

**Response to CBD Notification 2019-008: “Initial discussion document on the post-2020 global biodiversity framework”**

**Submitted by: Conservation Finance Alliance and the Biodiversity Finance Initiative - BIOFIN**  
**Date: 15 April 2019**

**Contacts:** David Meyers, Executive Director Conservation Finance Alliance, [david@cfalliance.org](mailto:david@cfalliance.org)  
Onno van den Heuvel, Project Manager, UNDP-BIOFIN, [onno.heuvel@undp.org](mailto:onno.heuvel@undp.org)

**Summary / Recommendations**

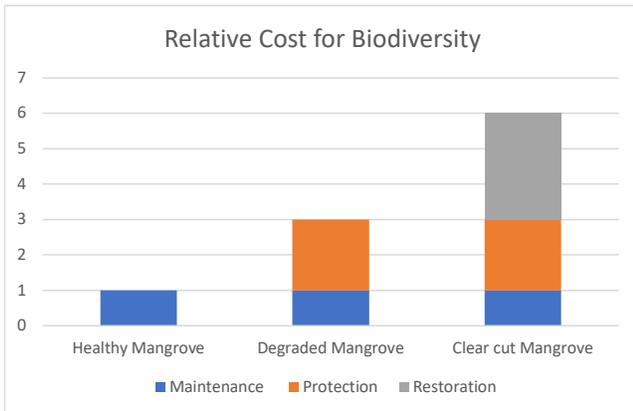
- Finance is an essential foundational element to the CBD agenda and a holistic systems-thinking based approach is required for the post 2020 Agenda to achieve its goals
- The concept of “Resource Mobilization” could be elaborated and replaced by the more comprehensive concept of “Biodiversity Finance” to capture the actual breadth of options available, including the four results of biodiversity finance as outlined by BIOFIN: 1) Avoid future expenditures, 2) Deliver better, 3) Generate revenues, and 4) Realign expenditures.
- Biodiversity Finance Plans have proven to be an effective strategic planning tool and should be encouraged at national and sectoral levels.
- The NBSAPs should include biodiversity finance into their design and implementation.

Finance and economic issues, either implicitly or explicitly, run through all of the current 20 Aichi targets and should be recognized as an important overarching element of the post 2020 Agenda. Although only Targets 3 and 20 address finance issues directly, the underlying drivers of costs and opportunities for all of the other targets are influenced by finance: national budgets, subsidies, economic instruments (fees, taxes, penalties), fiscal policy, market drivers, corporate decision making, natural resource use rights, etc. From our work and observations of biodiversity finance (also termed “conservation finance”), it is clear that achieving ambitious biodiversity targets in the post 2020 Agenda is heavily dependent upon taking more of a systemic and comprehensive approach to finance and economics issues.

Part of the challenge and opportunity derives from the historic approach to conservation finance as a means to secure a greater quantity, more predictable flow, or longer-term sources of financing for biodiversity activities. Long term and substantially higher (an order of magnitude) financing is needed for activities such as protected areas, watershed protection, coastal zone management, as well as punctual financial needs such as alien invasive species eradication, ecosystem restoration, PA expansion and more. However, the work spearheaded by UNDP-BIOFIN, the CFA, the GEF, various NGOs, MDBs, and many countries indicate that this incremental financing for nature is only one essential element in our finance toolbox and that without a holistic approach to biodiversity finance, more money cannot compete with the challenges faced by increasing pressures on nature and ecosystem services.

**Formatted:** Position: Horizontal: Right, Relative to: Margin,  
Vertical: 0", Relative to: Paragraph, Wrap Around

While the ever-elusive “Funding Gap” is real, this gap is only part of the full picture and focusing Target 20 solely on “resource mobilization” may limit the power of the CBD and the post 2020 agenda to achieve its objectives. As an example, take the case of mangrove conservation. The cost to restore an existing healthy mangrove is zero, the costs to restore a degraded mangrove is low (protection is enough), while the cost to restore a mangrove that has been totally eliminated is high (replanting plus protection). Keeping existing mangroves, and other natural infrastructure intact is by far the most cost-effective option and may not require substantial additional finance. It does require an understanding of the financial and economic drivers of mangrove loss and the capacity to establish and enforce management systems including aligning public and private incentives (regulations, fees, fines, etc.) Although implicit in many Aichi targets, efforts to influence the economic and financial incentives to maintain functioning ecosystems, such as mangroves, should be explicitly stated as key elements of any finance strategy for the post 2020 Agenda.



What would a more holistic approach to finance and economics for nature look like in the post 2020 Agenda?

The BIOFIN/UNDP methodology<sup>1</sup> identified four desired results from biodiversity finance solutions.

**Avoid future expenditures** - measures that can prevent or reduce the need to undertake a future investment. This means eliminating or amending existing counterproductive policies and expenditures (e.g. increasing taxes on sugar content or tobacco), investing in preventative actions and infrastructure (green infrastructure, prevention of invasive alien species), or aligning business and livelihood practices with sustainable development.

<sup>1</sup> BIOFIN 2018 Workbook, UNDP <https://www.biodiversityfinance.net/>

Formatted: Position: Horizontal: Right, Relative to: Margin, Vertical: 0", Relative to: Paragraph, Wrap Around

**Deliver better** - measures that can enhance cost-effectiveness and efficiency in budget execution, achieve synergies, align incentives, and favour a more equitable distribution of resources.

**Generate revenues** - measures that can generate or leverage financial resources allocated to biodiversity. This is what traditionally is seen as “resource mobilization”.

**Realign expenditures** - measures that reorient existing financial flows towards improved biodiversity management. Main options include reducing, redirecting or eliminating subsidies and other spending that harms biodiversity and increasing or redirecting financial flows towards biodiversity, or shifting budget allocations towards biodiversity.

These outcomes are ways of thinking about solving biodiversity finance challenges with the full array of options – leading to the choice of options that are the most effective and efficient.

For the post 2020 Agenda, a wholistic or systems-thinking based approach to biodiversity finance should include multiple elements:

- Improved integration of biodiversity in National Budgets and applying results-based approaches;
- Natural Capital Accounting integrated into the System of National Accounts (Achi Target 2)
- Fiscal Policy – green taxes, subsidy reform, positive subsidies (Achi Target 3 and more)
- Corporate and market incentives – regulatory policy, environmental impact study standards (including enforcement and offsets), voluntary certification and corporate policies (such as no deforestation commitments), and other supply chain reforms. (Target 4+)
- Enhancement of finance sector safeguards and transparency – including but not limited to bi-lateral and multilateral development finance institutions.
- Protected Area Finance – retention of user fees, rethinking entrance fees, business planning, concessions, etc. (Target 11)
- Effective integration of climate finance – mitigation and ecosystem-based adaption (Target 15)
- Building a national coalition of partners anchored in strengthened cooperation across line ministries (Finance, Planning and Environment)
- Increased engagement by the private sector through a broad-based awareness raising and capacity development process.

One tool that can be effective at integrating these multiple areas of biodiversity finance is the BIOFIN methodology’s Biodiversity Finance Plan (BFP). With BIOFIN, the BFPs are developed based on detailed quantitative research and a process that aims to design the most appropriate approach for each country. BFPs are written at the national level and are focused on 5 years of actions with impacts over 10 years – easily adaptable to 2030 targets. Adaptations of the concept and methodology could be effective for sector specific plans – fisheries, agriculture,

**Formatted:** Position: Horizontal: Right, Relative to: Margin, Vertical: 0", Relative to: Paragraph, Wrap Around

forestry, protected areas, watershed management either at the country level or at a subnational (e.g. provincial) level.

Another important innovation that the BIOFIN programme has developed involve enhancement to the NBSAPs. The enhancements include four key elements: 1) clearly defining quantitative outcomes or outputs for each NBSAP target; 2) realistic and consultative cost estimates; 3) using initial cost elements to determine the most cost-effective actions, and; 4) linking the NBSAP costs to existing and viable future finance tools (through the Biodiversity Finance Plan).

To create the highest chances for success for the entire set of post 2020 targets requires developing and enhancing the capacity to identify and implement a diverse set of finance solutions in all countries. Building capacity for conservation finance and economics in high biodiversity countries will complement international finance flows. In-country capacity will enable source countries to harness financial flows from nature, capture and effectively deploy compensation for planned or unplanned damage to ecosystems, and can leverage the full range of existing fiscal, regulatory and economic tools to align public and private interests and assure sustainable development.

Most of Strategic Goal A: “Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society” – implies strong elements of biodiversity finance but these are not pulled together in a coherent strategy to advance the field either internationally or within key countries. Establishing a clear focus on identifying, prioritizing, and implementing comprehensive conservation finance solutions will strengthen the post 2020 Agenda and greatly increase its likelihood of success.

**Formatted:** Position: Horizontal: Right, Relative to: Margin,  
Vertical: 0", Relative to: Paragraph, Wrap Around