



Convention on
Biological Diversity

Mobilization of resources in support of the implementation of the Strategic Plan for Biodiversity 2011-2020



United Nations Decade on Biodiversity



Resource Mobilisation at Global and National Level

OVERVIEW

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Strategic Plan for Biodiversity 2011-2020:



Aichi Biodiversity Target 20:

By 2020, at the latest, **the mobilization of financial resources** for effectively implementing the Strategic Plan for Biodiversity 2011-2020 **from all sources**, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, **should increase substantially from the current levels**. This target will be subject to changes contingent to **resource needs assessments** to be developed and reported by Parties.



Resource Mobilization Strategy:



Adopted as decision IX/11:

Aims to:

- Mobilize **adequate and predictable** financial resources to support implementation;
- **Substantially enhance** international financial flows and domestic funding for biodiversity;
- Assist Parties in establishing national targets, goals and action for enhancing international financial flows and domestic funding for biological diversity;
- Establish National financial mechanisms;
- Implement CBD Articles 20, 22 based on good practices;
- Appoint resource mobilization focal points;
- Design and implementation on a country-specific resource mobilization.

Resource mobilization Strategy:



- Goal 1: improve information** base on funding needs, gaps and priorities (also to assess costs of policy inaction and benefits of action);
- Goal 2: strengthen national capacity** for resource use and mobilize domestic resources (develop national financial plans for NBSAPs);
- Goal 3: Strengthen existing financial institutions** and promote scaling up (ODA; co-financing; public and private sector investments; funds ...);
- Goal 4: Explore new and innovative financial mechanisms** (PES; offsets; fiscal reforms; green markets; climate finance ...);
- Goal 5: Mainstream** biodiversity into **development cooperation**;
- Goal 6: Build capacity and promote South-South cooperation**;
- Goal 7: Enhance ABS** in support of resource mobilization;
- Goal 8: Enhance global engagement (public awareness).**

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National financial mobilization strategies:



Decisions X/2 and X/3 reiterate that national implementation of the Strategic Plan for Biodiversity 2011-2020 and the Strategy for Resource Mobilization should include the elaboration of country-specific resource mobilization strategies in the framework of updated national biodiversity strategies and action plans.

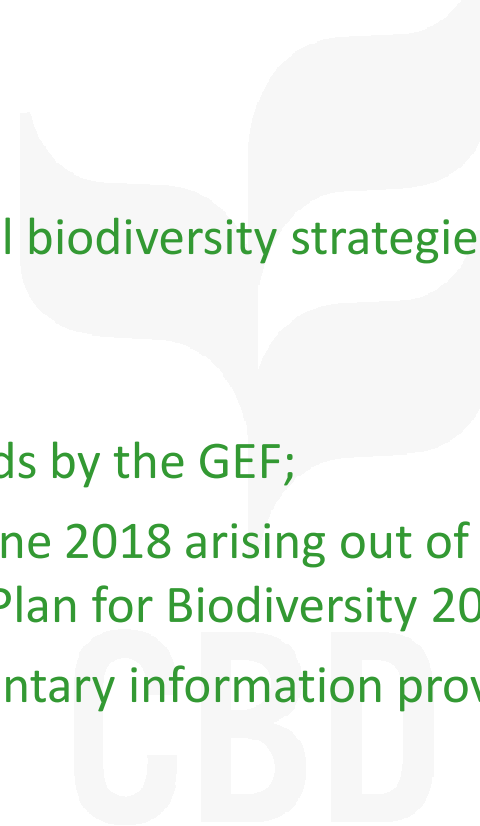
Decision X/26 *Invites* Parties to expedite the development of country-specific resource mobilization strategies ... and, for developing country Parties... to identify related national funding priorities...that could be considered as eligible for funding under the financial mechanism specifically for the period July 2014-June 2018 (GEF-6);

National financial mobilization strategies:



Financial needs assessment (decision X/23):

- An assessment of funds necessary to assist developing countries in fulfilling their commitments under the Convention over the sixth GEF replenishment cycle.
- Drawing on:
 - Analysis of the needs identified in national biodiversity strategies and action plan;
 - Review of reports submitted by Parties;
 - Experience to date in the provision of funds by the GEF;
 - Funding needs for the period July 2014-June 2018 arising out of the national implementation of the Strategic Plan for Biodiversity 2011-2020;
 - Compilation and analysis of any supplementary information provided by Parties on funding needs.



National financial mobilization strategies:



Outputs of the Country-specific resource mobilization strategy:

- A. Economic rationale for investment in biodiversity
- B. Analysis of existing mechanisms for the generation and delivery of funds at the national level (including national budget)
- C. Assessment of funding needs for implementation of the NBSAP (achievement of the national and Aichi targets). This may include:
 - i. precise needs for core biodiversity activities and in the shorter short term
 - ii. more general assessment of broader activities and in the longer term
- D. (Proposals for) Policy and institutional change, eg: establishment of new funds
Aiming at:
 - i. Efficient use of all funds (including existing resources)
 - ii. Mobilization of additional resources for biodiversity, including through new mechanisms and reallocation of funds

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National financial mobilization strategies:



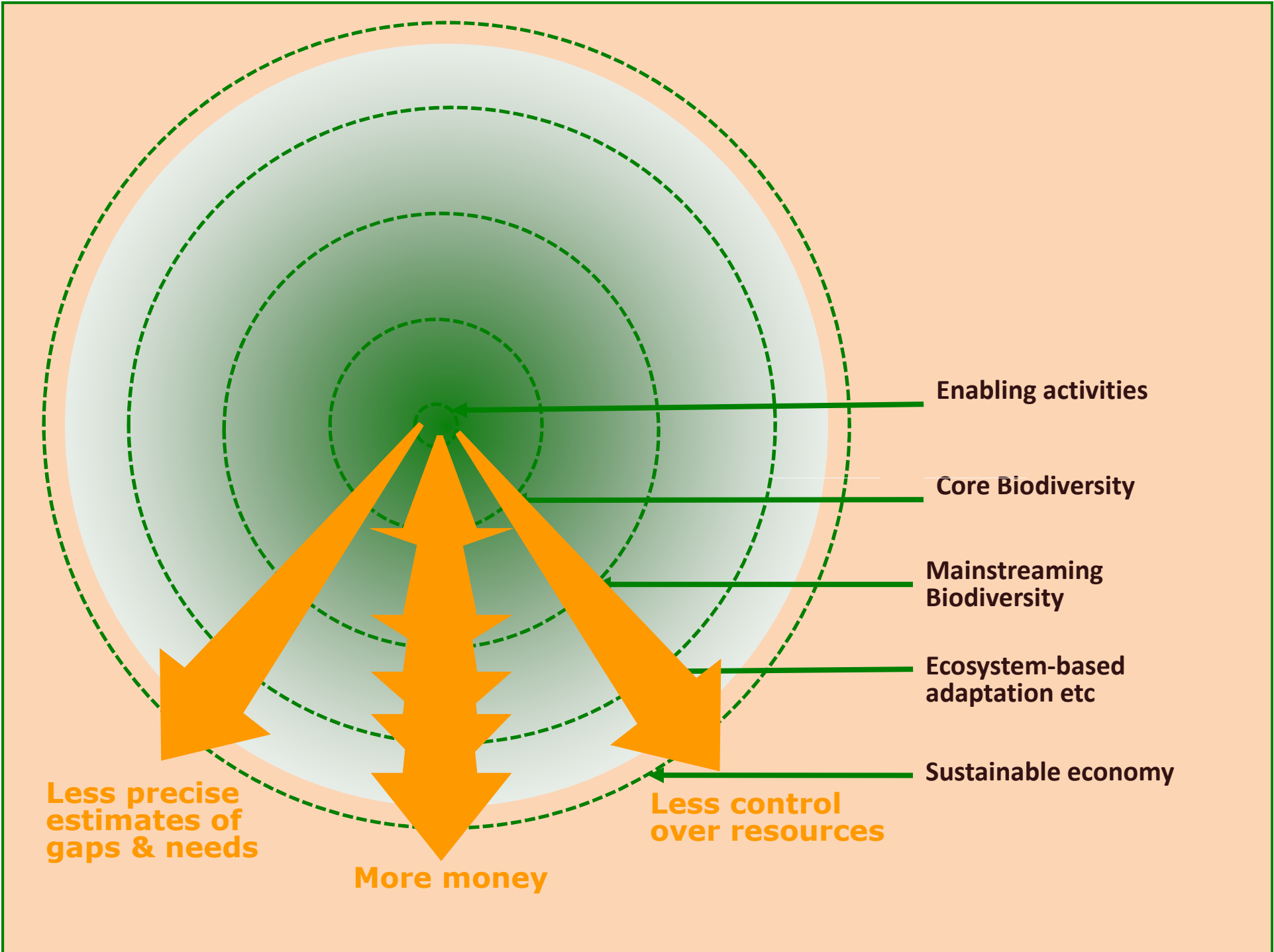
Principles for a Country-specific resource mobilization strategy:

- A. Understand existing sources and budget cycle
- B. Identify opportunities for new sources
- C. Mainstream – persuade others to spend or reallocate their money
- D. Involve others; get ownership over biodiversity-friendly activities
- E. Reform – look for opportunities to save money by ceasing support to activities harmful to biodiversity
- F. Leverage funds under your control
- G. Make the economic case
- H. Innovate
- I. Move beyond a “shopping list” Look not just for funds for projects, but for strategic/ policy/ institutional changes that will mobilize additional resources

National financial mobilization strategies:



| Purpose | Source and budget | Size |
|---|--|--------------|
| Facilitating biodiversity planning, implementation and monitoring | Domestic budget or ODA (incl. GEF); Environment ministry budget | \$ |
| Core biodiversity activities: protected areas, regulation, etc. | Domestic budget, ODA, others Environment ministry budget | \$\$ |
| Mainstreaming into sectors: Agriculture, forestry, fisheries, tourism, education... | Domestic budget, ODA, PES, subsidy reform, etc Budgets of other ministries & private sector | \$\$\$ |
| Adaptation to and mitigation of climate change (REDD+) | Climate-related finance | \$\$\$\$ |
| Sustainable consumption & production (green economy) | | \$\$\$\$\$\$ |



Enabling activities

Core Biodiversity

Mainstreaming Biodiversity

Ecosystem-based adaptation etc

Sustainable economy

Less precise estimates of gaps & needs

More money

Less control over resources



Funding for Biodiversity Planning And Core Activities:

CORE BUDGET, GEF AND ODA

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National Budgets



- Choose a financial year between 2005 and 2010
- How much was allocated or spent on environment or biodiversity activities?
- What percentage of the national budget was allocated to environment or biodiversity?

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How much are Parties currently spending on environment?



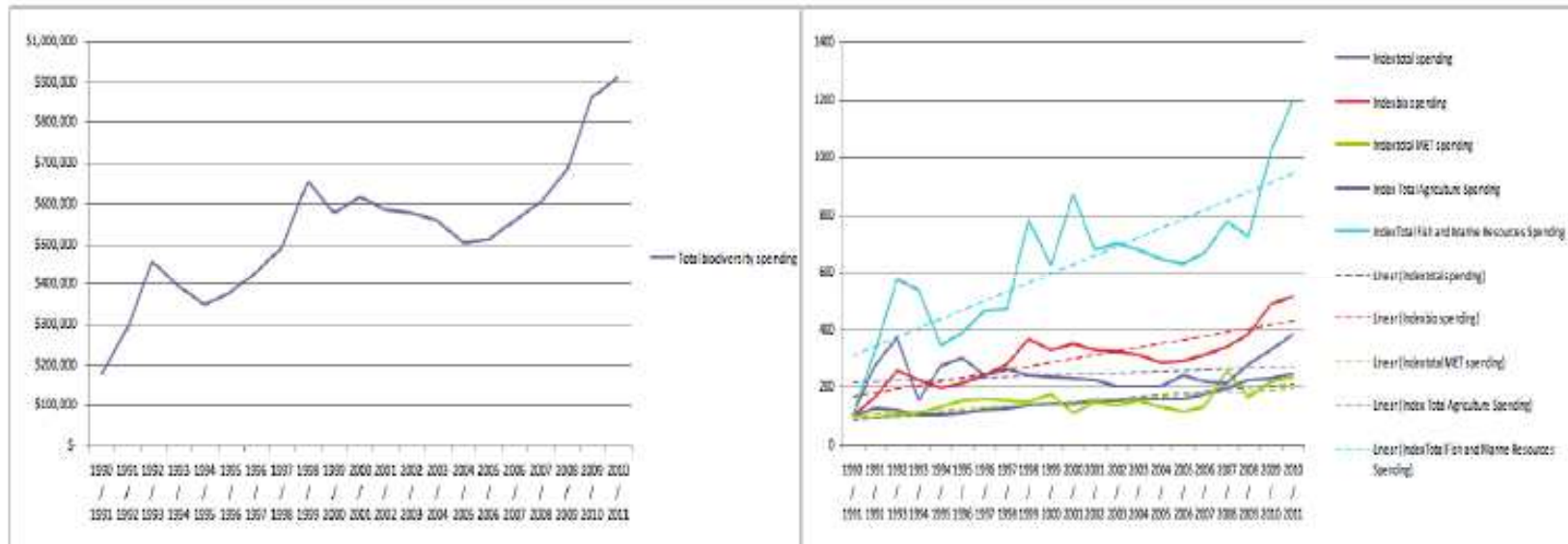
Average percentage of environmental expenditure of central governments of some 40 countries has stayed around 0.2 per cent of GDP over the period between 2002 and 2010, and the average percentage of “total” governments including lower levels of government has been around 0.7 percent of GDP.

Globally, national budgetary support to biodiversity and ecosystem services is estimated to be in the range of US\$15 billion - \$45 billion in 2010.

If 0.1 % of global GDP had been allocated for biodiversity and ecosystem services, it would have provided US\$63 billion in 2010.

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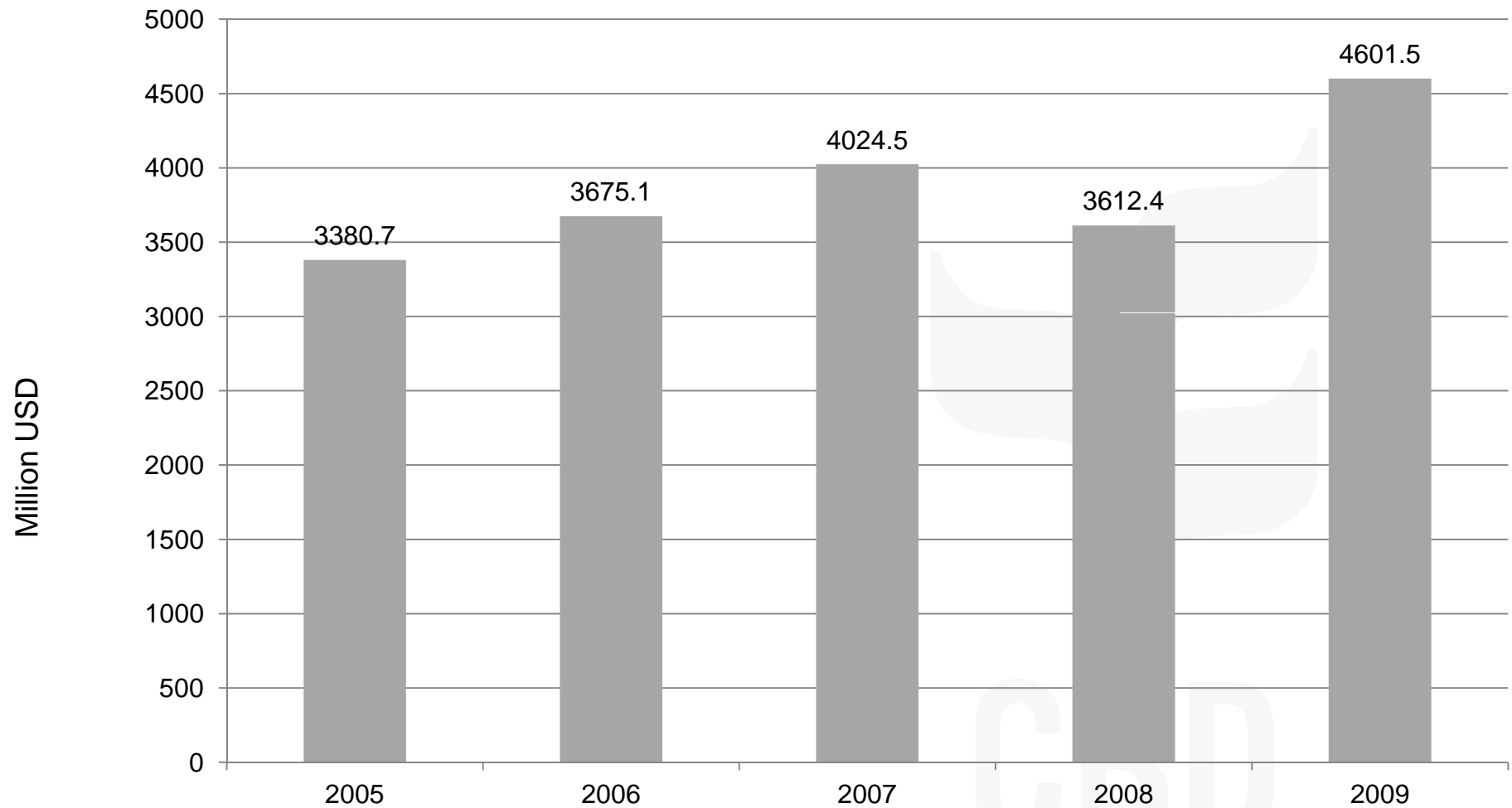
How much are Parties currently spending on environment?



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ODA for Biodiversity (Estimated from OECD Rio Markers)

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GEF Funding for Biodiversity Enabling Activities

Generations of Enabling Activities



1st

Generation
of GEF
Enabling
Activities

~\$60M

2nd

Generation
of GEF
Enabling
Activities

~\$40M



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GEF Funding for Biodiversity Enabling Activities

GEF Funding History

| Funding for | Number of countries that benefitted | Total number of countries eligible |
|-------------|-------------------------------------|------------------------------------|
| NBSAP | 139 | 157 |
| CHM and 2NR | 92 | 157 |
| 3NR | 123 | 155 |
| 4NR | 120 | 146 |



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GEF 5 Biodiversity Focal Area Strategy

GOAL:

Conservation and sustainable use of biodiversity and maintenance of ecosystem goods and services

OBJECTIVES

(1) Improve sustainability of protected area systems

(2) Mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors

(3) Build capacity to implement Cartagena Protocol on Biosafety

(4) Build capacity on access to genetic resources and benefit-sharing

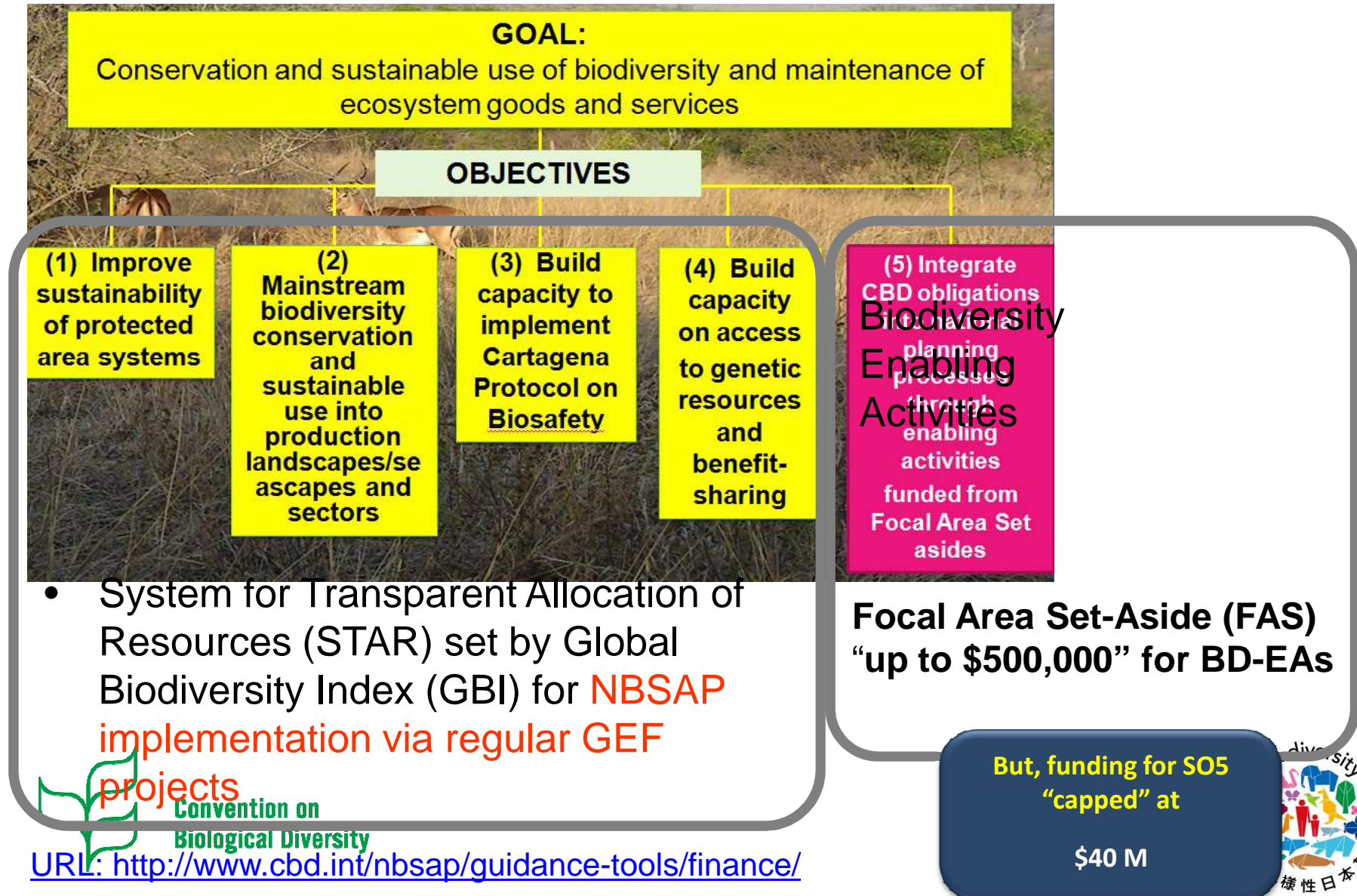
(5) Integrate CBD obligations into national planning processes through enabling activities funded from Focal Area Set asides



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GEF 5 Strategies: http://www.thegef.org/gef/GEF5_Strategies

GEF 5 Biodiversity Focal Area Strategy





Innovative Funding Mechanisms and Green Economy

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Earmarked Taxes for Conservation

- **CBD Assessment:** estimates that spending on conservation < 1% of national government budgets;
- But some good examples of positive use of taxes:
 - **USA:** 5.5% of excise tax on hunting and fishing equipment goes to PAs (USD 150 mn);
 - **Namibia:** part of commercial fish catch tax goes to PAs;
 - **Costa-Rica:** part of government fuel tax goes to PAs.



Taxes on Finance Market Transactions

Taxes on Finance Market Transactions (Tobin Taxes) in Spain alone could generate:

- Tax on short-term capital gains (between 0.18 and 1.98 billion euro/year);
- Tax on banks (between 2.82 and 5.12 billion euro/year);
- Tax on financial transactions (between 1.6 and 6.3 billion euro/year).

Source: Stiglitz, Joseph et al. (2010) **TAXING FINANCIAL SPECULATION: SOME PROPOSALS FOR THE G-20**. IDEAS Foundation

http://www.oekosozial.at/uploads/tx_osfopage/fundacion_ideas_Informe_ingles_mayo_2010.pdf



Debt for Nature Swaps (DNS)

- Majority of DNS were mediated by large NGOs;
- Majority of DNS are in Latin America & Caribbean;
- US Government, France, Switzerland and Germany are main “forgivers” [e.g. in 2008, France forgave a USD 20 mn debt to Madagascar in exchange for a equivalent replenishment of Madagascar PA Fund by government]
- remains a commercial deal in which debtor tries to bargain for largest discount of its debt – which does not always coincide with motives of the debt “forgiving” Government.
- explains why DNS remain rare.



Subsidies

Removal of (perverse) subsidies:

- Agricultural subsidies in OECD countries averaged US\$261 billion/year in 2006-8,
- global fisheries subsidies are US\$15-35 billion,
- energy subsidies around US\$500 billion per year worldwide,
- transport subsidies US\$238-306 billion/year, and
- water subsidies US\$67 billion.

A portion of these subsidies re-directed could provide significant funding for biodiversity.



Conservation Trust Funds

- ~55 Conservation Trust Funds globally (USD 810 mn in capital);
- types: endowment, sinking, revolving (rare);
- largest – \$89 mn, smallest \$1.4 mn;
- 74% in LAC, 10% in Asia; few in Europe;
- pay for salaries, ecological monitoring, and recurrent costs, not investment needs;
- difficult to establish;
- high overhead;
- reluctance of donors to capitalize the endowment;
- not a 100% solution.



Conservation Trust Funds

- Bangladesh and US government have established Tropical Forest Conservation Fund (TFCF) for conservation, restoration and afforestation of tropical forest.
- In Chile, Agricultural Research Fund (FIA), National Fund for Technology and Production (FONTEC), Fisheries Research Fund (FIP), CONAMA Environmental Fund (FAC), Fund of the Americas, SAG Fund, National Fund for Regional Development (FNDR), all provide financial support to biodiversity projects.
- In United Kingdom, the Heritage Lottery Fund distributes a share of the money raised by the National Lottery for Good Causes, and raised over £125 million for biodiversity projects in the past ten years.



Biodiversity offsets

- Conservation action outside development site designed to compensate for UNAVOIDABLE adverse biodiversity impacts caused by land/resource use (mining, roads, urban infrastructure, agriculture).
- Should not be applied if impact is avoidable.
- US, Canada, Brazil, European Union, Australia, Russia and Uzbekistan.
- Prerequisite 1 – law limiting development at certain habitats.
- Prerequisite 2 – memorandum on roles and responsibilities among Government, land-developer, NGOs, mediators in the off-set.
- Sequence for establishing a biodiversity offset:
 - No-net-loss assessment and design of an equivalence for the offset.
 - Select location suited for the offset's equivalence.
 - Agree among contractual parties on the duration of the offsetting obligations and budget.
 - Develop and implement the conservation plan.
 - Validate the results, establish regular monitoring and/or a protected area to enforce permanence.
- Example of success: US wetland banking involves 135 private commercial banks over USD 370 million in BO transactions per year.



PES

- “**voluntary** and **conditional** contracts in which a well-defined environmental service is purchased by a willing buyer who then secures provision of that service from a willing seller”;
- markets in ecosystem services require the narrowing down of complex ecosystem processes into identifiable and measurable services, and the reductionism of (monetary) valuation of those services;
- national PES programmes conceived as market-based instruments, in practice became hybrids of market-like mechanisms, state regulation, and subsidies.

Conservation Agency Policy:

“Conserve biodiversity as a community choice, by building agree provide communities with benefits and capacity building in ex delivering effective conservation of high priority areas



