Deep Dives

March 2026

Briefing: BBNJ PrepCom

The Financial Mechanism:

What ambition looks like at PrepCom 3 and beyond

Executive summary

The Agreement under the United Nations Convention on the Law of the Sea (UNCLOS) on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement) entered into force on 17 January 2026.

The Financial Mechanism, established under Article 52, is to provide "adequate, accessible, new and additional and predictable financial resources", including assistance to developing State Parties for that purpose (Art. 52(3)), and will be crucial for effective implementation.

Complementing the joint High Seas Alliance-UNSW briefing, *The Financial Mechanism: Overview for PrepCom 3*[1], this document outlines the High Seas Alliance's vision of an ambitious, well-resourced, and equitable BBNJ Financial Mechanism – one that is fully operational by the second Conference of the Parties (CoP2) and underpins the ambitious implementation of all parts of the Agreement. It also identifies key elements for discussion during the third BBNJ Preparatory Commission (PrepCom 3) and beyond.

To achieve this vision, the High Seas Alliance has identified four critical milestones by 2030:

1. **PrepCom 3:** Finalize a set of proposals for a robust and transparent Financial Mechanism for adoption at CoP1.
2. **CoP1:** Establish the Financial Mechanism, launch the process to operationalize the Special Fund by CoP2, and develop the 2030 resource mobilization goal.

[1] https://highseasalliance.org/wp-content/uploads/2025/04/Prepcom-3_Financial-Mechanism-Briefing_Final.pdf

3. **4th UN Ocean Conference (UNOC4):** Conduct an initial assessment of implementation progress and finance mobilization, provide political visibility for implementation needs, and create an opportunity to mobilize additional financial resources.
4. **CoP3:** Review, adapt, and scale the Financial Mechanism.

2030 vision: closing the High Seas protection finance gap

Currently, there is no comprehensive or agreed-upon estimate of the financial resources needed to effectively implement the BBNJ Agreement, and estimates may vary widely based on the parameters and assumptions chosen. For example, they may focus on overall implementation costs to both developed and developing countries, including in-kind contributions, or focus specifically on activities by developing countries eligible for support through the Special Fund and the Global Environment Facility (GEF) under Article 52(6).

Whichever approach is taken, a significant ocean protection finance gap clearly exists, particularly in areas beyond national jurisdiction (ABNJ), potentially amounting to billions of dollars[2]. Implementation costs can, however, be weighed against the potential economic benefits of protecting blue natural capital and its ecosystem services[3], and considered alongside a potential reduction in fisheries subsidies[4].

The Financial Mechanism is critical to assist developing countries in delivering effective, comprehensive, and equitable implementation of the BBNJ Agreement. Given the urgent need to address the conservation and sustainable use of marine biological diversity in ABNJ, the Agreement sets a clear objective to deliver large-scale progress by 2030, underpinned by an explicit resource mobilization goal for 2030 (Art. 52(11)).

The High Seas Alliance recommends that the BBNJ Financial Mechanism form a key part of a robust and coherent ocean finance architecture. It should support science-based action to design, implement, monitor, and enforce effective biodiversity conservation and management in

[2] Assumptions underpinning this estimate include costs accruing to all countries, including to conduct research and collect data to inform ABMT/MPA proposals, as well monitoring, control and surveillance of designated ABMT/MPA proposals by developing countries, both of which we consider among the most expensive types of activities related to BBNJ implementation. In-kind contributions, such as provision of time on a research vessel, are included in this estimate. Further, we assume that at least three large-scale High Seas MPAs will be established by 2030. Not all of these costs would be eligible for funding under the BBNJ Financial Mechanism.

[3] This includes improvements in fisheries, carbon storage potential, and other ecosystem services. A 2020 FAO study estimated that ecosystems services provided by the deep-sea in ABNJ may be worth approximately USD 267 billion annually, rising to up to USD 423 billion annually, depending on carbon valuation scenarios (https://openknowledge.fao.org/server/api/core/bitstreams/e65621f8-6379-4c6c-9f4a-d683a9c01ac9/content).

[4] https://www.sciencedirect.com/science/article/pii/S0308597X19303677#:~:text=Abstract,these%20numbers%20to%20be%20inappropriate.

ABNJ. Long-standing inequities in states' capacity to implement these measures and participate meaningfully in marine scientific research should also be addressed. Implementation of the Agreement will be state-led and carried out in partnership with all relevant partners and stakeholders, including states, relevant legal instruments and frameworks and relevant global, regional, subregional and sectoral bodies (IFBs), including International Financial Institutions (IFIs), Indigenous Peoples and local communities (IP&lc), civil society, and the private sector.

Delivering a successful Financial Mechanism

Delivering on this ambitious finance vision for BBNJ requires a robust mechanism from the outset, making it important to address several critical milestones in the coming years[5].

Milestone 1: PrepCom 3 to finalize a set of proposals for a robust and transparent Financial Mechanism for adoption at CoP1

PrepCom 3 will discuss a package of issues based on the Co-Chairs' aid to discussions (see Annex 1), with the aim of finalizing draft text and recommendations for agreement at CoP1[6]. Ensuring all core elements of the Financial Mechanism are addressed from the outset has been a key focus of previous PrepCom negotiations and must remain the priority at PrepCom 3 to maintain the integrity of the Financial Mechanism.

The High Seas Alliance recommendations for developing a set of robust finance-related decisions to implement the Financial Mechanism by CoP1

i. **General considerations: ambition and scale to finance the BBNJ Agreement**

- **Ambitious implementation of all parts of the Agreement,** including the Financial Mechanism, is critical to ensuring it achieves its full potential.

- **Estimated financial needs to support effective implementation** are difficult to determine due to data scarcity and vary across the different pillars of the Agreement[7]. However, medium- to long-term **annual financial needs post-2030 for**

[5] https://www.unsw.edu.au/news/2026/01/bbnj-treaty-enters-into-force-getting-finance-right-first.
[6] See Annex 1 for a summary of the five finance-related documents to be discussed during PrepCom 3.
[7] Several studies have attempted to estimate costs for the designation, implementation and enforcement of High Seas MPAs, both qualitative and quantitative. No comparable studies are available for other pillars of the Agreement.

the implementation could be in the billions of dollars[8]. Providing an estimate helps guide planning and institutional design.

- Early convergence around the scale and timeline of resource mobilization will help Parties design fit-for-purpose institutions, in particular the Special Fund. Parties should therefore **begin developing the components, scale, and nature of an initial resource mobilization goal through 2030**[9], including through private finance and public-private partnerships.

- **The Agreement's high standards for transparency and accountability** should be embedded in the design of the Financial Mechanism's provisions (Article 48), including through the presence and full participation of observers at Finance Committee meetings.

ii. **Prioritize the establishment of the Finance Committee at CoP1**

- Finalize the Finance Committee's rules of procedure, terms of reference (ToR), and modalities so that it can be established at CoP1. This is critical to maintaining a high level of ambition in its operationalization across the Agreement.

- At least one Finance Committee meeting should be held per intersessional period, given the importance of official meetings in ensuring accountability and transparency.

iii. **Broaden Voluntary Trust Fund's Support for effective participation**

- Developing State Party observers should be eligible for support to attend subsidiary body meetings as well as CoPs under the Voluntary Trust Fund, ensuring fair and equitable representation at subsidiary body meetings and a high level of ownership of their important work.

[8] Assumptions underpinning this estimate include costs accruing to all countries, including to conduct research and collect data to inform ABMT/MPA proposals, as well monitoring, control and surveillance of designated ABMT/MPA proposals by developing countries, both of which we consider to be among the most expensive types of activities related to BBNJ implementation. In-kind contributions, such as provision of time on a research vessel, are included in this estimate. Further, we assume that at least three large-scale High Seas MPAs will be established by 2030. Not all of these costs would be eligible for funding under the BBNJ Financial Mechanism.
[9] As foreseen in Article 52(11).

iv. Financial rules

- **The inclusion of specific roles for the Finance Committee on financial rules**, as the dedicated expert committee, is welcomed.

- Input from subsidiary bodies on CoP budget discussions should be enabled. Given the importance of their work, subsidiary bodies should be able to contribute to financial and budgetary discussions - for example, chairs could be mandated to present or share the specific work plans of their subsidiary bodies with the Finance Committee. Paragraph 81 of the internal coordination document (related to the ToRs and modalities for the subsidiary bodies) would allow this and should be retained.

v. Special Fund

- The Special Fund should be **designed to be scalable** to cover the implementation needs assessed by developing countries. Initial annual flows into the Special Fund are expected to be in the order of tens of millions of dollars[10], whereas financing needs are likely to be in the hundreds of millions[11]. The Special Fund should, therefore, be structured in a way that allows it to scale readily as funding becomes available.

- Discussions on the future scale of financial flows for the Special Fund may touch on the scale and timing of finance from marine genetic resources (MGR) and Digital Sequencing Information (DSI) (Art. 14). Given the important advisory role of the Access and Benefit Sharing Committee (ABSC) on these matters, **PrepCom 3 is strongly recommended not to engage in potentially controversial discussions on future benefit-sharing modalities**, particularly those related to possible future interactions with other benefit-sharing frameworks. These discussions would be better addressed at a future CoP, once the ABSC has been established.

- **Innovative private funding pathways should be kept in mind when designing the Special Fund**. The Special Fund is explicitly open to contributions from private

[10] Assuming that most of the initial flows come from the monetary benefit sharing provisions for marine genetic resources and Digital Sequencing Information, established in Article 14(6), amounting to 50% on top of developed States' assessed contributions to the budget, and an annual budget between that of the CBD and the UNFCCC.
[11] Assumptions underpinning this estimate only include funding for activities by developing countries that would potentially be eligible for funding through the Special Fund. We assume this would include costs to conduct research and collect data to inform ABMT/MPA proposals, as well monitoring, control and surveillance of designated ABMT/MPA proposals by developing countries, both of which we consider among the most expensive types of activities related to BBNJ implementation. In-kind contributions, such as provision of time on a research vessel, are not included in this estimate. Further, we assume that at least three large-scale High Seas MPAs will be established by 2030.

entities, and in designing modalities to receive private funding, Parties should consider a variety of potential sources - including insurance premiums, fines, levies, and innovative finance products

- **Best practices and lessons learned from other frameworks**[12] should inform the design of the Special Fund, including by prioritizing efficient access to funding through simplified application and approval procedures and enhanced readiness support (Art. 52(12)).

- **The set-up of the Special Fund by CoP2 is supported:** the Co-Chairs' draft decision and ToRs to operationalize the Special Fund by CoP2 are welcomed, including consideration of practical modalities for contributions, potential hosting arrangements, and other processes to help facilitate finance flows[13]. Special attention should be paid to the **composition of the Special Fund's board and dedicated professional staffing** to support its role in implementing the Agreement. These elements could be added as examples under paragraph 3(b) of the ToR in the Annex of the Co-Chairs' draft decision.

- The **creation of an interim mechanism for developed countries' annual contribution payments in accordance with Article 14 (paragraph 6),** as envisioned in Option I (paragraph 12) or Option II (paragraph 14) of the Co-Chairs' draft decision, is strongly supported.

vi. Agree on clear rules in relation to the GEF

- **Establish modalities with the GEF that clarify its relationship with the BBNJ CoP**, including regular reporting and, potentially, the establishment of oversight mechanisms and monitoring processes.

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[12] See, for example, Ensuring Equitable and Efficient Access to the Special Fund established under Article 52 of the BBNJ Agreement.pdf.
[13] https://iucn.org/sites/default/files/2025-07/iucn_-bbnj-prepcom2_special-fund.pdf.

Milestone 2: CoP1 to establish and operationalize the Financial Mechanism

i. **Adopt key elements of the Financial Mechanism's institutional structure** based on the above recommendations.

ii. **Operationalize key funding instruments**, including:
- Setting up the Voluntary Trust Fund.
- Adopting the process to operationalize the Special Fund by CoP2.
- Setting up an interim account for contributions to the Special Fund until it is fully operational.
- Approving the Memorandum of Understanding (MoU) with the GEF.

iii. **Develop and approve the initial budget**, ensuring it is responsive to other decisions made at CoP1 regarding the size, composition, and frequency of meetings of the subsidiary bodies.

iv. **Develop and adopt a 2030 resource mobilization goal** by:

- Assessing expected capitalization levels, including developed country contributions to the Special Fund and GEF-9 allocations.
- Encouraging ratification of the Treaty by developed countries to boost finance flows to the Special Fund.
- Identifying funding gaps relative to implementation needs.
- Agreeing on a process to develop and adopt a **2030 resource mobilization goal** as early as possible, including a roadmap to achieve it.

v. **Engage the private sector** by initiating dialogue with the private and finance sectors to increase understanding of the importance of the BBNJ Agreement and explore modalities for financial contributions to the Special Fund.

Milestone 3: UNOC4 to serve as a major political and financial milestone for the BBNJ Agreement

UNOC brings together Heads of State, ministers, financial institutions, and civil society. Given its timing, visibility, and convening power, UNOC4 in 2028 could serve as an appropriate, high-level political moment to review progress towards the implementation and financing of the BBNJ Agreement. It could also provide an opportune moment to assess the Agreement's potential contribution towards meeting the global goal of protecting 30% of the ocean by 2030 (30x30) under the Kunming-Montreal Global Biodiversity Framework (GBF), adopted in December 2022.

Highlighting progress made since the BBNJ Agreement entered into force would give political visibility to implementation challenges and provide an opportunity for Parties to make further recommendations to the BBNJ CoPs if needed. It could also serve as a catalyst for mobilizing additional financial resources, including:

- Further public financial pledges
- Further private sector initiatives
- Further philanthropic announcements

Milestone 4: CoP3 to review, adapt and scale the Financial Mechanism

Evaluate the performance of the Financial Mechanism and adapt if necessary
By CoP3, the operational mechanisms and interactions between institutional bodies, as well as the overall functioning of the BBNJ Agreement, will have been finalized, and progress towards the initial 2030 resource mobilization goal will be measurable. CoP3 will therefore be an appropriate moment to conduct an initial assessment of whether the Financial Mechanism is delivering the transformational ambition of the BBNJ Agreement to comprehensively implement the conservation and sustainable use of biodiversity in ABNJ at scale.

The Financial Mechanism review should assess:

- Operational effectiveness.
- Institutional coordination, both within the BBNJ Agreement and with other ocean finance actors.
- Fund disbursement.

- Accessibility for developing states and IP&lc, with special attention to the Special Fund's aim to ensure efficient access to funding through simplified application and approval procedures and enhanced readiness support.
- Whether funding levels match implementation needs across the Agreement.

Annex 1

The Co-Chairs and the UN Division for Ocean Affairs and the Law of the Sea (DOALOS) have provided a set of documents ahead of PrepCom 3 to help facilitate the development of specific proposals for CoP1 for different parts of the Financial Mechanism. In summary:

- **Co-Chairs'** **revised aid to discussions and negotiations: financial rules** (A/AC.296/2026/2). This document represents the third iteration of the Co-Chairs' aid to discussions and negotiations. It largely focuses on: elements to operationalize the general budget of the Agreement to fund its institutions (Art. 52(2)), including the financial period; the process to develop and manage that budget; and Parties' contributions and auditing. It also includes rules applicable to future funds established under the Agreement. Changes since PrepCom 2 include the addition of potential roles for the Finance Committee in several paragraphs, a new paragraph on the Voluntary Trust Fund (Rule 4.4 quater), multiple changes to the paragraphs on arrears (Rule 5.3), and a narrowing of options in multiple paragraphs.
- **Aid to discussions and negotiations on the terms of reference and modalities for the operation of, and rules of procedure for, the subsidiary bodies, including the selection process for their members (A/AC.296/2026/3).** This document combines all the outstanding decisions required at CoP1[14] to establish the Agreement's multiple subsidiary bodies, including the Finance Committee.
- **Aid to discussions and negotiations on the establishment of the Voluntary Trust Fund.** This contains draft ToRs for the Voluntary Trust Fund in its Annex, including options for potential recipients (paragraphs 3 and 5) and the types of meetings eligible (and potentially prioritized) for support (paragraph 2). It also sets out the process for accessing the fund.

[14] The Agreement does not specify a deadline of CoP1 for the set-up of the Finance Committee but recognizing the importance of the subsidiary bodies in the implementation of the Agreement, it is important for the PrepCom to work towards the establishment of all subsidiary bodies at CoP1, not only those specifically highlighted for consideration at that meeting.

- **Note by the Co-Chairs concerning a draft decision of the Conference of the Parties for the purpose of operationalizing the Special Fund (A/AC.296/2026/6).** This document focuses on an intersessional process to operationalize the Special Fund, including options for membership, rules for observer and IFB participation in related meetings, and draft ToRs in its Annex.
- **Further revised aid to discussions and negotiations on arrangements with the GEF (A/AC.296/2026/7).** This is the third iteration of this document. Key changes from previous versions include the identification of potential roles for the BBNJ Finance Committee and the addition of options to differentiate between the GEF and GEF Council.

The High Seas Alliance is a group of 80+ non-governmental members who work together to inspire, inform and engage the public, decision-makers and experts to support and strengthen High Seas governance and conservation.

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