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Financial Planning for Biodiversity in Southern Asia

Contents

Afghanistan 2
Bangladesh 3
Bhutan 5
India 6
Iran 7
Maldives 8
Nepal 10
Pakistan 12
Sri Lanka 18

Afghanistan

Afghanistan's national biodiversity strategy and action plan was under preparation.

Bangladesh

Bangladesh developed a national biodiversity strategy and action plan during 2003-2004, which identified 16 strategies under which 128 action programmes have been chalked out.

14. Develop a financial strategy that is innovative and sustainable.

Short term (0- 3 years)

- Identify ways of realizing the principles of the financial strategy that identifies possible sources of support for implementation of NBSAP
- Assist agencies and ministries in identifying funding strategies for conservation as well as encourage resource allocations through their annual budgets
- Develop a medium term and long-term investment plan for realizing the actions under NBSAP

Medium term (4-7 years)

- Encourage donors and partners to mainstream elements of NBSAP and the actions thereof into their plans and programmes of support

Long term (8 -10 years)

- Support development of innovative funding options for actions under NBSAP
- Encourage private sector partnership on financing implementation with appropriate monitoring mechanisms

Implementation: There is no separate financial mechanism yet in place to support the implementation of NBSAP. Government of Bangladesh has sporadic financial arrangements through its MTBF (Mid-Term Budgetary Framework) to support project based biodiversity conservation efforts. NSAPR (National Strategy for Accelerated Poverty Reduction) has also highlighted conservation of biodiversity with specific targets to be achieved.

The biodiversity programme of actions 2020 (BPA2020)[1] contained projects and indicative resource requirement in nine focal areas, with a total resource requirement estimated at 25.235 billion BDT (roughly over US$0.3 billion), 93.7% of which for coastal and marine ecosystems conservation, wetlands including riverine ecosystems and fisheries biodiversity conservation, agro-ecosystem and agricultural biodiversity conservation, hilly ecosystems and landscapes conservation, forest biodiversity and conservation of wildlife, 3% for biodiversity conservation in the face of climate change, 0.4% for poverty reduction through fair and equitable sharing of benefits, 1.4% for impact assessment, management and monitoring, 1.5% for knowledge management, communication, education and public awareness.

Biodiversity programme of actions 2020 (BPA2020) has been built on:

[1] Bangladesh (2010). Fourth National Report (Biodiversity National Assessment and Programme of Action 2020), Ministry of Environment and Forests, People's Republic of Bangladesh, January 2010, 112 pp.

Focal Area 1: Coastal and Marine Ecosystems Conservation (13 projects, taka 15150 m.)

Focal Area 2: Wetlands including Riverine Ecosystems and Fisheries Biodiversity Conservation (7 projects, taka 1650 m.)

Focal Area 3: Agro-ecosystem and Agricultural Biodiversity Conservation (17 projects, taka 3615 m.)

Focal Area 4: Hilly Ecosystems and Landscapes Conservation (9 projects, taka 2200 m.)

Focal Area 5: Forest Biodiversity and Conservation of Wildlife (11 projects, taka 1025 m.)

Focal Area 6: Biodiversity Conservation in the face of Climate Change (6 projects, taka 745 m.)

Focal Area 7: Poverty Reduction through Fair and Equitable Sharing of Benefits (2 projects, taka 110 m.)

Focal Area 8: Impact Assessment, Management and Monitoring (3 projects, taka 360 m.)

Focal Area 9: Knowledge Management, Communication, Education and Public Awareness (7 projects, taka 380 m.)

Total Resource Requirement for Implementation of BPA 2020 as estimated 25235 million Taka = US$327.16 million

The Government would incorporate BPA 2020 into its development planning systems, and the relevant departments or agencies like the Department of Environment, Forest Department, Department of Fisheries, and Department of Animal Resources would incorporate relevant activities of BPA 2020 into the Sixth Five-Year Plan as well as in the Annual Development Budgets of upcoming years. Global Environment Facility and all other development partners would extend their hand for comprehensive implementation of the projects under BPA 2020.

Bhutan

Bhutan first prepared its Biodiversity Action Plan (BAP I) in 1998, second (BAP II) in 2002 and BAP III was finalized in 2009. The BAP I[2] examined international cooperation programs in biodiversity conservation, and explored several funding ideas: Technical and policy exchange with Costa Rica; Debt for nature swaps; Pursue active follow up of the BAP with donor community; Strengthen and support family planning and other population planning activities; Ecotourism; Non-timber forest products; Bioprospecting; Carbon storage; Ecosystem services.

BAP II[3] provided an overview of institutional framework and further elaborated certain funding ideas such as to encourage and augment international cooperation in biodiversity (technical and policy exchange with Costa Rica, debt for nature swaps, and active follow-up of BAP II with donor community), ecotourism (marketing and market survey, information, training, infrastructure, policy reforms), non-timber forest products, bioprospecting (potential benefits of bioprospecting for Bhutan, precautionary measures to be considered, preconditions for an effective bioprospecting program - biological/scientific knowledge and effective bioprospecting laws and regulations), carbon storage (fuel-wood offsets, reforestation), ecosystem services.

BAP III[4] updated institutional arrangement (central government agencies, Dzongkhag and local community institutions, independent/non-governmental organizations, corporations, international cooperation), and identified the funding actions for several areas: identify funding needs for Wangchuck Centennial Park, Khaling Wildlife Sanctuary, Phipsoo Wildlife Sanctuary and Torsa Strict Nature Reserve, and accordingly mobilize requisite funds in coordination with the Ministry of Finance; identify funding needs for the priority biological corridors, and accordingly mobilize requisite funds in coordination with the Ministry of Finance and GNH Commission; mobilize funding and human resources for implementation of the approved conservation management plans in the priority conservation areas and implement the conservation management plan. Bioprospecting included development of a comprehensive biodiversity policy and legal framework, systematic documentation and protection of traditional knowledge associated with biodiversity, development of institutional mechanisms and technical capacity for bio-exploration, development of regional/international collaboration for bioprospecting. Sustainable Nature Tourism strategy included: Enhancement and systematization of sustainable nature tourism products in Bhutan, develop markets for sustainable nature tourism in Bhutan, develop capacity for implementation and inter-institutional coordination of national sustainable nature tourism programme.

[2] Bhutan (1997). Biodiversity Action Plan for Bhutan, Thimphu, Bhutan, December 1997, 188 pp.

[3] Bhutan (2002). Biodiversity Action Plan for Bhutan, 185 pp.

[4] Bhutan (2009). Biodiversity Ac□on Plan 2009, Ministry of Agriculture, Royal Government of Bhutan, 140 pp.

India

India's national biodiverstiy strategy[5] stated that projects will be formulated and implemented to secure full utilization of available infrastructure and funds with augmentation and further inputs and funds wherever the need is established, and sources of domestic and external funding will be explored and availed of.

India's biodiversity action plan[6] developed a range of activities around 11 themes, and indicated that no separate scheme or allocation for implementation of NBAP is envisaged. Since many of the activities envisioned in the NBAP are ongoing, these would be taken up and mainstreamed under the ambit of existing schemes and programmes by the Central and State governments, public and private sector as well as civil society organizations, securing full utilization of available infrastructure and funds, with marginal to substantial augmentation and further inputs, wherever required. In addition, sources of external funding would also be explored and availed of, in accordance with the extant policies and regulations.

[5] India (1999). National Policy and Macro level Action Strategy on Biodiversity, Ministry of Environment & Forests, New Delhi, 1999, 74 pp.

[6] India (2008). National Biodiversity Action Plan, approved by the Union Cabinet on 6th November 2008, Ministry of Environment and Forests, 66 pp.

Iran

Iran's planning documents[7] did not address funding issues.

[7] Iran (2001). National Biodiversity Strategy and Action Plan, see the fourth national report of October 2010

Maldives

Maldives[8] presented a few research projects with budgets are included. The list of priority actions and project profiles is at less than US$1 million.

6.1.1 Prioritizing and Sequencing of Activities

Maldives has enjoyed remarkable economic growth during the last two decades. While the entire country has benefited from this economic growth and social improvements, most of the developmental activities have in one way or another affected the biodiversity of the country. This is reflected in the wide range of themes and objectives outlined in this Strategy and Action Plan. It is evident that these objectives and activities will not contribute equally to the sustainable management of the biological diversity nor are they equally urgent. Furthermore, many of the objectives such as the sustainable management of marine resources are already being pursued by other sectoral strategies. Scarcity of financial and human resources will make it impossible to address all the issues and objectives at once. Therefore, it is important to prioritize and sequence various activities which have to be implemented under this strategy. Activities which are not being addressed presently but are identified as having the potential to make significant impacts on preventing the loss of biodiversity need to be undertaken first. During the process of formulating of the Strategy and Action Plan, a number of such activities have been identified and prioritized. The prioritized activity list is presented in Annex 1.

4.6 Financial capacity

Objective: Ensure that funds essential to achieve biodiversity conservation objectives are secured and allocated in a manner that maximizes benefits.

Action 53: Allocate funds explicitly for biodiversity conservation and sustainable use from the annual budget of concerned government offices and ensure that these funds are utilized fully for that purpose.

Action 54: Establish a national Environment Conservation Fund (ECF) with the support and participation from all levels and sectors of the government.

Determine the most suitable structure for the ECF taking into consideration the various options available such as endowment funds, sinking funds, revolving funds or a combination of these.

Manage the ECF through a Board of Trustees represented by relevant government offices, private sector, NGOs and donor agencies.

Establish systems of banking, auditing and contracting including appropriate legislation and oversight.

Establish guidelines for managing the fund including acceptable funding sources, criteria for project proposals and allocation of funds.

Ensure a large continual funding base through assistance from international donors as well as financing mechanisms at national level.

[8] Maldives (2002). National Biodiversity Strategy and Action Plan of the Maldives, Ministry of Home Affairs, Housing and Environment, 2002 , 110 pp.

Market the ECF to publicize the fund and give recognition to sponsors through websites, popular media and awards.

Establish precedents for a governance structure to ensure transparency between ECF donors and beneficiaries.

Action 55: Seek financial assistance from relevant international organizations by pursuing conservation goals that they support.

Nepal

Nepal's criteria for ranking existing threats and prioritizing action[9] used both scientific and ecological criteria and socio-economic criteria. The national strategy had a section discussing financial resources, including:

Nepal Trust Fund for Biodiversity: support conservation education, training, applied research, sustainable income generation activities, poaching prevention and control, women-focused programmes, indigenous knowledge and practices, and policy development in accordance with national priorities.

Other funding mechanisms: Management and operational expenses for protected areas are covered by funds from various sources, including income generated from park entrance fees and from the annual operating budget of Department of National Parks and Wildlife Conservation). Expenses for other ecosystems, such as forests, agricultural lands and wetlands, and for other conservation activities, are covered primarily by the regular Government budget. In order to generate more budgetary resources for conservation activities, biodiversity resource valuation studies will be undertaken. Results from these studies will be incorporated into the national income accounting system and will be used to justify increased budgetary allocations for the country's conservation programmes.

Nepal[10] expanded the criteria for prioritization to include benefit sharing and poverty reduction, and then used a scoring system to rank priority projects. One criterion was for programs that create mechanisms of recycling/sharing of revenue generated (for example park revenue recycle in buffer, National Tourism Board 2% service tax, 40% of tourism and mountaineering revenue recycles in protected areas, community forestry, leasehold forestry for industrial purposes, hydropower revenue recycling, etc.).

The implementation plan estimated the indicative costs of 13 priority projects at US$86.07 million, 19% of which for remuneration (salary, consultant fee, experts fee, wages), 21% for training, meeting, seminar, exhibition, 11% for travel (allowance, transport, incidentals, fuel), 15% for equipment (computer, camera, audio visuals, furniture, field equipment), 9% for office running cost (rent, electricity, phone, email, fax, stationery, printing, seed store, etc.), and 24% for infrastructure (building, road, research/demonstration farm, plantation). Each project described relevant stakeholders, estimated budget and potential funding agencies.

The planning document devoted a section on financial resources:

[9] Nepal (2002). Nepal Biodiversity Strategy, Ministry of Forests and Soil Conservation, 170 pp.

[10] Nepal (2006). Nepal Biodiversity Strategy Implementation Plan 2006-2010, Ministry of Forests and Soil Conservation, July 2006, Singhdurbar, Kathmandu, 90 pp.

- National Consolidated Fund, for projects included in the national development plan, such as the Tenth Plan (for park administration and protection costs)
- Nepal Trust Fund for Biodiversity as a fund-raiser, grant provider, manager and as a promoter
- Recycling of government revenues: collected from the products and services provided by the biodiversity-related sectors such as timber, firewood, grass, NTFP entry fees. Government provided 30% to 50% of park revenue under the Buffer Zone program in six National Parks.
- Donations by the private sectors, such as the tourism sector linking biodiversity conservation
- Contributions by NGOs/CBOs, such as the traditional "Guthi", for the biodiversity sites like forests around the monasteries and temples, wetlands with religious significance, and public facilities like temples and schools.
- Investment by the private sector: ecotourism activities, privately run micro-hydro power stations, nurseries and forest based industries (technology of mass production of valuable plants), wildlife farming.
- In kind cooperation of the local communities: indigenous knowledge and traditional practices, voluntary community oriented conservation activities.
- Technical assistance from the international community: universities and research centers abroad for botanical and zoological surveys, and species research, the networks of INGOs.
- Grants from the bilateral/multilateral donor agencies
- Loan from international bodies: some areas such as production forestry, NTFP farming, ecotourism infrastructure, hydropower etc. that furnish monetary returns are suited for loans. World Bank and ADB forestry sector project included soil conservation.
- Other funding mechanisms: compensation measures for those using biodiversity assets (land) and goods and services (environmental services), valuation studies and incorporation in national income accounting system to justify increased budgetary allocations, participation in international treaties, strengthened relations with different funding institutions, carbon sequestration and clean development mechanisms, access and benefit sharing.

Pakistan

National Conservation Strategy (NCS) of Pakistan was approved in March 1992, and Biodiversity Action Plan[11] of Pakistan was published in 1999. The document noted that many of the recommendations contained within the Plan can be implemented through policy and legal changes (e.g., the use of incentives and the removal of "perverse" incentives"), and do not require large expenditures. Similarly, ongoing development activities and existing government programmes can be made more sensitive to biodiversity concerns, often at relatively little cost (e.g., through better use of environmental impact assessment procedures). For those measures which do require new funding, possible sources could include: the development of innovative funding mechanisms; bilateral/multi-lateral aid for stand-alone, biodiversity projects; debt-for-nature swaps; partnerships with the private sector; and the GEF itself. In fact, GEF needs to recognize and financially support the needs of developing countries to implement their national biodiversity action plans. Funds spent on biodiversity conservation and management are not unrecoverable expenditures; rather, they are investments in Pakistan's future ecological, economic, and social security - investments which will yield substantial benefits at virtually all levels and sectors of society.

4.13 FINANCIAL RESOURCES

Identifying the Issues

Article 20 of the CBD requires each Party to provide financial support, in accordance with its capabilities, for the national activities which will be undertaken to implement the Convention. Article 20 also commits the developed nations to provide "new and additional financial resources" to assist developing countries with their biodiversity conservation and management programmes. These funds are currently being channelled through the GEF.

The successful implementation of Pakistan's *Biodiversity Action Plan* will require a significant financial investment. It is important to emphasise, however, that many of the recommendations contained within the Plan can be implemented through policy and legal changes (e.g., the use of incentives and the removal of "perverse" incentives", as discussed in Section 4.7), and do not require large expenditures. Similarly, ongoing development activities and existing government programmes can be made more sensitive to biodiversity concerns, often at relatively little cost (e.g., through better use of EIA procedures). It is not necessary, therefore, to await the arrival of new funding before commencing implementation of the Plan.

For those measures which do require new funding, possible sources could include: the development of innovative funding mechanisms; bilateral/multi-lateral aid for stand-alone, biodiversity projects; debt-for-nature swaps; partnerships with the private sector; and the GEF itself. In fact, GEF needs to

[11] Pakistan (1999). Biodiversity Action Plan, August 1999, 78 pp.

recognize and financially support the needs of developing countries to implement their national biodiversity action plans.

Finally, it should be emphasised that funds spent on biodiversity conservation and management are not unrecoverable expenditures; rather, they are investments in Pakistan's future ecological, economic, and social security - investments which will yield substantial benefits at virtually all levels and sectors of society. Present economic tools and measurements, such as the national income accounts, fail to recognise or accord a value to these benefits.

OBJECTIVES AND RECOMMENDED ACTIONS

Objective 24: Develop National Funding Mechanisms to Support Priority Biodiversity Conservation and Management Programmes

Action 24.1 Re-assess national spending priorities, and consider financial re-allocations from those sectors which currently receive a disproportionate share of the national budget.

Action 24.2 Re-assess existing expenditure on biodiversity-related activities against the priorities identified in this Biodiversity Action Plan; re-align expenditure to address the most urgent and important priorities, as required.

Action 24.3 Establish a task force to look into possible avenues of developing sustainable revenues to support biodiversity.

24.3.1 Possible mechanisms might include:

-- the establishment of endowment funds to cover recurring costs in long term conservation projects;

-- royalties from the wildlife, forestry, and fisheries industries;

-- the return of revenues generated in parks and reserves (e.g., from tourism) to the protected area system and custodian communities;

-- "Adopt a Park" schemes, in which organisations agree to support an individual reserve, often under the banner of a flagship species (e.g., Marco Polo Sheep in Khunjerab);

-- partnerships with the private sector, in particular, those companies that benefit from the exploitation of genetic resources;

-- debt-for-nature swaps;

-- bi-lateral debt relief (in which loans are reduced, re-structured or forgiven outright in return for agreements to put resources into conservation programmes);

-- charging for ecosystem services provided by protected areas; and

-- special issues of postage stamps and coins.

Objective 25: Seek Increased Bi-lateral and Multi-lateral Funding for Biodiversity Programmes.

Action 25.1 Create an informal working group of aid agencies and donors on biodiversity conservation and management in Pakistan.

Action 25.2 Establish a database of agency/donor development activities and locations to identify areas of possible donor interest.

Action 25.3 Coordinate donor activities to maximize conservation efforts and resources. Invite donor agencies to assist with priority conservation activities in regions where they already have development programmes.

Action 25.4 Strengthen national capacity to submit successful proposals to the GEF, through training in project development and proposal preparation (using the GEF format).

Action 25.5 Take steps to strengthen Pakistan's "voice" at the CBD Conferences of Parties.

Pakistan[12] reported that the Biodiversity Action Plan of Pakistan was completed in the year 2000 and it provides an assessment of the status and trend of the nation's biodiversity, outlines strategic goals and objectives, and identifies a plan of action that includes coordination arrangements and implementation measures. The Biodiversity Action Plan is made up of 13 components which correspond to specific Articles of the CBD: planning and policies; legislation; identification and monitoring; in-situ conservation; ex-situ conservation; sustainable use; incentive measures; research and training; public education and awareness; environmental impact assessment; access issues; exchange of information; and financial resources. For each component, the issues relevant to Pakistan have been identified and a list of objectives and corresponding actions recommended. The Plan called for greater collaboration between government agencies, local communities and NGOs, and for them to work together as partners in biodiversity conservation.

The conservation concerns were first addressed in the National Conservation Strategy (NCS) of Pakistan that was approved in March 1992. The NCS became the de facto policy of the country for conservation and sustainable development. After the NCS process, a need was felt for provincial conservation strategies and this led to formulation of provincial and a few district conservation strategies and integrated district development plans. The BAP process and recommendations greatly influenced the conservation strategies and district development plans that were developed after 2000.

Objective 12: Develop mechanisms to incorporate biodiversity values into national accounting and decision-making at different levels.

[12] Pakistant (2009). Fourth National Report, Ministry of Environment, Islamabad, 2009, 111 pp.

Actions Recommended:

1. Develop, document and adopt standardized methodologies for economic valuation of biodiversity, tailored to the requirements of individual decision-making agencies.

2. Initiate measures to 'green' the system of national accounts.

Objective 14: Create an integrated system of incentives and disincentives at the national and local level to encourage the conservation and sustainable use of biodiversity.

Actions Recommended:

Action 14.1 Introduce a system of direct incentives that could include:

a) the provision of subsidies to encourage farmers to retain local cultivars and crop varieties, and to adopt practices such as integrated pest management, agro - forestry and multi-species cropping;

b) the provision of subsidies to encourage land owners to manage their properties in ways that are sensitive to biodiversity, or to refrain from changing existing land-uses;

c) the provision of grants for the protection of threatened species or habitats, and the restoration of degraded lands;

d) the development of programmes to ensure that local communities receive direct benefits from biodiversity, e.g. through sustainable use activities;

e) incentives to encourage ex-situ propagation /breeding programmes for traded species of wild plants and animals, in order to reduce the drain on wild populations; and

f) The provision of incentives for staff (particularly field staff) working in institutions dealing with biodiversity. Possibilities include: upgrading employees to regular functional staff; the provision of extra training opportunities; and public recognition for outstanding service.

Action 14.2 Introduce a system of indirect incentives to promote the conservation and sustainable utilization of biodiversity that could include:

a) fiscal incentive measures such as tax exemptions or deductions for the conservation of particular habitats or species; tax reductions for the import of equipment used in conservation programmes; and tax deductions for donations to conservation NGOs;

b) Service-oriented incentives, designed to link community development programmes with the conservation of biodiversity. For example communities living adjacent to protected areas could be accorded priority for public education programmes and technical assistance in agriculture, forestry and other fields.

c) Social incentive measures designed to improve the quality of life. These include measures such as the

d) Clarification of land tenure and the creation of new institutions to manage biodiversity.

Action 14.3 Introduce a system of disincentives to discourage unsustainable utilization and practices which deplete biodiversity. These could include:

a) increasing the size of fines for the violation of conservation laws;

b) revising the tax schedule to penalize undesirable land-use practices;

c) Using fiscal disincentives e.g. pollution and effluent charges, for activities which are damaging to biodiversity. This could also include the use of a 'polluter pays' policy, requiring developers to take measures to mitigate the environmental damage caused by their activities; and

d) Promoting and strengthening traditional customs and practices which serve as disincentives to unsustainable use.

Objective 15: Identify 'perverse' incentives and minimize their impacts on biodiversity.

Actions Recommended:

1. Carry out a comprehensive review of GoP programmes and policies, to identify perverse incentives and suggest measures to ameliorate their impacts.

Objective 22: Develop policies and laws to regulate access to genetic resources and promote the equitable sharing of benefits between resource owners and users.

Actions Recommended:

1. Collate baseline data relating to genetic resources and on current practices of access to such resources for academic and commercial purposes.

2. Prepare an existing legal and institutional profile relating to the import, export, and use of genetic resources and traditional knowledge.

3. Formulate a national policy and strategy on genetic resources and access issues through the participation of stakeholders (government agencies, industry, scientific community, ex-situ conservation facilities, relevant NGOs, CBOs and private individuals).

4. Develop an action plan for implementation of priority actions through assigning responsibilities and identifying institutional development needs and designate an appropriate authority to oversee and implement the policy and relevant laws.

5. Develop legislation in support of the national policy.

6. In developing the legal framework described above, assess the desirability of harmonizing this new legislation with similar legislation being developed in the countries of south and southeast Asia to create a common, regional approach to these issues.

7. Countries with similar ecological zones, for example the SAARC (South Asian Association for Regional Cooperation) countries, should harmonize their policies on the import, export and use of genetic resources from the region as a whole.

Objective 24: Develop national funding mechanisms to support priority biodiversity conservation and management programmes.

Action Recommended:

1. Re-assess national spending priorities, and consider financial re-allocations from those sectors which currently receive a disproportionate share of the national budget.

2. Re-assess existing expenditure on biodiversity-related activities against the priorities identified in this Biodiversity Action Plan; re-align expenditure to address the most urgent priorities.

3. Establish a task force to look into the possibilities of developing sustainable revenues to support biodiversity.

Objective 25: Seek increased bilateral and multilateral funding for biodiversity programmes.

Actions Recommended:

1. Create an informal working group of aid agencies and donors on biodiversity conservation and management in Pakistan.

2. Establish a database of agency/ donor development activities and locations to identify areas of possible donor interest.

3. Coordinate donor activities to maximize conservation efforts and resources. Invite donor agencies to assist with priority conservation activities in regions where they already have development programmes.

4. Strengthen national capacity to submit successful proposals to the GEF, through training in project development and proposal preparation using the GEF format.

5. Take steps to strengthen Pakistan's 'voice' at the CBD Conference of Parties.

Sri Lanka

Sri Lanka[13] considered the following:

Funds. The National Steering Committee should formulate a clear policy and a strategy to raise funds, both local and foreign, for biodiversity-related activities. The possible areas for fund raising include: licensing fee for exports and imports, income generation through eco-tourism, biodiversity centres, nature films, etc. Fund generation from the private sector should be promoted through tax rebates for contributions to biodiversity conservation activities.

Where international funding is involved, care should be exercised to prevent exploitation of biological resources contrary to the provisions in the Convention on Biological Diversity. In order to reflect the commitment of the country and its people to biodiversity conservation, it is recommended that the government provides a line item in its budget estimates to ME for biodiversity related activities.

The study[14] was carried out by IUCN Sri Lanka in collaboration with WCMC on Investments on Biodiversity Conservation in Sri Lanka in the period 1991 to 1994. This study revealed that, for biodiversity conservation work, over 90 per cent of the funds come from external agencies, mainly through bilateral arrangements. With regard to biodiversity conservation research, many small to medium scale projects were undertaken by researchers in the universities. The total funds received by the universities for research on biodiversity conservation was, however, less than a tenth of the total funding received for all aspects of biodiversity conservation work in the country from external as well as from internal sources. The study also revealed that, with respect to research, the main focus was on systematics and inventory and on basic studies relating to species and ecosystems. Biodiversity research on flora received much more attention than on fauna, and scant attention was accorded to the in situ management of threatened faunal species. There was no research on captive breeding with the aim of subsequent reintroduction to the wild.

The Biodiversity Conservation Action Plan presented a framework for action. It did not attempt to spell out in detail each activity and to set out the financial budget and other resources needed. Such a step, it was argued, would not only be impractical but would have been counter-productive had it been attempted. Many of the activities are ongoing, and many others, with very little additional resources, could be accommodated in the ongoing programmes. Setting out resource needs and financial budgets for each activity would discourage the institutions concerned from undertaking the tasks unless substantial additional resources are made available. For activities where new resources are in fact

[13] Sri Lanka (1998). Biodiversity Conservation in Sri Lanka: A Framework for Action, Approved by the Cabinet of Ministers on 27 August 1998, 135 pp.

[14] IUCN (1995). Financial Investments in Biodiversity Conservation in Sri Lanka. A Case Study. IUCN, Sri Lanka (unpublished)

needed, the institution concerned should have the expertise and would be in the best position to prepare project proposals. Disbursement of funds as hand outs should be avoided, as this becomes a negative inducement for motivated participation in the long run. Provision of funds (when necessary) has to be done as "seed money" or "soft loans" that would enable the initiation of a project which could eventually generate its own funds. Participants in community based projects should be made stakeholders so that they may develop a sense of ownership of the resource they help to conserve.

The document indicated several funding actions:

- Provide financial resources for research on identified high priority areas pertaining to the conservation and sustainable use of components of biodiversity, particularly digenous species under threat and those of potential economic value.

- Increase national funding for wetland associated research, with special emphasis on the ecology and culture of endangered and economically important freshwater species.

- Mobilize funding for education and awareness creation activities on biodiversity conservation.

The plan stated that the National Steering Committee should formulate a clear policy and a strategy to raise funds, both local and foreign, for biodiversity-related activities. The possible areas for fund raising include: licensing fee for exports and imports, income generation through eco-tourism, biodiversity centres, nature films, etc. Fund generation from the private sector should be promoted through tax rebates for contributions to biodiversity conservation activities. Where international funding is involved, care should be exercised to prevent exploitation of biological resources contrary to the provisions in the Convention on Biological Diversity. In order to reflect the commitment of the country and its people to biodiversity conservation, it is recommended that the government provides a line item in its budget estimates to ME for biodiversity related activities. International collaboration should be sought particularly in areas where there is a dearth of national expertise, facilities and equipment. Regional cooperation with countries having similar biodiversity would be a profitable approach. International funding earmarked for such regional cooperative efforts should be explored. Bilateral and international funding should be solicited through the Department of External Resources, from countries and agencies committed to environmental protection and nature conservation. Universities and research institutes would have to be given all the encouragement, information and support to prepare good research proposals and compete for international research funding. In organizing collaborative programmes with foreign organizations, due care has to be taken to ensure that there is "prior informed consent" and "mutually agreed terms" for receiving an equitable share of benefits derived from the use of the country's biodiversity and traditional knowledge.

The addendum[15] noted that The BDFAP has also not provided an action plan specifying activities, and who should undertake such in what period. There has been no emphasis on generation of finances and

[15] Sri Lanka (2007). Biodiversity Conservation in Sri Lanka – A Framework for Action: Addendum, Biodiversity Secretariat, Ministry of Environment and Natural Resources, 52 pp.

allocation of finances for biodiversity conservation and sustainable use. The document recommended, among others:

- Proactively prepare programs to receive appropriate finances (budgetary allocations, international financing and means of enhancing appropriation of biodiversity values) and recruit new staff trained in environmental economics and/ or public finances.
- Develop innovative financing mechanisms to generate sustainable self-financing for biodiversity conservation and benefit sharing mechanism for buffer zone communities. Test the applicability of those mechanisms in pilot project basis involving local communities.
- Develop and implement bio-prospecting program with relevant institutions established and strong institutional support.
- Provide incentives/subsidies for the private sector to invest on research that focus on sustainable extraction of species, and for out-growers to cultivate/breed ornamental plants and fish.
- Investigate alternative eco-friendly income generating cottage industries and agro-industries, and develop their transport and marketing systems.