

INNOVATIVE FINANCE: AN OVERVIEW



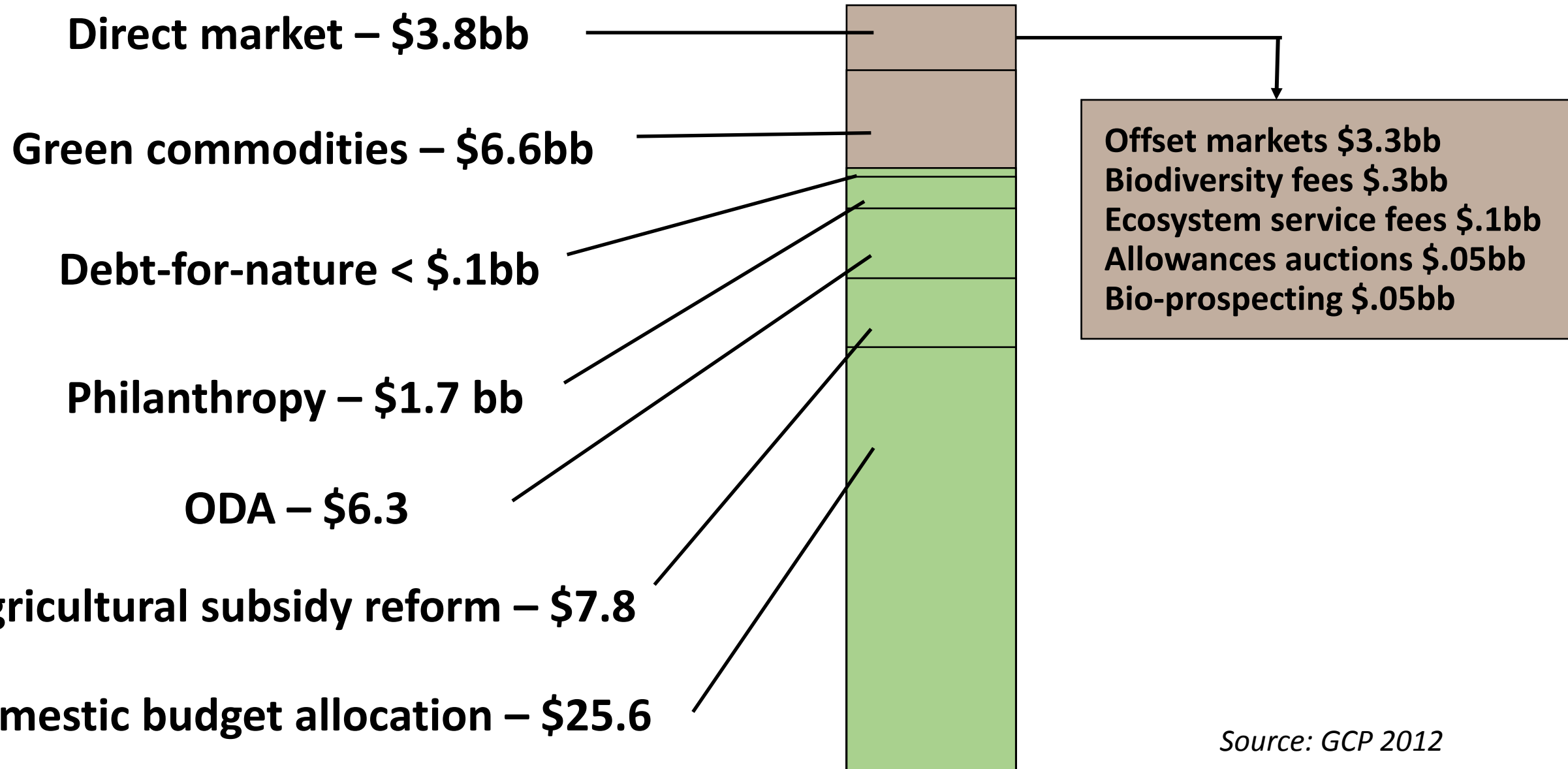
BIODIVERSITY FINANCE GAP

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%.

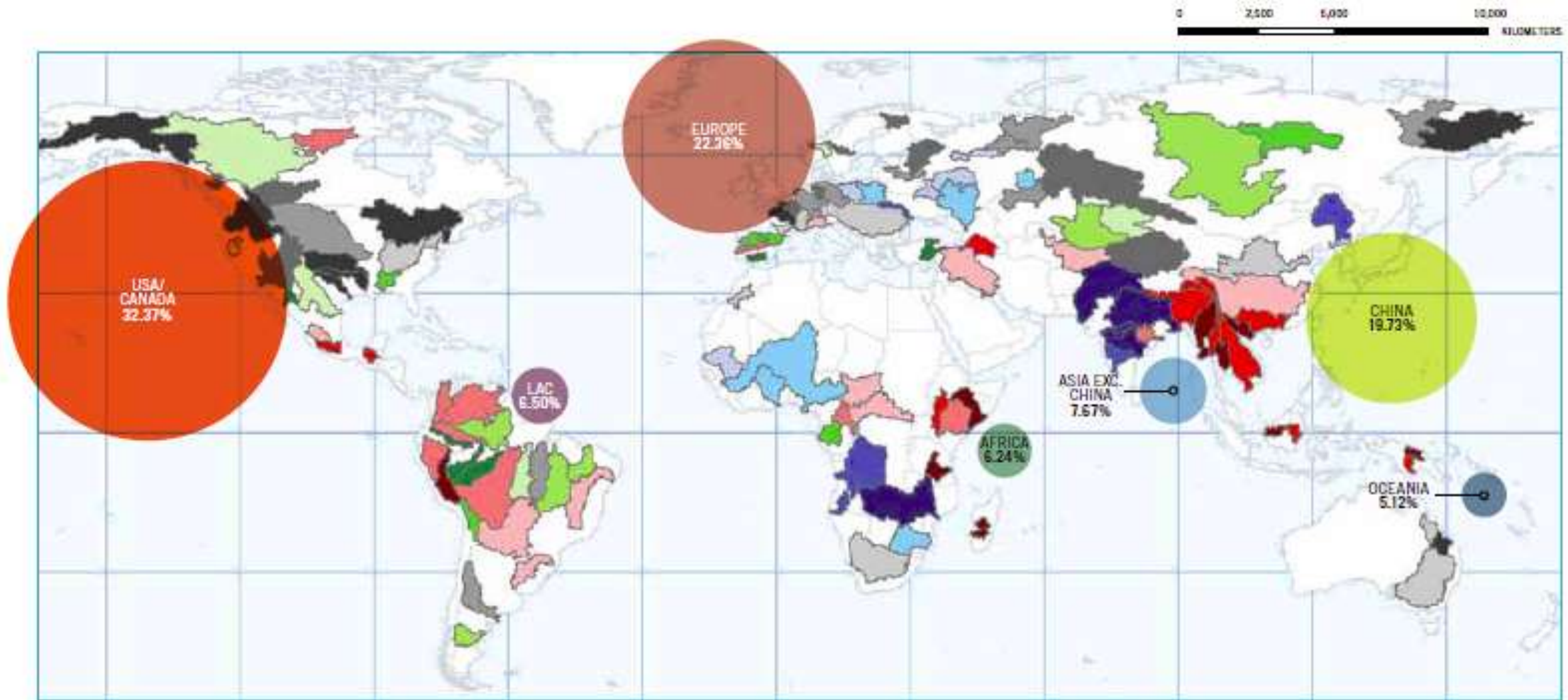


CONSERVATION FINANCE FLOW – \$51.8 billion



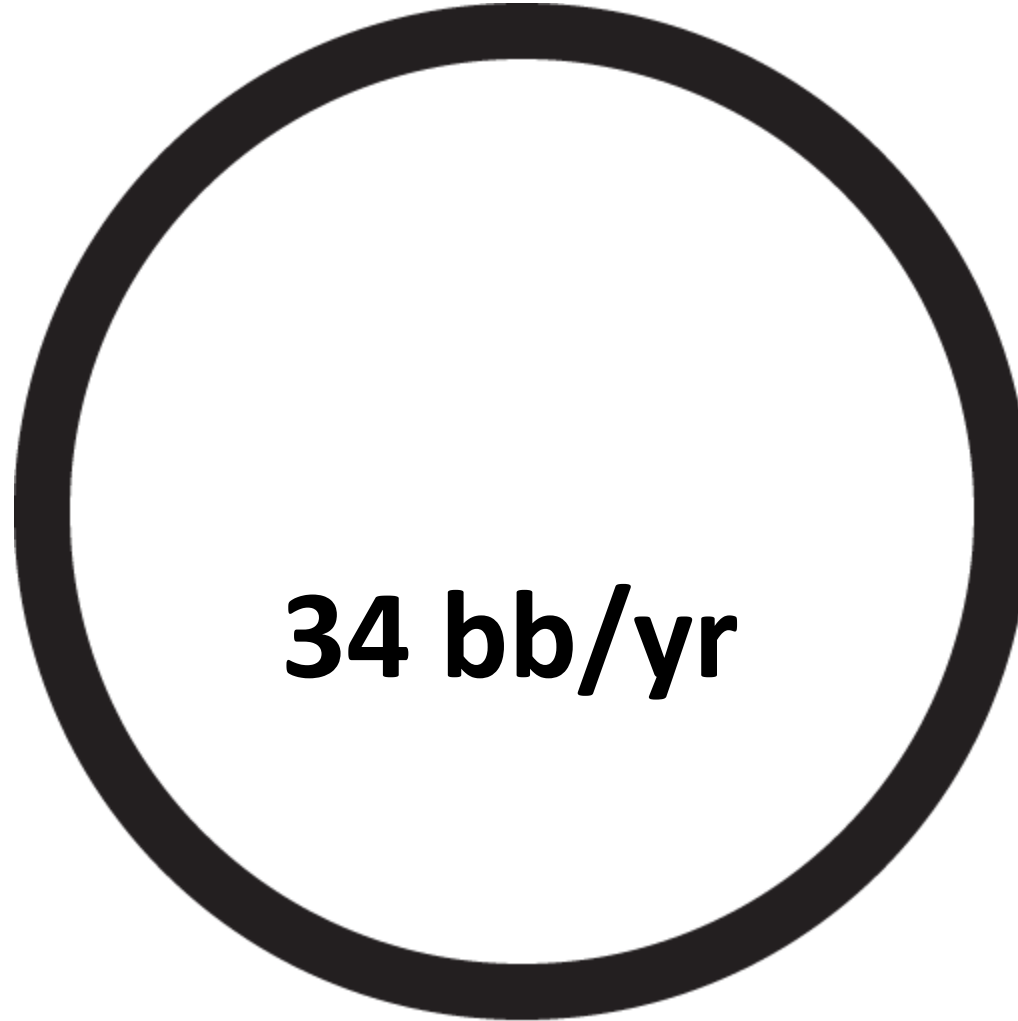
Source: GCP 2012

GLOBAL BIODIVERSITY VS. GLOBAL BIODIVERSITY FINANCE



Source: GCP 2012

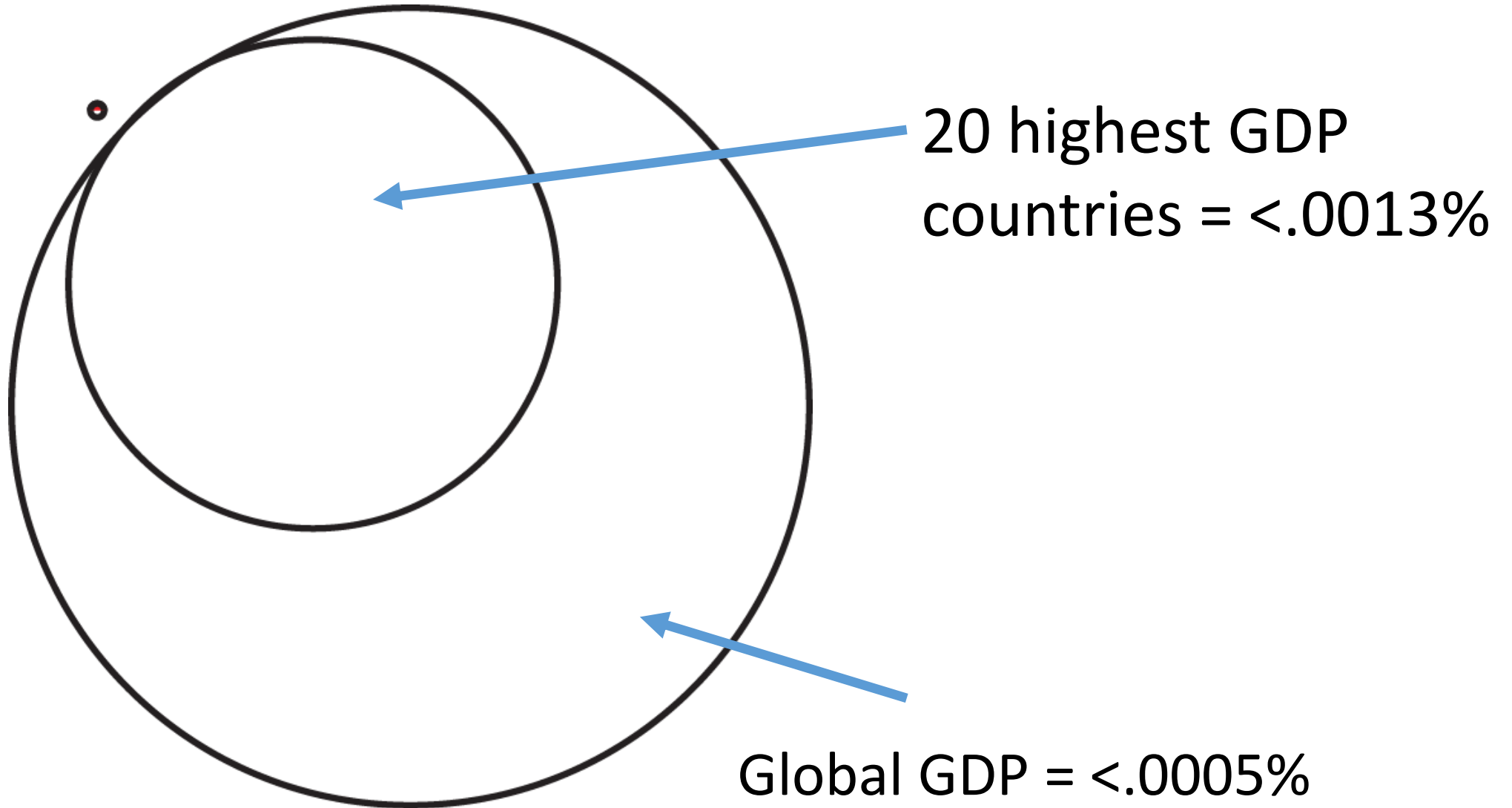
Protected Area Global Cost Estimates



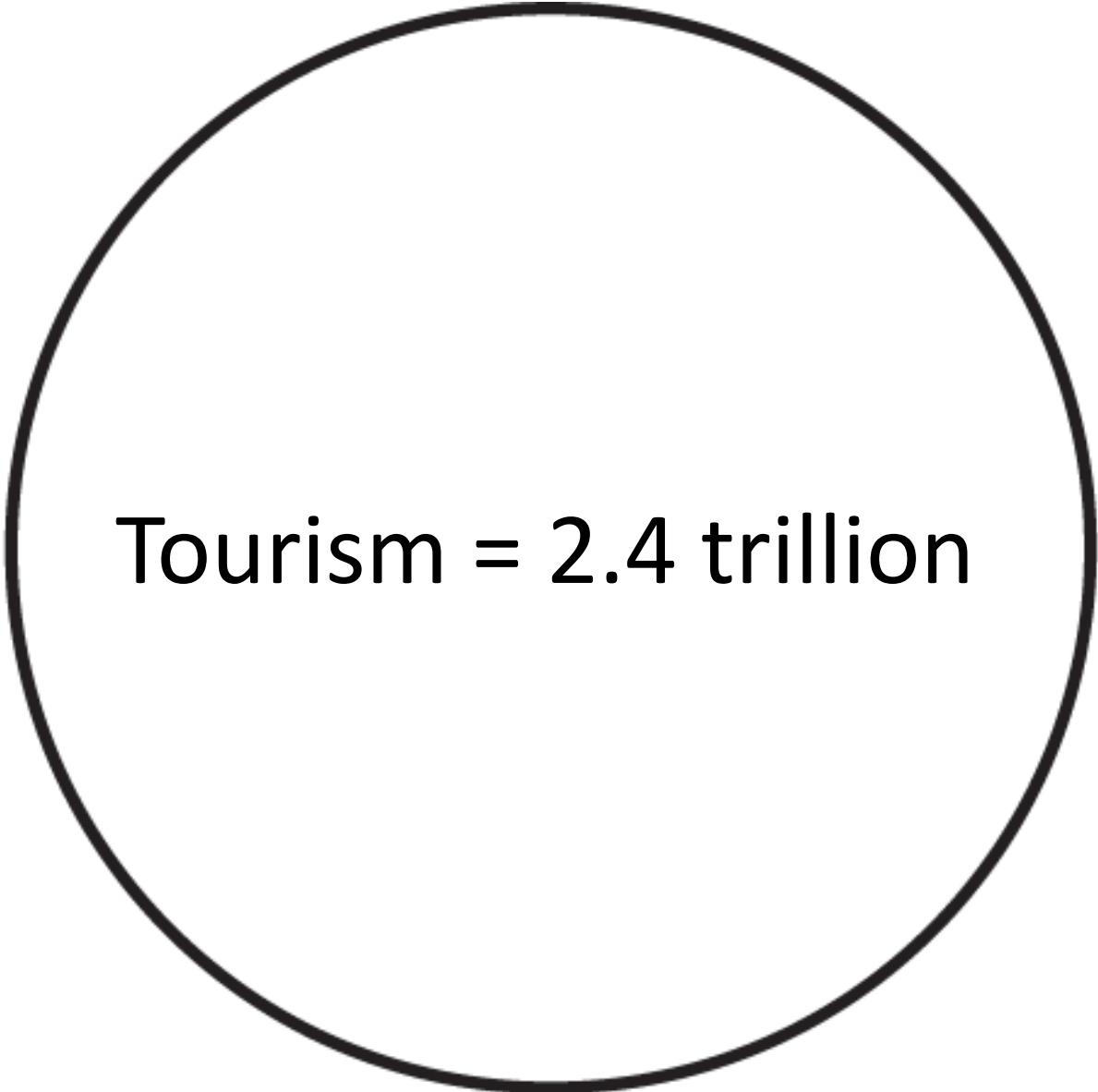
Roughly half the costs are funded



Protected area costs as a percentage of GDP



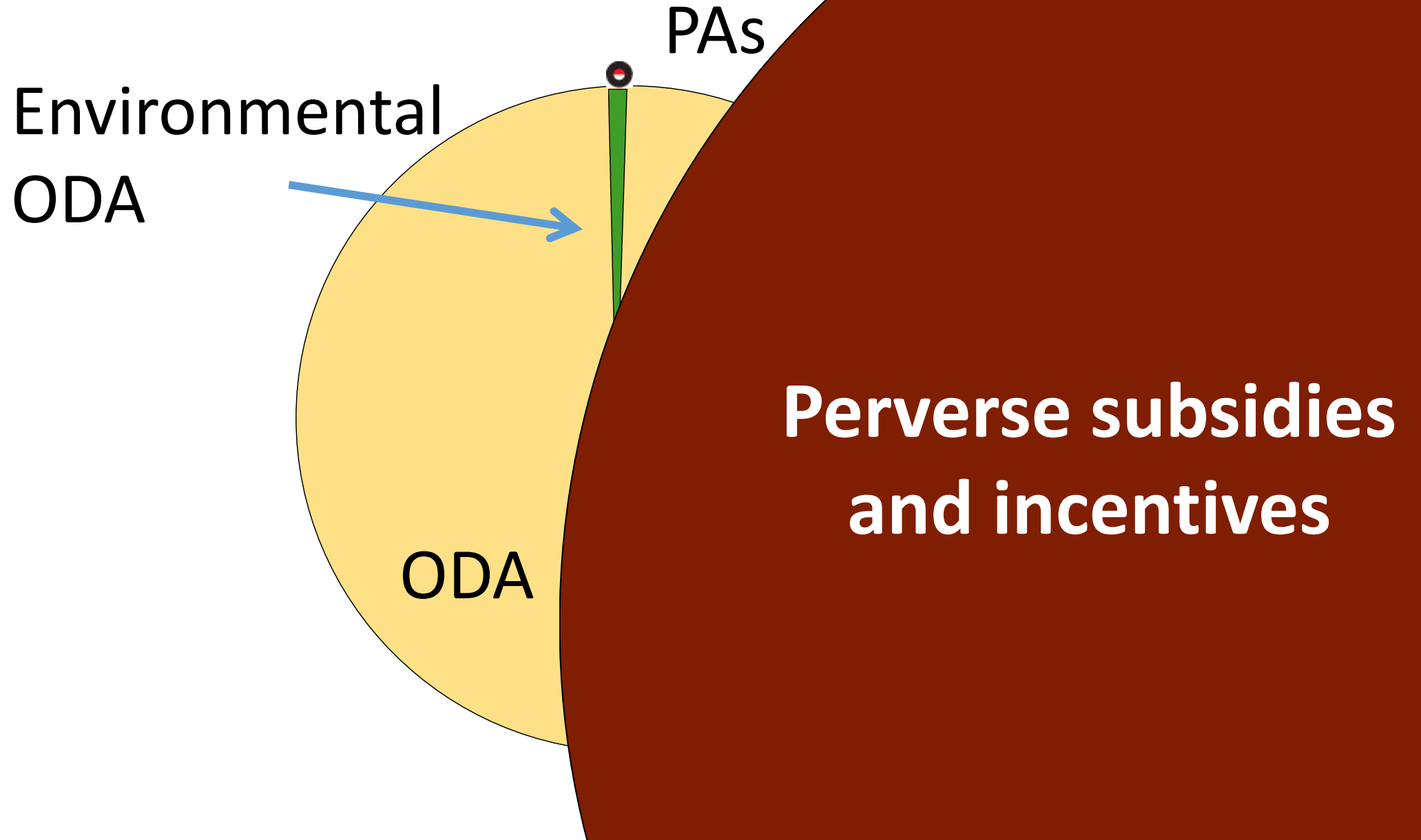
Many untapped sources of revenue



Tourism = 2.4 trillion

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

ODA in context

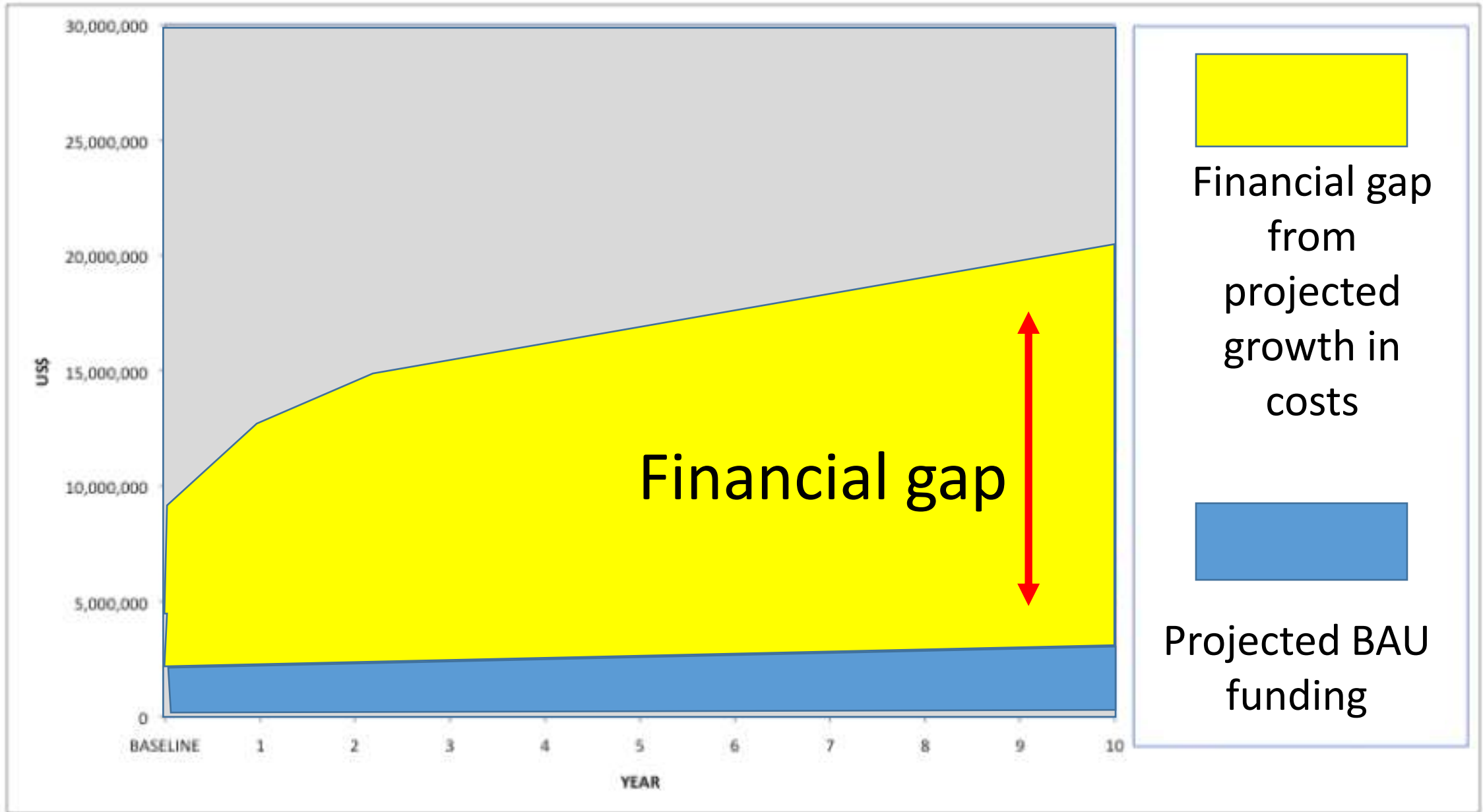


Financial gap for PAs in Belize

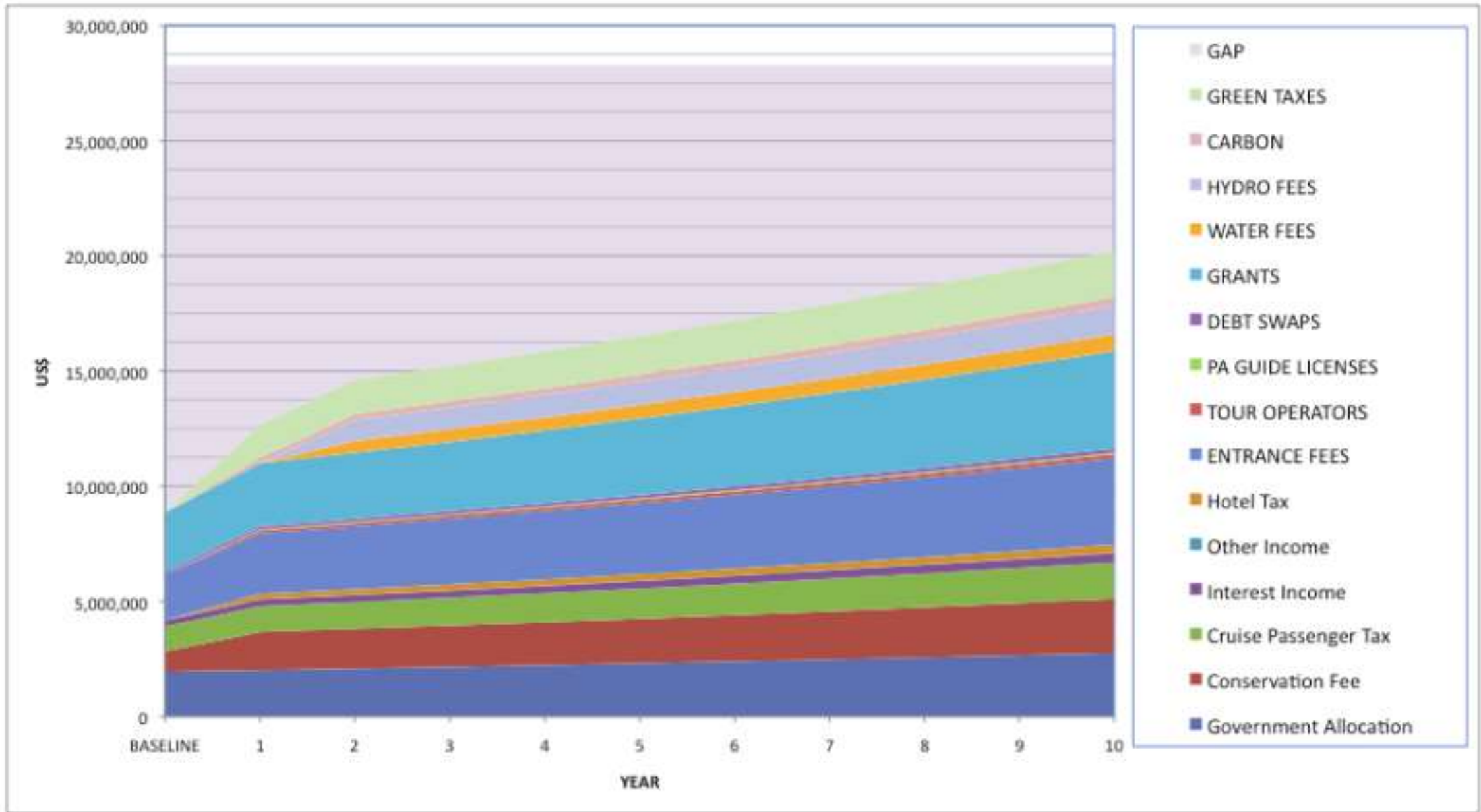


- Current funding: **\$9mm**
- Current finance gap: **\$19 – 29 mm**
- Gap: **\$10-20mm**

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?