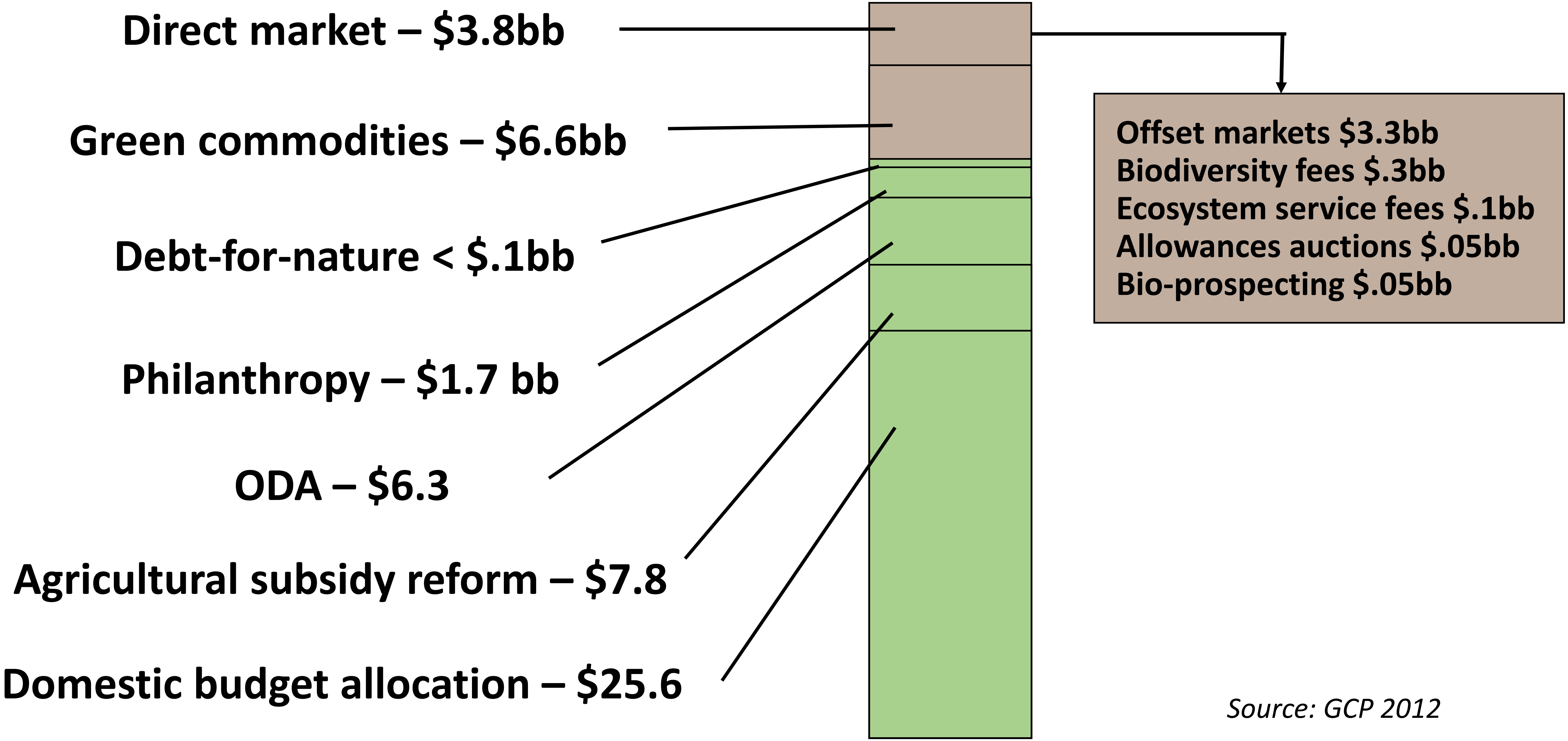
INNOVATIVE FINANCE: AN OVERVIEW

BIODIVERSITY FINANCE GAP

The High Level Panel on Biodiversity Finance estimated a cost of $150 – 450 billion annually through 2020 to achieve the Aichi Targets.

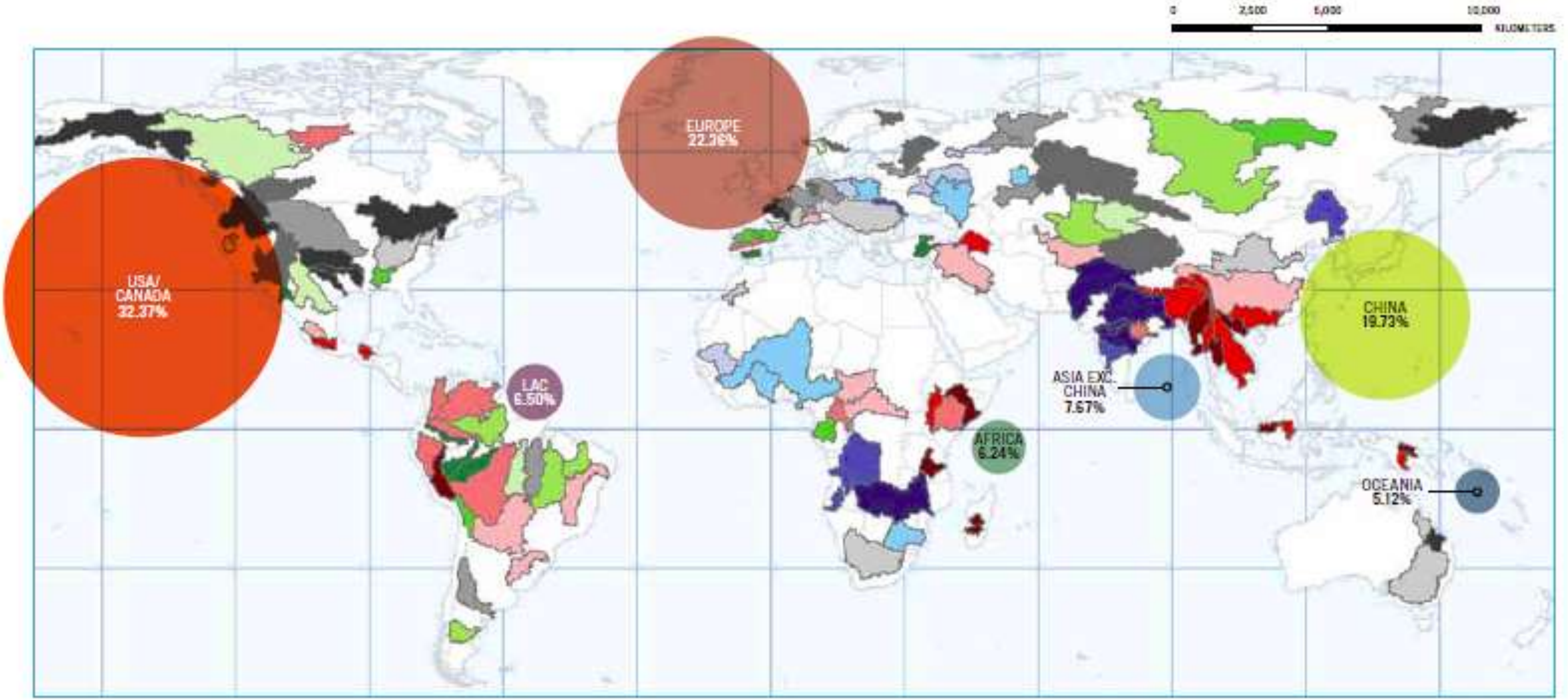
Biodiversity ODA is less than $5 billion annually – **less than 5%.**

CONSERVATION FINANCE FLOW – $51.8 billion



Source: GCP 2012

GLOBAL BIODIVERSITY VS. GLOBAL BIODIVERSITY FINANCE



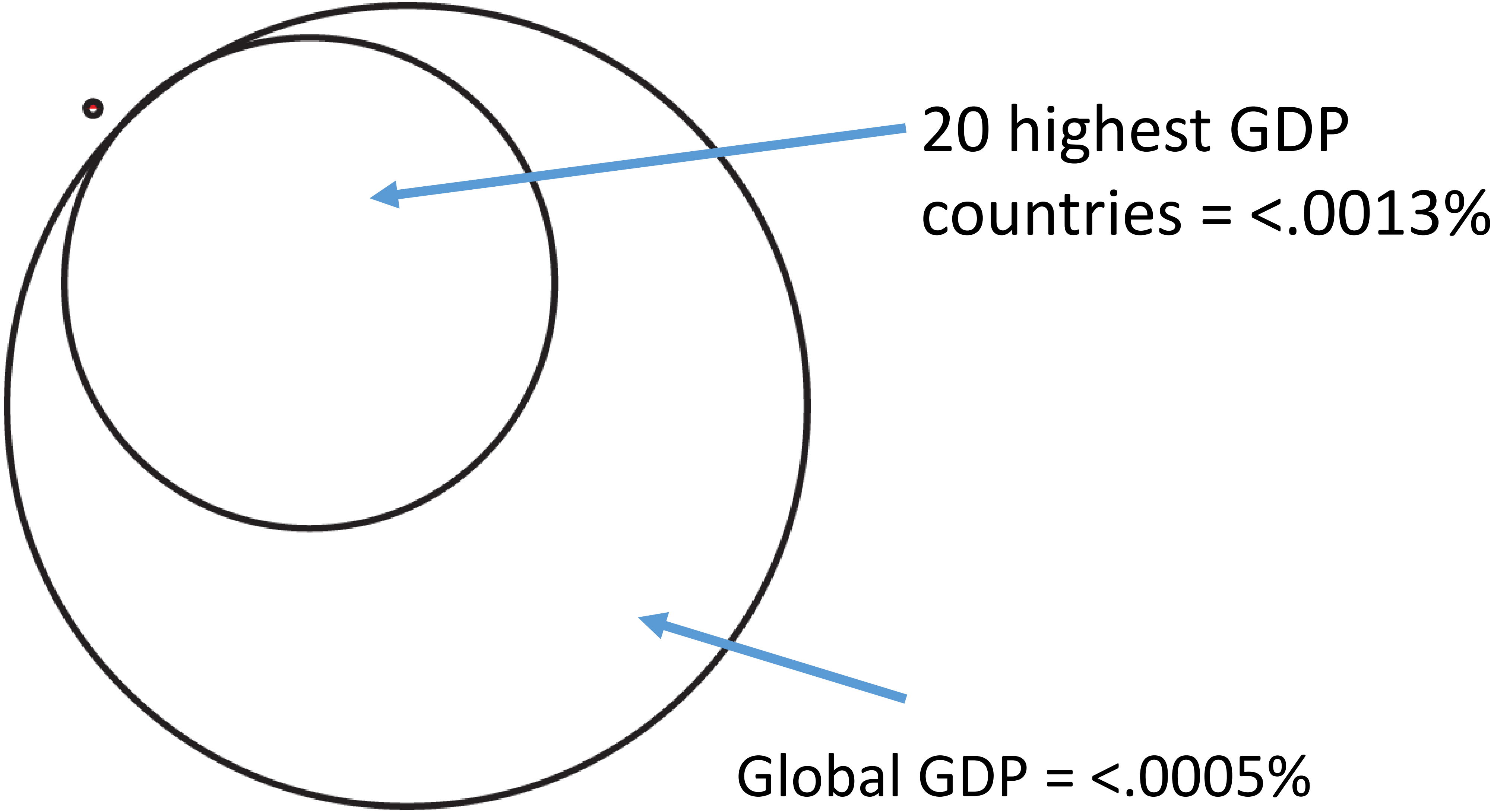
Source: GCP 2012

Protected Area Global Cost Estimates

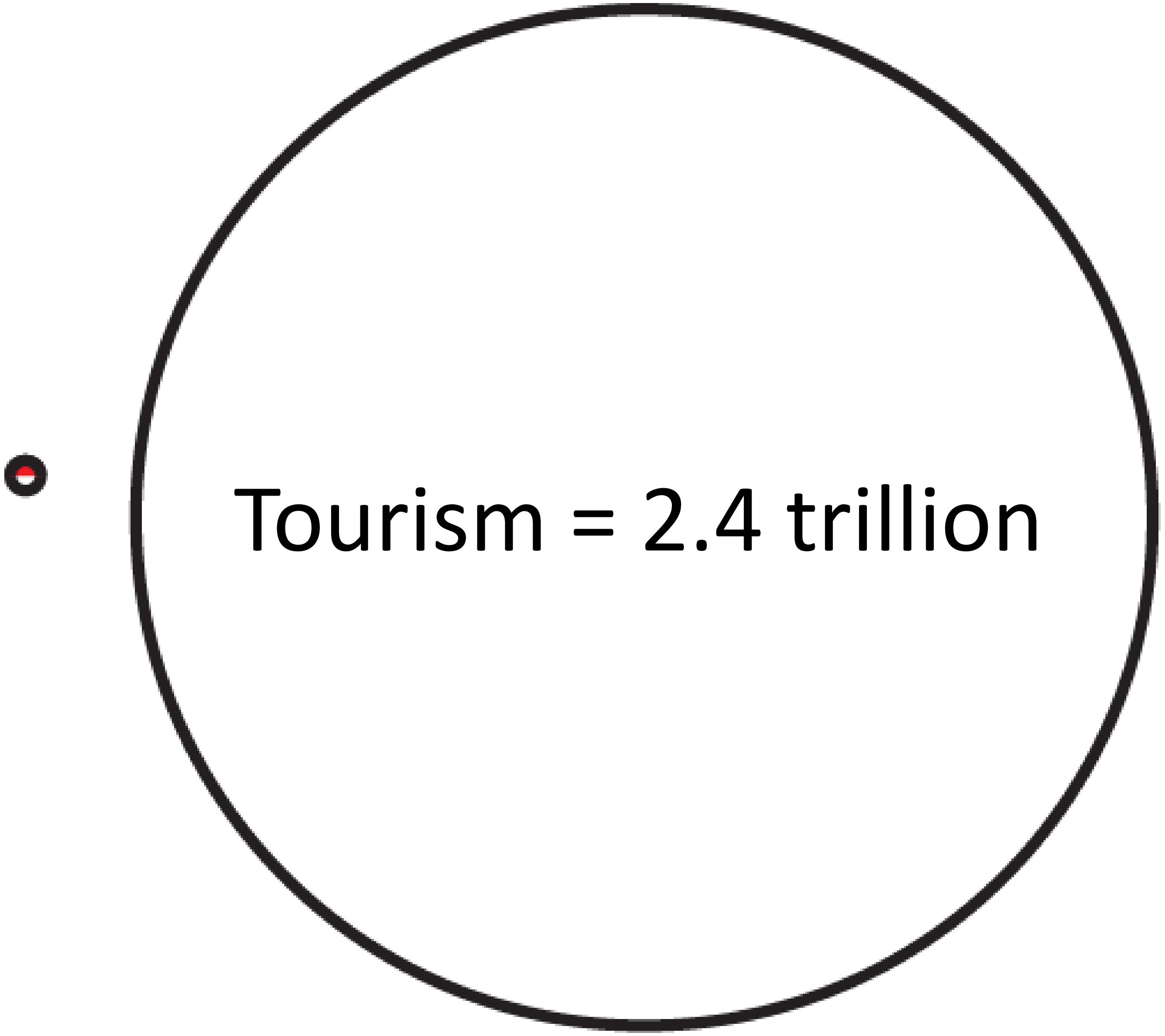
34 bb/yr

Roughly half the costs are funded

Protected area costs as a percentage of GDP

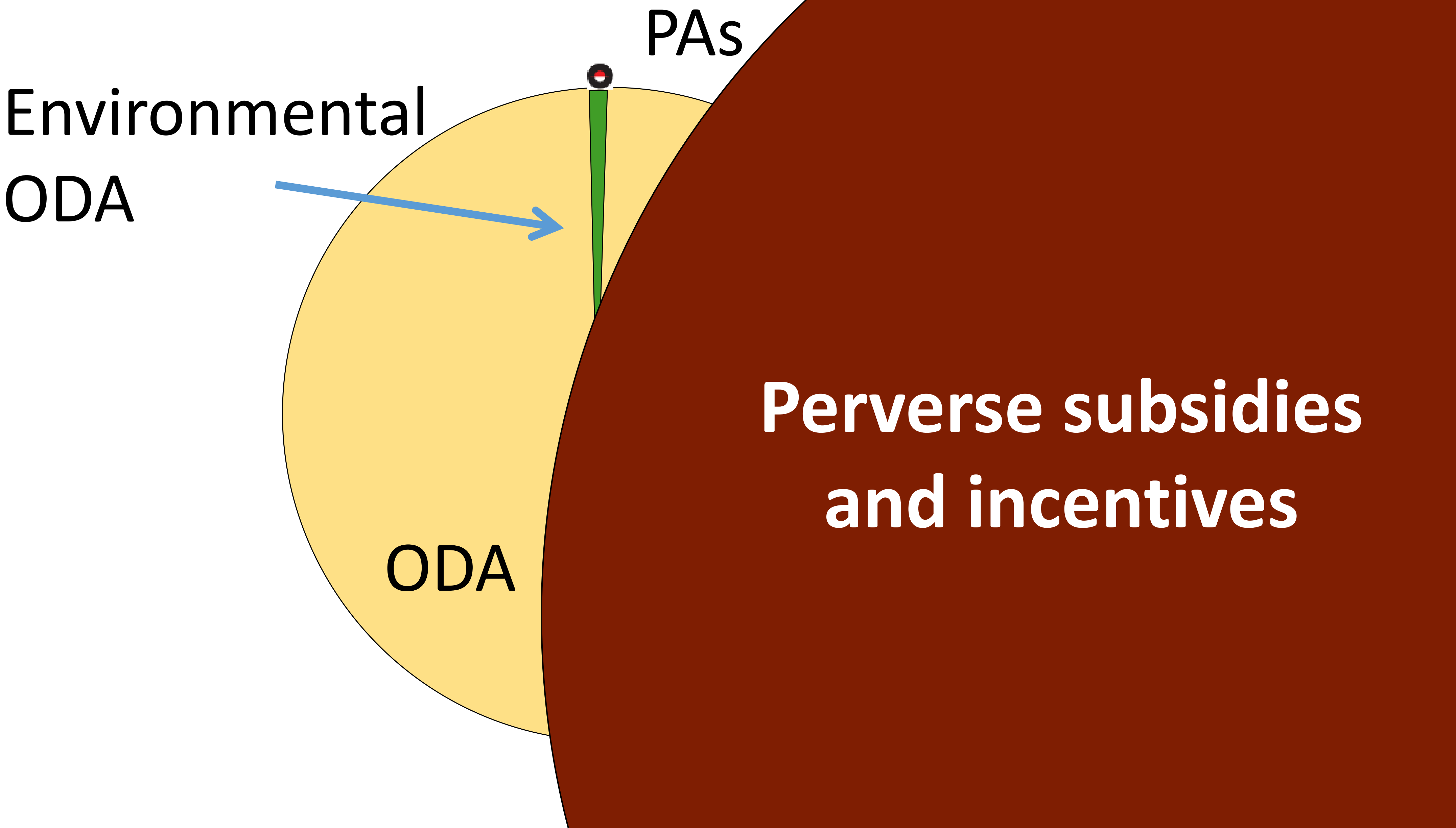


Many untapped sources of revenue

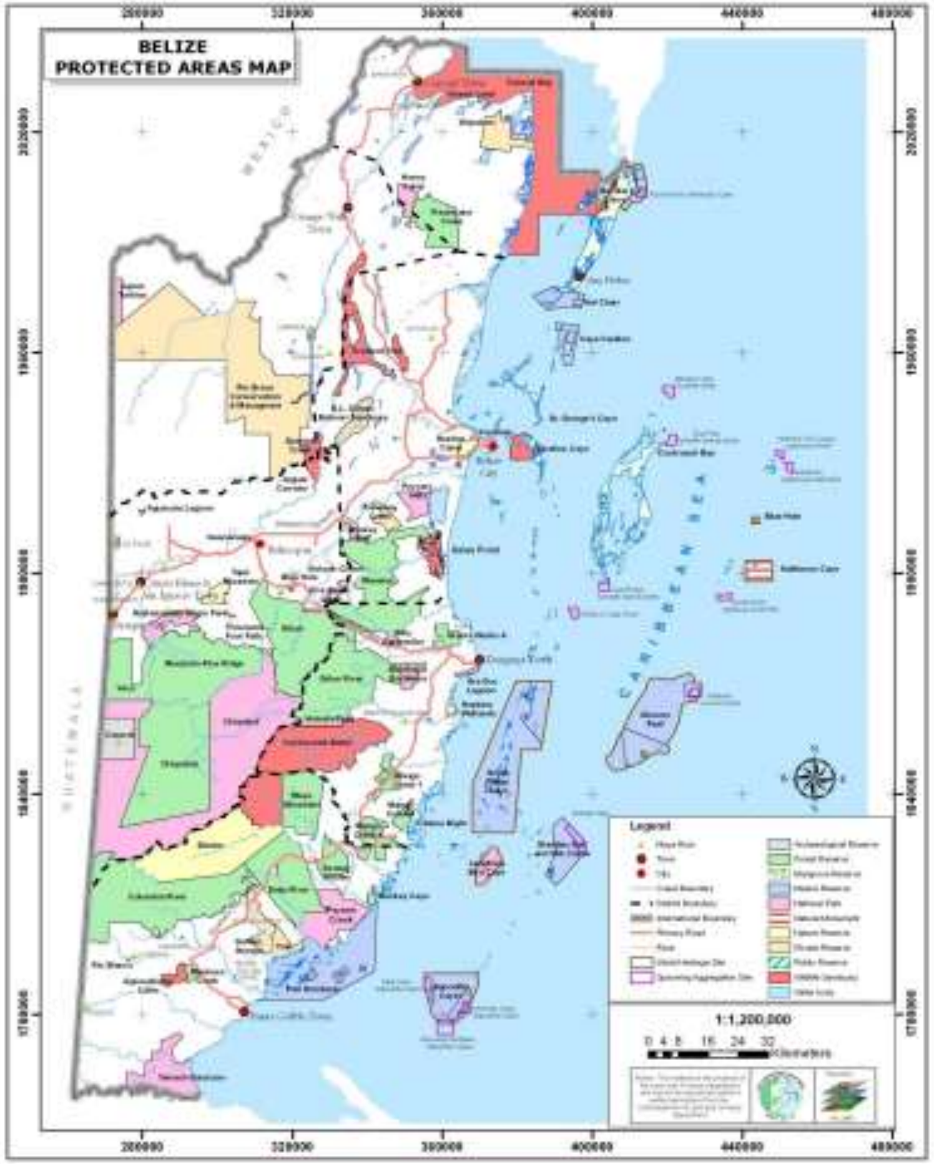


A surcharge of .007% would fully fund all protected areas globally

ODA in context

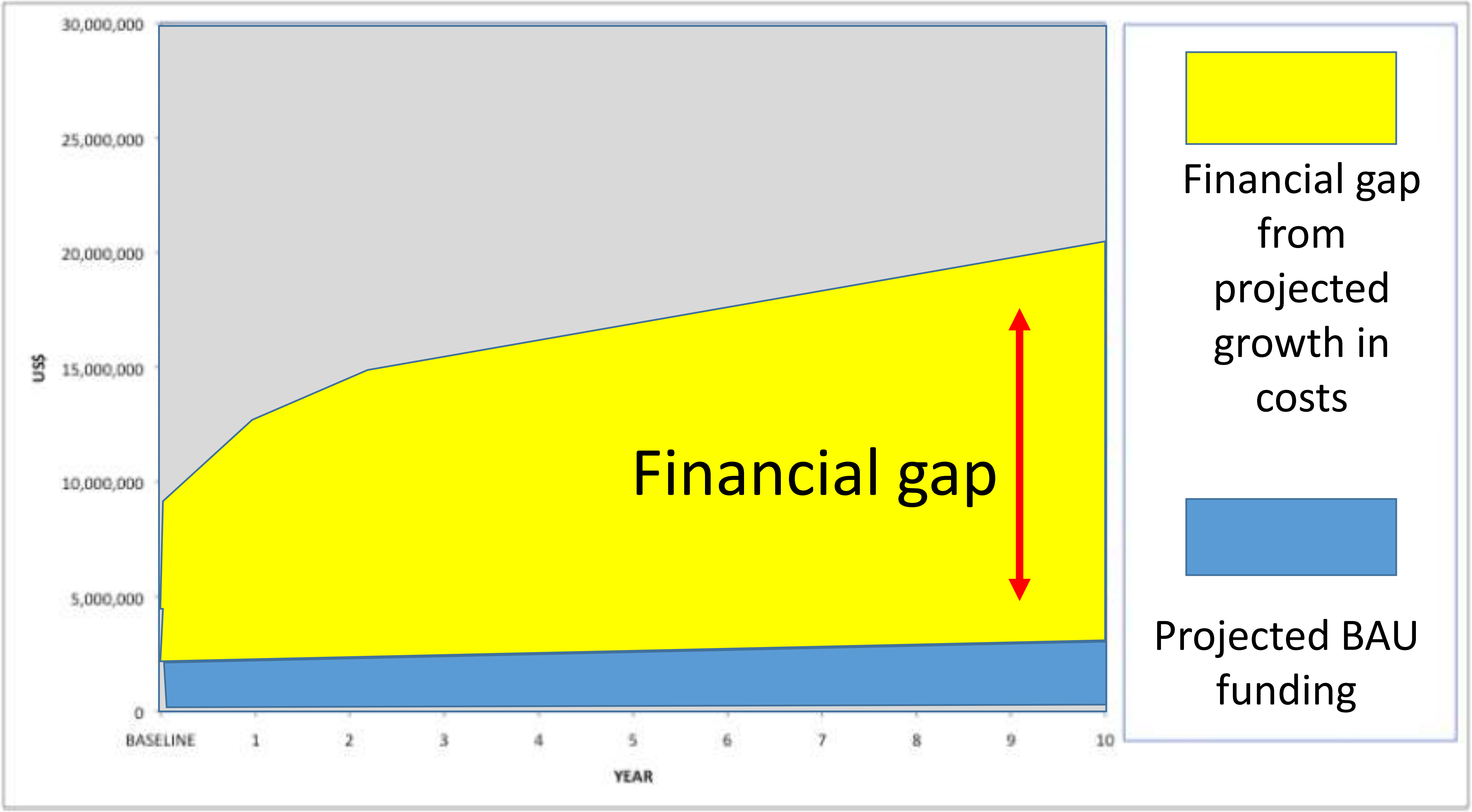


Financial gap for PAs in Belize

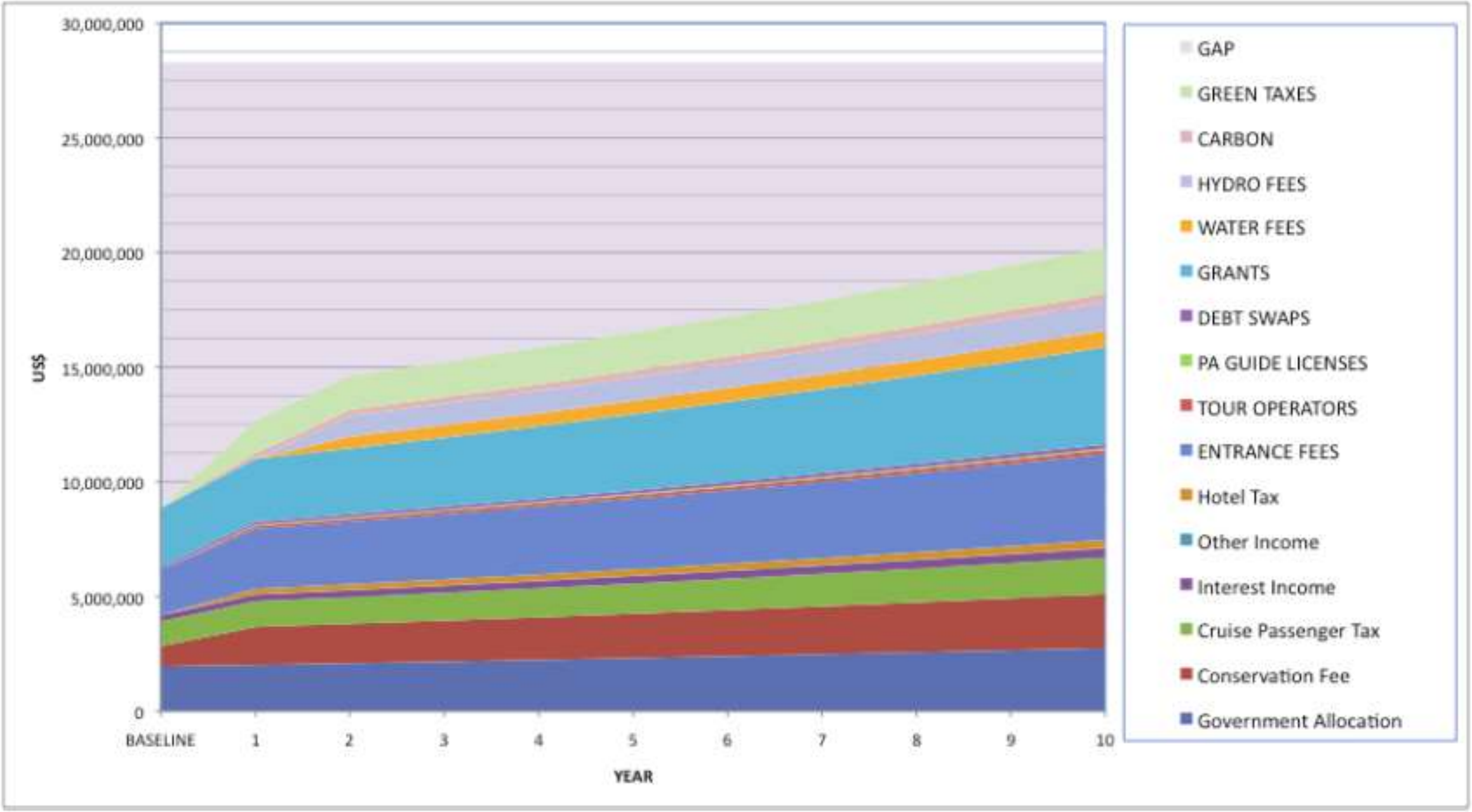


- Current funding: $**9mm**
- Current finance gap: **$19 – 29 mm**
- Gap: **$10-20mm**

Financial gap for PAs in Belize



Filling the financial gap for PAs in Belize



Range of finance mechanisms

Positive tax incentives • Tax credits • Tax deductions	**Negative tax incentives** • Taxes on products, services that harm biodiversity	**Fiscal reform** • Reduction of subsidies that harm biodiversity
Procurement policies • Government, business procurement	**Cap and trade** • Limit on goods or service and trade in marketplace	**PES schemes** • Beneficiaries pay for cost of maintaining ecosystems
Market certification • Market premium, access for sustainable practices	**Biodiversity offsets** • Exchanges of equivalent protection by business	**Fines and fees** • Fees that discourage unsustainable practices
Conservation easement • Compensation for long-term conservation	**Voluntary fees** • E.g., contribution drop boxes, hotel/tourism fees)	**Mandatory fees** • E.g., Airport departure fees that fund protected areas

Feasibility screening criteria

Financial considerations • How much revenue will it generate? • How stable is the revenue? • What are the initial costs?	**Legal considerations** • Is it legally feasible within the current system? • Does it require new legislation? • Is it possible to simply use an executive order?	**Administrative** • How difficult will it be to administer, enforce, collect? • Are there enough trained staff?
Social considerations • What will be social impacts? • Who will pay? • Will the mechanism be viewed as equitable?	**Political considerations** • Is there political will? • Will the funds be redirected to the correct purpose? • Is monitoring possible?	**Environmental** • What are environmental impacts involved in implementation? • Can safeguards be put in place?