

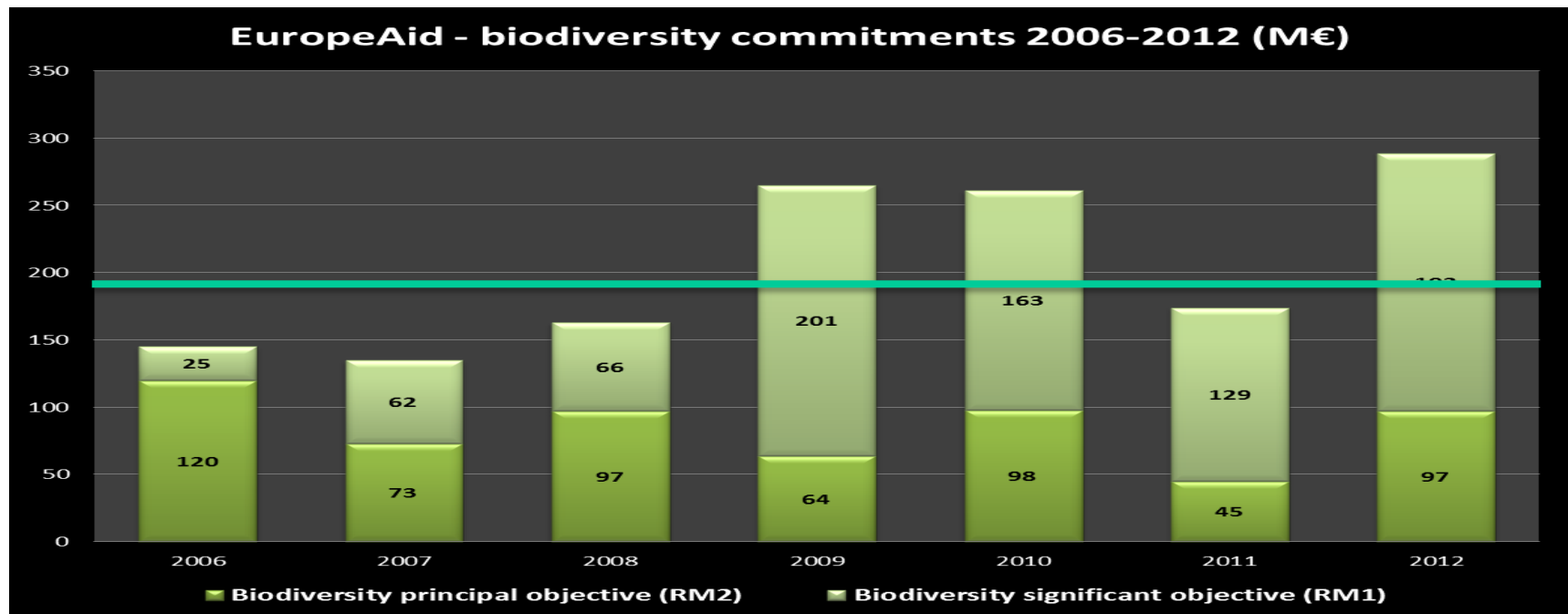


Financing Biodiversity through Development Cooperation

**CBD Dialogue Seminar on scaling up biodiversity
financing, 9-12 April 2014, Quito, Ecuador**

**European Commission,
DG-Development Cooperation and DG-Environment**

- EU-28 > half of global ODA for biodiversity
- EuropeAid = third world biggest donor for biodiversity: € 1.4 billion from 2007 to 2012.
- 2012 vs average 2006-2010 : +49%
- Share of activities with biodiversity as significant (not principal) objective increased from 17 to 66 %



EuropeAid's approach to biodiversity financing

- 1) Biodiversity as principal objective**
- 2) Biodiversity as significant objective**
- 3) "Biodiversity-proofing" development cooperation**
- 4) How to upscale dev.coop. contribution to biodiversity?**

1. Biodiversity as principal objective

- a) Biodiversity **specific** actions → Saving habitats, protected areas and productive landscapes, including through capacity building.:
- Project-based support to public protected areas, country approach – e.g. Zakouma National Park, Chad; Unidades de Conservação na Terra do Meio, Brazil.
 - Project-based support to public PA, regional integration approach – e.g. Visión Amazónica (8 countries of the Amazon basin).

1. Biodiversity as principal objective

a) Biodiversity **specific** actions → Saving habitats, protected areas and productive landscapes, including through capacity building.:

- Grant-awarding facility for civil society empowerment for biodiversity – e.g. CEPF (23 hotspots across the world ~ 60 countries)
 - *USD 165 million grants delivered → further USD 331 M leveraged.*
- Payment for Ecosystem Services (e.g. Biodiversity and Water Resources in the Northern Andes Páramos (Colombia-Ecuador-Peru)).
- Budget Support Approach (e.g. PACSBIO in Bolivia)

1. Biodiversity as principal objective

b) Biodiversity **mainstreamed** in economy and development policy :

- TEEB (The Economics of Ecosystems and Biodiversity) National Implementation, UNEP – 5 pilot countries – soon: TEEB for Agriculture and Food.
- BIOFIN (Integration of biodiversity in national budgets and sectoral plans, assessing needs and sources of funding), UNDP – 19 pilot countries.
- WAVES (Wealth Accounting and Valuation of Ecosystem Services), World Bank – 11+ pilot countries.
- Support to NBSAPs 2.0 process.

2. Biodiversity as significant objective

- Biodiversity **mainstreamed** in affine sectors, where synergies are likely and money flows bigger :
- Climate change ("ecosystem-based adaptation or mitigation") → GCF; commitment for 20% of EU budget climate-relevant.
- Agriculture/Rural Development/Food Security: priority sector for the "Agenda for Change"
 - in nearly half of the MIPs of bilateral cooperation (EDF/DCI-geogr.)
 - enhanced provision for Food Security GPGC (thematic instrument)

2. Biodiversity as significant objective

→ Biodiversity **mainstreamed** in affine sectors, where synergies are likely and money flows bigger :

- Forestry:
 - Action against illegal timber (FLEGT)
 - REDD+
- Coastal/marine management:
 - Ecosystem-based resilience (DRR)
 - Sustainable coastal management
 - Policy commitment and measures against IUU fishery.

3. Biodiversity proofing development

- Biodiversity **taken into consideration** in all sectors:
 - Compulsory procedures (screening, EIA, SEA) (Guidelines)
 - Relevant where biodiversity wouldn't usually be considered: infrastructure, extractive and transformative industry, b-a-u economy, health, education.
 - Undesired side-effects on environment (incl. biodiv.) are identified.
 - Where necessary mitigation or compensation measures are provided by the project design.

4. How to upscale dev.coop. contribution to biodiversity?

- New Multi-annual Financial Framework 2014-2020:
 - New Thematic Instrument: Global Public Good and Challenges – GPGC
 - € 5.1 Bn over 7 years of which € 1.377 Bn for climate change and environment (incl. biodiv.).
- A Flagship Initiative to scale up biodiversity:
The EU Biodiversity for Life Initiative – B4LIFE
 - More holistic and coherent approach of the EU development cooperation in biodiversity
 - Alignment on the Agenda for Change, the EU Biodiversity Strategy to 2020 and the Post-2015 Framework.

4. How to upscale dev.coop. contribution to biodiversity?

Through...

- Internal lobbying, training, awareness raising, guidance for staff
 - Political dialogue with partner countries, Green Diplomacy Network
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- Increase resources for biodiversity specific actions, through thematic, bilateral, regional and global cooperation channels
 - Increase mainstreaming of biodiversity in sectors
 - Insist on positive socio-economic opportunities.

4. How to upscale dev.coop. contribution to biodiversity?

a) Budget support

- Recent modality of aid delivery (2000's)
- Macroeconomic approach
- Linked to public finance management
- Greater ownership and responsibility by beneficiary country
- Payments linked to results assessed through mutually agreed indicators
- General Budget Support / Sector Budget Support
- Is this applicable to biodiversity ?
 - Only EU experience: PACSBIO (Bolivia): SBS to the National System of Protected Areas (2012-2016; € 18M))

4. How to upscale dev.coop. contribution to biodiversity?

b) Blending

- Combining EU grants ("seed money") with loans or equity from other public and private financiers ("leveraged money")
- New approach, new potential → developing knowledge & experience → EU Platform for Blending on External Cooperation created in 2012
- 8 regional investments facilities (total € 1.6 Bn for 2010-2013)
- Mostly target support to MSME, infrastructure, transport, sanitation, energy.
- When about environment: renewable energy, disaster prevention, climate change adaptation, water management.
- And Biodiversity ? → Build experience through the NCFF (for domestic EU policy).

4. How to upscale dev.coop. contribution to biodiversity?

- **OECD/DAC/ENVIRONET – EPOC/WPBWE: Scoping paper on Biodiversity and Development Co-operation**
- To date: Completed draft Literature Review and Chapter 1 on Official Development Finance for Biodiversity:
 - OECD/DAC statistics on BD-related ODA
 - Partner countries – recipients of biodiversity ODA
 - Sectors receiving biodiversity ODA
 - Dev-Coop Agencies providing biodiversity ODA
 - Aid delivery modalities
 - Exploring and leveraging other sources of funding