

Dialogue Seminar
SCALING UP BIODIVERSITY FINANCE
6-9 March 2012
Quito, Ecuador

India's Biodiversity Financing Assessment Exercise

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GEF

- Established in 1991, the GEF is today the largest funder of projects to improve the global environment.
- Since 1991 the GEF has allocated \$10 billion, supplemented by more than \$47 billion in co-financing, for more than 2,800 projects in more than 168 developing countries and countries with economies in transition.
- Through its Small Grants Programme (SGP), the GEF has also made more than 13,000 small grants directly to civil society and community based organizations, totalling \$634 million.

GEF Success

- GEF projects achieve 80 percent moderately satisfactory and higher outcomes as compared to the benchmark norm of 75 percent, yet inefficiencies continue in the preapproval phase.
- The Small Grants Programme continues to be an effective tool for the GEF in achieving global environmental benefits while addressing the livelihood needs of local populations, with special attention to reaching the poor.

GEF 5: Portfolio Allocation Pattern

- GEF-5, the STAR model has been run for a total replenishment level of \$4.25 billion
- GEF-5 are set at \$1,210 million for biodiversity, \$1,360 million for climate change, and \$405 million for land degradation.
- The focal area set asides, which include contributions to enabling activities, global and regional activities, and sustainable forest management (SFM), amount to 20 percent of these allocations.
- The resultant amounts after the set asides of enabling activities are taken out are \$968 million for biodiversity, \$1,088 million for climate change, and \$324 million for land degradation.

GEF 5

- The \$4.34 billion pledged amount from over 30 countries for GEF-5 covering the period July 2010-June 2014 is the largest ever funding (a 39% increase over GEF-4) that GEF obtained

GEF 6 and Biodiversity

- Given this backdrop the financial needs for GEF 6 in relation to Biodiversity are for the period July 2014-June 2018.
- It is assumed that the costs of implementing the Convention from 2014-2018 would necessitate the calculation of financial costs to implement the BD Strategic Plan for its complete period.
- Effort is made to acquire information on the financial implications of the new Strategic Plan of Action for the period of its coverage 2011-2020 as well.

Why the PA bias

- Returns to investments on biodiversity concerns are estimated they are often very high particularly for PAs, ranging from 25:1 to 100:1 (TEEB, 2009) and invasive alien species where return to investment range (from 5:1 to over 31:1 in Africa (GISP, n.d.) or can even go as high over 1500:1 in the case of Siberian log imports in the USA.

India Assessment Exercise: Illustration of a Pilot Method

India's Ongoing Operational BD Projects

- IBRD - India Ecodevelopment
- UNDP Conservation and Sustainable Management of Dryland Biodiversity, Phase 1
- UNDP - Conservation and Sustainable Use of the Gulf of Mannar Biosphere Reserve's Coastal Biodiversity
- UNDP Mainstreaming Conservation and Sustainable Use of Medicinal Plant Diversity in Three Indian States
- IBRD : Biodiversity Conservation and Rural Livelihoods Improvement
- UNDP Andaman and Nicobar Islands: Ecologically-Sustainable Island Development

India's Ongoing Operational BD Projects

- UNDP IND-BD Mainstreaming Coastal and Marine Biodiversity Conservation into Production Sectors in the Godavari River Estuary in Andhra Pradesh State
- UNDP IND-BD Mainstreaming Coastal and Marine Biodiversity Conservation into Production Sectors in the Malvan Coast, Maharashtra State

Underlying Principle of Resource requirement assessment in Environment Sector

- History of `aggregation based need assessment based on sectoral approaches
- Line Departments at the village and block/range /divisional levels prepare need assessments, which are aggregated at the Provincial levels and projected to Planning Authorities at the National level
- National level allocations tailor allocation of resources to availability of resources and possibility of achieving success in execution – ie capabilities as evident by physical progress achieved in the previous plan (the latter can be enhanced by GEF and other externally aided projects)
- In the case of development programs, there is evidence of local self government based plans which is aggregated upwards
- Either way there is an effort to co-relate needs as defined in physical terms with needs as defined in financial terms and also develop benchmarks of financial requirements per unit of ecosystem conserved (say ideal costs/ha for land treatment under Integrated watershed management Projects or on afforestation in per hectare terms)

Assessment

- Is a **constrained assessment model** depending on availability of financial resources
- We look at likely availability of resources and work on fulfillment of needs within these resource constraints
- We took **core funding and non core funding**
- We assume that **non core funding require structural adjustments to tune it to Aichi targets which we related to global environmental benefits.**
- This we assume to be the **role of GEF and externally aided funds (TA, capacity building and technology leveraging)**
- We divided Aichi targets into **enabling ones, policy reform requiring and programmatic ones** and postulated a flat 20% of total budget for the first type

**Table 3. Non-core funding
(Budget outlays of other ministries and departments)**

MINISTRY	PROGRAMME	ANNUAL BUDGET OUTLAY (in Rs. crore) 2010-2011
Ministry of Rural Development	Integrated Wastelands Development Programme	328.7
	Drought Prone Areas Programme	296.34
	Desert Development Programme	224.33
	Integrated Watershed Management Programme	390.5
Ministry of Urban Development	Solid Waste Management	151.55
	Preservation of water body	15.16
	Prevention of soil erosion/ Soil Conservation	1.51
Ministry of Earth Sciences	Integrated Coastal & Marine Area Management	4
Department of Agriculture	Rainfed area development programmes	10
	Natural Resource Management	80
	Plant Protection	34.5
	Soil/Water Conservation	195

contd.

MINISTRY	PROGRAMME	BUDGET OUTLAY FOR 2010-2011 (in Rs. crore)
Department of Animal Husbandry	Development of inland fisheries and aquaculture	25
	Development of inland fisheries and aquaculture	18.5
Indian Council of Agricultural Research (ICAR)	Crop Sciences	328.82
	Horticulture	121
	Animal Sciences	108
	Natural Resources Management	123
	Fisheries	550
	Agril. Engg.	520
	Eco. Statistics & Management	3
	Agril. Education	465.5
	NAIP	293.97
Agricultural Extension	400	
Department of Ayurveda Yoga, naturopathy, Unani, Siddha and Homeopathy (AYUSH)	National Mission on Medicinal Plants	7.7
	Flood Control and Protection Water Conservation and Water Harvesting Drought Proofing Renovation of Traditional Water bodies Land Development	17621.35
NREGA		
Total		22317.43

Table 2. Externally aided schemes: Outlay (in Rs. crore)

(Actual expenditure in paranthesis)

Scheme	XI Plan	2007- 2008	2008- 2009	2009- 2010	2010- 2011
<i>National River Conservation Project</i>	475.00	92.00 (37.14)	105.00 (105.00)	105.00 (105.00)	50.00
<i>Government of India and UNDP's Country Cooperation Framework Project</i>	25.00	5.00 (5.00)	5.00 (5.44)	7.47 (7.47)	3.82
<i>BD Conservation and Rural Livelihood Improvement Project (BCRLIP)</i>	15.00	3.00 (0.95)	3.00 (0.53)	3.0 (3.0)	3.00
<i>HSMD (related to capacity building for industrial pollution management)</i>	33.50	1.50 (0.58)	1.50 (1.65)	10.00 (10.00)	25.00
<i>National Coastal Management Programme</i>	10.00	-- (0.38)	1.17 (1.74)	15.25 (15.25)	150.00
<i>Biodiversity Conservation</i>	1.00	1.00 (0.47)	0.50 (--)	0.50 (0.50)	0.50
<i>Environmental Planning and Coordination Organisatio (EPCO)</i>	2.50	2.00 (2.00)	0.50 (0.37)	0.01 (--)	
<i>Capacity building for Forest Management and Training of Personnel</i>					34.90
TOTAL	562.00	104.72 (46.52)	116.67 (114.73)	141.23 (141.23)	

The Annual Budget Figures in Dollar terms

- Core = Rs 2000 crores (\$0.44 billion)
- Non Core Leveragable = Rs 11,000 crores
- Total = Rs 13000 crores or \$2.9 billion
- Non Core to core leverage ratio = 6.5

- This can be leveraged through innovative re-design of development projects

Lessons: Leveraging Non Core Investments

- In mega-diversity countries that are able to provide substantial financial resources for well laid out programs – both of direct and indirect biodiversity impact – **GEF funding can also be used to leverage biodiversity conservation potential for development through critical enabling activities (changes in project design, capability development) and policy adjustments**
- There is also a greater probability of such an approach yielding greater results outside Protected areas

Aichi Targets which calls for leveraging non core investment

- **Target 2**

By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.

- **Target 4**

By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

- **Target 11**

By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.

- **Target 12**

By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.

- **Target 13**

By 2020, the genetic diversity of cultivated plants and farmed and domesticated animals and of wild relatives, including other socio-economically as well as culturally valuable species, is maintained, and strategies have been developed and implemented for minimizing genetic erosion and safeguarding their genetic diversity.

- **Target 14**

By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.

- **Target 17**

By 2015 each Party has developed, adopted as a policy instrument, and has commenced implementing an effective, participatory and updated national biodiversity strategy and action plan.

Focus of Core in GEF 6

- A new pilot project focused on inland waters, coral reefs etc (Target 10 and 11) which embeds Targets 2,3 and 4
- Embedding of Targets 2,3 and 4 as part of ongoing/completed projects listed in Slides 2 & 3

Global Assessment for GEF 6

- The approach is that we look for areal spread of activities and assume very little increment to unit costs of implementation (Maximum 10%)

Thank you