Media release

Public and private sectors could raise USD 160 bn for biodiversity, book finds

Biodiversity finance must be scaled up and redirected to key areas

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5 June 2012 - Finance for biodiversity could be scaled up from around USD 52 billion in 2010 to as high as USD 160 billion by 2020, if the public and private sectors work together to implement a range of financing approaches, according to the new Little Biodiversity Finance Book, published today by the Global Canopy Programme (GCP).

This third edition of the book explores the mechanisms for scaling up biodiversity finance, how delivery could be improved, and how institutions could support the increase in scale - key questions ahead of this month's United Nations Conference on Sustainable Development ("Rio+20") and the 11th Conference of the Parties to the Convention on Biological Diversity (CBD) in October.

Using the latest available information, the authors show that finance for biodiversity totalled USD 51.8 billion in 2010 - the year in which the world failed to achieve the global biodiversity target to "achieve a significant reduction of the current rate of biodiversity loss" set by the CBD.

To reach the new, more ambitious targets set for 2020 – known as the Aichi Targets - more finance must be generated, but the proportions allocated to different parts of the world must also change.

Nick Oakes, Environmental Economist at GCP and one of the authors, said: "The world failed to meet the 2010 target to reduce biodiversity loss because of a lack of finance, but also because the available finance was being spent in the wrong places.

"The majority of biodiversity finance is raised in developed economies, but as much as 60% of it is also spent there. Although those countries have important biodiversity to protect, the greatest biodiversity is in emerging and developed economies – Latin America and the Caribbean, Africa, and Asia (not including China) – but only 40% of biodiversity finance is spent there."

Oakes added, "However, finance still needs to increase across the board, because even developed countries with their higher levels of funding failed to meet the target in 2010."

The authors explore 17 mechanisms for generating finance, from official development assistance and reform of agricultural and fossil fuel subsidies, to greening commodities and cap-and-trade markets.

They argue that all 17 mechanisms must be harnessed and scaled up in order to achieve the Aichi Targets. In combination, the mechanisms could raise up to USD 159 billion annually by 2020 - more than three times what was spent in 2010.

The book also reveals that current biodiversity finance is overwhelmingly paid for by the beneficiaries of ecosystem services, who generated 93% of finance in 2010, while the "polluters" (those who directly reduce the provision of biodiversity and ecosystem services) only paid 7%. The authors say that by scaling up finance across all mechanisms to their full potential, more of the cost could be shifted to the polluters. This is because as finance is scaled up, proportionally more finance is generated from market-based mechanisms, which tend to favour the polluter paying.

Currently only 20% of biodiversity finance is generated from market-based mechanisms, such as greening commodities and biodiversity fees, with the remaining 80% generated from non-market based approaches, such as official development assistance and domestic budget allocation. Whilst the authors do not favour one approach over another, they say that if the USD 159 billion figure is to be reached, a greater balance will be needed between market and non-market based financing mechanisms.

Braulio Ferreira de Souza Dias, Executive Secretary, Convention on Biological Diversity, said: "Investment in biological diversity undoubtedly provides economic benefits as the study by TEEB detailed. We therefore have to consider all suitable options to leverage resources from existing sources for achieving the 2020 Aichi biodiversity targets. This needs to be done simultaneously through mainstreaming, incorporating sustainability criteria in government procurement, reviewing subsidies and other economic instruments and further engaging the business sector, among others while respecting the rights of indigenous and local communities in relation to access to biological resources. This new edition of the Little Biodiversity Finance Book provides useful data on current expenditures and ideas for mobilizing additional resources, providing a valuable contribution for the discussion at COP 11 on resource mobilization."

The third edition of the Little Biodiversity Finance Book becomes available online today (5 June), and hard copies will be available at the 11th COP of the CBD in Hyderbad, India, in October.

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For more information or to arrange an interview, please contact:

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Notes to editors:

- The third edition of the Little Biodiversity Finance Book was written by:
    - Nick Oakes - Environmental Economist, Global Canopy Programme
    - Matt Leggett - Head of Policy, Global Canopy Programme
    - Matthew Cranford - Department of Geography and Environment and The Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science
    - Charlie Parker - Deputy Director, Forests and Climate, WWF US.

  It can be viewed at www.globalcanopy.org/materials/little-biodiversity-finance-book

  The research for the third edition was funded by the Convention on Biological Diversity (CBD)

- The Little Biodiversity Finance Book was first published in 2010 by the Global Canopy Programme.
- For the 2010 target set by the CBD, see: www.cbd.int/2010-target
- For the Aichi targets, see www.cbd.int/sp/targets
- The value of the world's natural capital and ecosystem services was estimated by Costanza et. al (1997) to be on average USD 33 trillion per year.
- The value of the loss of ecosystem services and biodiversity is estimated by Braat and ten Brink (2007) to be about USD 740 billion per annum.
- The cost of a fully comprehensive global conservation program, to sustainably manage agriculture, forests, freshwater, coastal and marine ecosystems, has been estimated by the International Union for the Conservation of Nature (IUCN) at about USD 290 billion per annum.
- **The Global Canopy Programme** is an alliance of scientific institutions around the world, applying the tropical forest intelligence of our networks to protect forests and the vital ecosystem services they provide to humanity. We are a think-tank and catalyst, actively testing innovative ways to protect tropical forests in a globalised economy that still values them more dead than alive. Visit www.globalcanopy.org or follow us @GlobalCanopy.
- **The Convention on Biological Diversity (CBD)**
  Opened for signature at the Earth Summit in Rio de Janeiro in 1992, and entering into force in December 1993, the Convention on Biological Diversity is an international treaty for the conservation of biodiversity, the sustainable use of the components of biodiversity and the equitable sharing of the benefits derived from the use of genetic resources. With 193 Parties, the Convention has near universal participation among countries. The Convention seeks to address all threats to biodiversity and ecosystem services through scientific assessments, the development of tools, incentives and processes, the transfer of technologies and good practices and the full and active involvement of relevant stakeholders including indigenous and local communities, youth, NGOs, women and the business community. The tenth meeting of the Conference of the Parties to the CBD, held 2010, adopted a revised and updated Strategic Plan for Biodiversity for 2011-2020, comprising five strategic goals and 20 Aichi Biodiversity Targets. The Plan is the overarching framework on biodiversity, not only for the biodiversity-related conventions, but for the entire United Nations system.The Cartagena Protocol on Biosafety is a subsidiary agreement to the Convention. It seeks to protect biological diversity from the

potential risks posed by living modified organisms resulting from modern biotechnology. To date, 162 countries plus the European Union have ratified the Cartagena Protocol. The Secretariat of the Convention and its Cartagena Protocol is located in Montreal. For more information visit: www.cbd.int.