding arrangements** will be essential to operationalise the financial mechanism effectively from the outset.

5. Access, Eligibility and Distribution

Facilitating access to financial resources is a critical consideration for all components of the financial mechanism and eligibility is on the basis of need (Art.52.12). Funding under **the Special Fund is based on equitable sharing** criteria. Parties with special requirements and special circumstances listed in that article are in particular to benefit from simplified application and enhanced readiness of support. Given the importance of access and the significant number of Parties with special requirements it is key to ensure that these provisions are practically implemented from the start, with thought being given to innovative modalities that could include direct access, specific funding windows and regular calls based on available funds. The COP, however, can decide to propose *ex ante* rules for allocation mechanisms, including access for Indigenous Peoples, or decide to leave such decisions to the discretion of future Special Fund governance mechanisms.



Conclusion

Finance with purpose sits at the centre of the BBNJ agreement. The "spinning wheel" of the Special Fund provides an opportunity to think holistically and systematically how this mechanism can help to support the BBNJ ambition. The Prepcom 3 negotiators are at an important juncture to weave this thread further so as to ensure that the first BBNJ COP will be able to set in motion an effective implementation of the finance mechanism.

As PrepCom 3 advances this work under tight timelines and technical constraints, delegates will need to balance ambition with pragmatism; ensuring early operationalisation of core elements such as the budget, Special Fund, and governance structures, while maintaining flexibility to refine and scale over time. Central to this effort are decisions on how to ensure equitable access, predictable and adequate funding flows, and effective coordination across mechanisms, including with the GEF and other relevant processes.

Ultimately, the choices made now, whether prioritising rapid activation, comprehensive design, or adaptive implementation, will determine whether the financial mechanism can deliver on its purpose of enabling effective, inclusive, and sustained implementation of the BBNJ Agreement.

Resources:

Thiele, T and Epps, M, BBNJ Finance Brief: The Special Fund as a Critical Financing Mechanism Under the BBNJ Agreement (2025). https://iucn.org/sites/default/files/2025-07/iucn_-bbnj-prepcom2_special-fund.pdf

Epps, M. Thiele, T.Scholz, A. Jaspars, M.,. 2025. Digital Sequence Information (DSI) as a Means of Financing under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction (BBNJ), Gland, Switzerland, IUCN Headquarters: IUCN. 8 pages. https://iucn.org/sites/default/files/2025-02/iucn-bbnj-dsi-policy-brief-web.pdf

Thiele, T et al,.. (2026) The Financial Mechanism: Overview for PrepCom3. https://highseasalliance.org/wp-content/uploads/2025/04/Prepcom-3_Financial-Mechanism-Briefing_Final.pdf

Joe Thwaites and Steve Herz, 'Multilateral Environmental Agreement Funds' Transitional Committees and Open-Ended Working Groups, Lessons for the Operationalisation Process for the BBNJ Special Fund' (Sydney, Centre for Sustainable Development Reform, 2026). https://drive.google.com/file/d/1al4G3FRch17K-KWNr6xla1eBjmljzspm/view

For enquiries, please contact
bbnjhac@iucn.org

Authors

Minna Epps
Global Ocean Policy Director
IUCN Centre for Policy & Law

Torsten Thiele
Founder, Global Ocean Trust
IUCN WCPA Sustainable Finance Specialist Group

Infographic desing: **Vanessa Marisak** / Grey Heron Studio

Design and layout: **Imre Sebestyén** / Unit Graphics

Citation: Thiele, T and Epps, M (2026) *IUCN BBNJ Finance Primer, Operationalising the BBNJ Financial Mechanism*. Gland, Switzerland, IUCN Headquarters: IUCN. 8 pages

INTERNATIONAL UNION
FOR CONSERVATION OF NATURE

Rue Mauverney 28
1196 Gland
Switzerland
Tel +41 22 999 0000
Fax +41 22 999 0002
www.iucn.org