DEEP DIVES

BBNJ COP-1 Policy Briefs
August 2026

High Seas Alliance

The Financial Mechanism:

What ambition looks like at BBNJ CoP1 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. This briefing examines the Financial Mechanism of the BBNJ Agreement.

The Financial Mechanism, established under Article 52, is to provide “adequate, accessible, new and additional and predictable financial resources”, including assistance to developing States Parties for that purpose (Art. 52(3)). It will be crucial for the effective, comprehensive and equitable implementation of the Agreement and for bridging the current finance gap.

Following the conclusion of the third Preparatory Commission (PrepCom 3), 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 BBNJ Agreement. It summarizes the key finance-related outcomes of PrepCom 3, identifies priorities for adoption at the first Conference of the Parties (CoP1) on 11-22 January 2027, and highlights the remaining steps towards operationalizing the Financial Mechanism, including the Special Fund and Resource Mobilization Goal.

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

1. **CoP1:** Adopt the finance-related package, establish the institutional architecture of the Financial Mechanism, launch the Ad Hoc Committee on the Special Fund, and initiate work towards the 2030 Resource Mobilization Goal to close the High Seas protection finance gap.
2. **CoP2:** Operationalize the Special Fund, catalyze substantial voluntary contributions from eligible contributors, and adopt an ambitious initial Resource Mobilization Goal.
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.

Delivering a successful Financial Mechanism

The High Seas Alliance recommends that the BBNJ Financial Mechanism forms 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 areas beyond national jurisdiction (ABNJ). Long-standing inequities in States' capacities to implement these measures and participate meaningfully in marine scientific research should also be addressed. Implementation of the BBNJ 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 on this ambitious finance vision for the BBNJ Financial Mechanism requires a successful transition from the Preparatory Commission to CoP1.

Milestone 1: CoP1 to establish and operationalize the Financial Mechanism

PrepCom 3 developed a package of finance-related draft texts and recommendations that provides a strong foundation for consideration. CoP1 should build on this progress by adopting an ambitious package of decisions that establishes and operationalizes the BBNJ Financial Mechanism and enables its effective implementation from the outset.

CoP1 should deliver an ambitious finance package covering six key components: **Financial Rules, the Finance Committee, the Voluntary Trust Fund, Global Environment Facility (GEF) Arrangements, the Special Fund, and the Resource Mobilization Goal.** Together, these components should facilitate the establishment of a BBNJ Financial Mechanism that is

transparent, equitable, adequately resourced, and responsive to the needs of developing States Parties.

i. Financial Rules

PrepCom 3 reached broad convergence on the draft Financial Rules (Annex V), providing a strong basis for adoption at CoP1. Only a limited number of issues remain outstanding, including provisions on host country and voluntary contributions, and auditing arrangements linked to the institutional status of the Secretariat.

Financial Rules are the cornerstone of an effective, transparent and accountable Financial Mechanism. CoP1 should adopt Financial Rules that establish a predictable, efficient and equitable framework for financing the BBNJ Agreement and its institutions, underpinned by robust budgeting, reporting, auditing and financial oversight arrangements.

The High Seas Alliance recommends that CoP1:

- **Adopt the Financial Rules**, preserving the broad convergence achieved during PrepCom 3.
- **Adopt an adequately resourced initial program budget** that enables the effective functioning of the CoP, the Secretariat and the BBNJ Agreement's subsidiary bodies from the outset, while ensuring that resource allocation reflects the operational needs of the BBNJ Agreement through meaningful input from subsidiary bodies on their work programs and resource requirements.

ii. Finance Committee

PrepCom 3 advanced discussions on the Finance Committee under both the draft Rules of Procedure for Subsidiary Bodies (Annex II) and the draft Financial Rules (Annex V). While progress was made on the Committee's rules of procedure and terms of reference, and the qualifications of its members, its composition remains unresolved.

The Finance Committee is a key pillar of the Financial Mechanism. The High Seas Alliance recommends that CoP1:

- **Establish the Finance Committee.** Given its central role in supporting the CoP on budgetary and financial matters, early establishment of the Finance Committee is essential to the effective implementation of the BBNJ Agreement.
- **Ensure effective coordination between the Finance Committee and other subsidiary bodies.** The Committee should be able to consider the work programs, resource needs and recommendations of other subsidiary bodies so that it can help ensure that financial decisions support the effective implementation of the BBNJ Agreement.

iii. Voluntary Trust Fund

PrepCom 3 reached broad convergence on the draft terms of reference for the Voluntary Trust Fund (Annex IX), providing a strong basis for its establishment at CoP1.

The High Seas Alliance recommends that CoP1:

- **Adopt the terms of reference for the Voluntary Trust Fund**, preserving the broad convergence achieved during PrepCom 3.
- **Retain the reference in paragraph 5 to "at least" one representative from each developing State Party at in-person meetings**, allowing the Voluntary Trust Fund to support broader participation, where appropriate.
- **Call on developed States Parties and other donors to provide timely, adequate and predictable voluntary contributions to the Voluntary Trust Fund**, ensuring that it is sufficiently resourced to fulfil its mandate.

iv. GEF Arrangements

PrepCom 3 finalized the draft memorandum of understanding between the CoP and the GEF Council (Annex VI), providing a strong basis for its adoption at CoP1.

The High Seas Alliance recommends that CoP1**:**

- **Adopt the memorandum of understanding between the CoP and the GEF Council**, preserving the broad convergence achieved during PrepCom 3.
- **Ensure complementarity and coherence between the GEF and the Special Fund** to support activities under the BBNJ Agreement.
- **Promote timely, equitable and efficient access to GEF resources**, particularly for developing States Parties implementing the BBNJ Agreement.

v. Special Fund

PrepCom 3 developed a draft decision for consideration by CoP1 on the operationalization of the Special Fund (Annex VIII). The draft decision proposes the establishment of an Ad Hoc Committee to develop the operational modalities of the Special Fund, providing a strong basis for CoP1 to launch this process.

The High Seas Alliance recommends that CoP1:

- **Adopt the draft decision on the operationalization of the Special Fund and establish the Ad Hoc Committee,** thereby preserving the broad convergence achieved during PrepCom 3 to facilitate the prompt nomination of members by UN regional groups and other relevant constituencies, in accordance with the timeline set out in the draft decision.

- **Establish an interim mechanism for the timely collection and administration of annual contributions from developed States Parties under Articles 14(6) and 52(4)(b)(i),** ensuring that contributions due under the BBNJ Agreement upon its entry into force can be collected, pending the operationalization of the Special Fund.
- **Ensure that the initial work program of the Access and Benefit-sharing Committee** includes consideration of issues relating to the scale and timing of monetary benefit-sharing under Article 14(7), so that its recommendations can inform future financial flows to the Special Fund.
- **Encourage the ratification of the BBNJ Agreement by developed States** to broaden the contributor base for the Special Fund and facilitate the implementation of the annual contribution obligation under Article 14(6).
- **Engage 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.

vi. **Resource Mobilization Goal**

PrepCom 3 did not progress an initial Resource Mobilization Goal through 2030 for the Special Fund, as required under Article 52(11), making CoP1 the first opportunity to determine this goal. While the financial resources required to support implementation remain difficult to estimate due to limited data and varying needs across the different pillars of the BBNJ Agreement[1], existing estimates of medium- to long-term annual financial needs post-2030 for implementation range from hundreds of millions to billions of dollars[2]. Developing a robust estimate of financing needs will, therefore, be essential to inform the Resource Mobilization Goal and guide the design of the BBNJ financial architecture.

The High Seas Alliance recommends that CoP1:

- **Initiate the development of the initial Resource Mobilization Goal through 2030 for adoption at CoP2**.
- **Ensure that the goal is ambitious, transparent and based on a bottom-up assessment of implementation needs and funding gaps,** rather than solely on political negotiations, and takes the needs of developing States Parties into account.
- **Consider the full range of funding sources** envisaged under the BBNJ Agreement, including contributions to the Special Fund and complementary sources of finance, and assess their expected contribution towards achieving the Resource Mobilization Goal.

[1] 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 BBNJ Agreement.
[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 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.

- **Determine the process and institutional arrangements for undertaking the needs and funding gap assessment**, ensuring that it is conducted in parallel with the operationalization of the Special Fund and completed in time to inform the adoption of the Resource Mobilization Goal by CoP2.

Milestone 2: CoP2 to operationalize the Special Fund and adopt the initial Resource Mobilization Goal

Following the work of the Ad Hoc Committee established by CoP1, CoP2 should adopt the constitutive document for the Special Fund, complete its operationalization, and determine the initial Resource Mobilization Goal through 2030.

The High Seas Alliance recommends that CoP2:

- **Adopt the constitutive document for the Special Fund,** recommended by the Ad Hoc Committee, ensuring that it establishes a scalable, accessible and adequately resourced Financial Mechanism capable of meeting the implementation needs of developing States Parties.
- **Ensure that the constitutive document promotes efficient, transparent, and equitable access to funding,** drawing on best practices from other international financial mechanisms, including simplified application and approval procedures and enhanced readiness support, in accordance with Article 52(12).
- **Ensure that the constitutive document enables the Special Fund to mobilize finance from a broad range of public, private, and innovative sources**, consistent with Article 52 of the BBNJ Agreement.
- **Encourage early voluntary contributions to the Special Fund** from all eligible contributors to support its timely capitalization and operationalization.
- **Adopt an ambitious and evidence-based initial Resource Mobilization Goal through 2030**, informed by the needs and funding gap assessment undertaken following CoP1.
- **Ensure that the Resource Mobilization Goal reflects the implementation needs of developing States Parties** and the full range of funding sources envisaged under the BBNJ Agreement, and establish a process for its periodic review and adjustment in light of evolving implementation needs and available financial resources.

Milestone 3: UNOC4 to serve as a political and financial progress review

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 BBNJ 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 initiate a review of the Financial Mechanism to inform its adaptation and scaling

By CoP3, the operational mechanisms and interactions between institutional bodies, as well as the overall functioning of the BBNJ Agreement, should be sufficiently developed for an initial review process to begin, and progress towards the initial 2030 Resource Mobilization Goal should be measurable. CoP3 should, therefore, initiate a review of the Financial Mechanism with a view to informing how it may need to be adapted and scaled over time to support the effective implementation of the BBNJ Agreement.

The High Seas Alliance recommends that CoP3:

- **Initiate a review of the Financial Mechanism to inform its future adaptation and scaling**. The 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 BBNJ Agreement.
    - Whether the initial Resource Mobilization Goal remains adequate, or whether it should be reviewed or adjusted in light of implementation progress, financing gaps, and evolving implementation needs.

Annex 1

PrepCom 3 developed a comprehensive package of draft decisions and recommendations for consideration by CoP1, providing the institutional framework for operationalizing the Financial Mechanism under Part VII of the BBNJ Agreement. These outcomes are contained in the annexes to the PrepCom 3 Report[3].

The recommendations contained in this briefing draw, in particular, on the following annexes:

- Annex II – Draft rules of procedure for the subsidiary bodies, including provisions relating to the Finance Committee.
- Annex V – Draft Financial Rules.
- Annex VI – Draft memorandum of understanding between the Conference of the Parties and the GEF Council.
- Annex VIII – Draft decision on the operationalization of the Special Fund, including the terms of reference for the Ad Hoc Committee.
- Annex IX – Draft terms of reference for the Voluntary Trust Fund.

Unless otherwise indicated, references to annexes throughout this briefing refer to the annexes contained in the PrepCom 3 Report.

[3]Report of the Preparatory Commission for the Entry into Force of the Agreement and the Convening of the First Meeting of the Conference of the Parties: ADVANCE, UNEDITED VERSION Report of the Preparatory Commission I. Introduction II. Organizational matters.