

ODA and EU recent financing initiatives

Biodiversity Unit, DG
Environment, European
Commission

CBD Dialogue Seminar on Scaling up
biodiversity financing, 6-9 March 2012,
Quito, Ecuador.

Structure

1. Context: EU Biodiversity Strategy to 2020
 - Principles for EU Biodiversity financing: EU biodiversity strategy and Budget for Europe 2020
 - Innovative financing and the private sector: future steps
2. EU contribution to global biodiversity
 - Target 6 of Biodiversity Strategy
 - ODA and accountability report
 - Lessons learnt from ENRTP mid-term review
3. Some recent EU financing initiatives and future challenges
 - Examples of recent projects across targets
 - Challenges for next budget

1. Context: Principles for EU Biodiversity financing

- **Mainstream biodiversity** throughout the EU budget, including through external action instruments
- Efficiency: **maximising co-benefits** of various funding sources (climate change)
- **Diversify** and **scale up** financing sources (public and private)
- Role of **innovative financing instruments**, e.g. PES, PPP for green infrastructure, no net loss initiative (biodiversity offsets)
- Recognises importance of meeting **Nagoya commitments**, through geographic and regional allocations of the EU's external action programmes, and thematic programme for global public goods.
- **Implementation**: benchmarks, monitoring and reporting rules and **tracking procedure**

1. Context: EC study - IFM to enhance biodiversity private sector finance

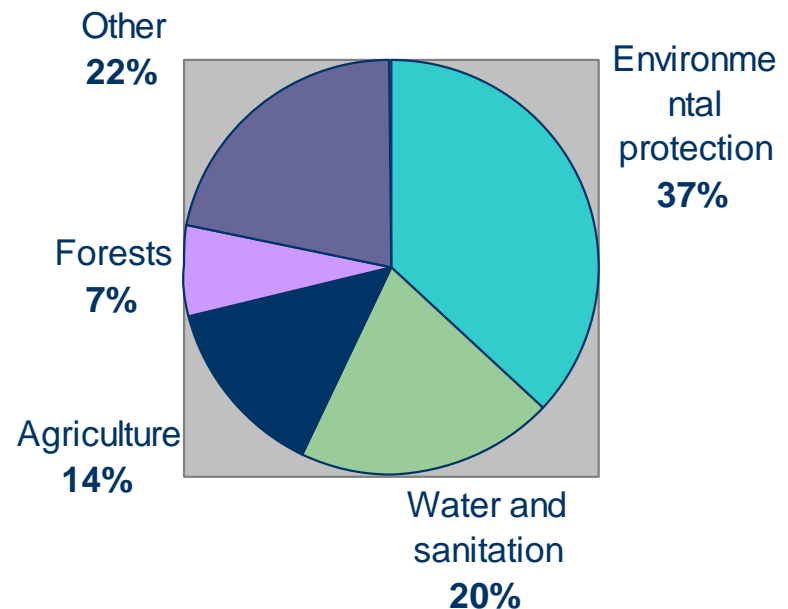
- Study objectives:
 - Analyse conditions, opportunities and limitations for private sector biodiversity finance
 - Provide advice on future policy options - EU and international if possible
- Investment Options analysed:
 - Pro-biodiversity businesses
 - Supporting carbon storage actions
 - MBI: Biodiversity Offsets, Payments for Ecosystem Services (PES)
 - Green infrastructure projects
 - Cross-cutting issues: Risk, and Information
- Challenges:
 - Potential for scaling up based on voluntary approaches, up to a point
 - Need for strong policy signals/regulatory framework in order to scale up to full potential
 - Need for pilot/demonstration projects
 - Monitor impacts on biodiversity/need for safeguards
- Discussions with EIB on way forward on specific financing instruments

2. EU Biodiversity Strategy, Target 6 key actions

- One of 6 targets on global dimension
- Target 6: By 2020, the EU's contribution to averting global biodiversity loss is stepped up
 - Action 17: Reduce indirect drivers of biodiversity loss
 - Action 18: Mobilise additional resources for global biodiversity conservation
 - Action 19: 'Biodiversity proof' EU development cooperation
 - Action 20: Regulate access to genetic resources and the fair and equitable sharing of benefits arising from their use

2. EU accountability report for financing and development, 2011

- 1.3 billion EUR bilateral ODA, 2007-2009
- Increased by more than 50% over that period in real terms
- Share of activities with biodiversity as principal objective decreased from 36 to 15%
- EU contribution is around half of all biodiversity-related ODA over 2007-2009
- primarily environmental protection, followed by water, agriculture and forestry



EU Biodiversity-related aid by sector, 2007-2009, commitments

2. Lessons from 2010 mid-term review of environment thematic programme

- **Integration:** coherence between thematic and geographical programmes, and on multi-disciplinary themes:
 - ENRTP to test approaches, involve different partners, build capacity and focus on pilot actions that can be scaled up under geographical programmes.
- **Prioritisation:** harmonise objectives, fewer priorities
- **Monitoring** and use of indicators
- **Awareness raising:** disseminate results, improve visibility and involvement, in order to scale up pilot actions
- Next phase to contribute to achievement of the MDGs:
 - fostering climate action and resilience to climate change
 - strengthening the protection of biodiversity and ecosystems as a key aspect of securing livelihoods
 - promoting greener economies.

3. Some recent financing initiatives and future challenges

- Examples of recent financing initiatives:
 - Target 2: TEEB implementation (UNEP); exploring contribution to WAVES
 - Target 11: Biodiversity and Protected Areas Management (BIOPAMA)
 - Targets 14 and 15: rehabilitation of the Mau forest ecosystem - sustainable basis for long-term conservation and management (PES); Forest Conservation of the Colombian Amazon: sustainable financing of protected areas and benefits to people through PES.
 - Target 20: UNDP financing strategies project, planned Montreal IFM workshop
- Some future challenges for 2014-2020 budget:
 - Links between ODA and other sources, including IFMs, leverage effect and sustainability of financing
 - Take up of financing opportunities in geographical programmes depends on recipient country priorities - link with NBSAPs

3. OECD/GEF/WB workshop

- Scheduled to take place on 12 May, just after the WGRI negotiations, and convened by OECD, World Bank, GEF and EC
- Objectives:
 - foster an informal dialogue on key opportunities and challenges associated with innovative finance mechanisms
 - Based on on-the-ground case studies in developed and developing countries, with expertise from key international organisations
 - explore what are the most promising avenues for effectively scaling up finance for biodiversity
 - Build on salient issues identified in Quito, to explore further what works, what are remaining challenges and how to address them, including potential for scaling up, enabling conditions and safeguards
- To bring together governments, experts and practitioners from a wide range of countries to exchange insights and lessons learned