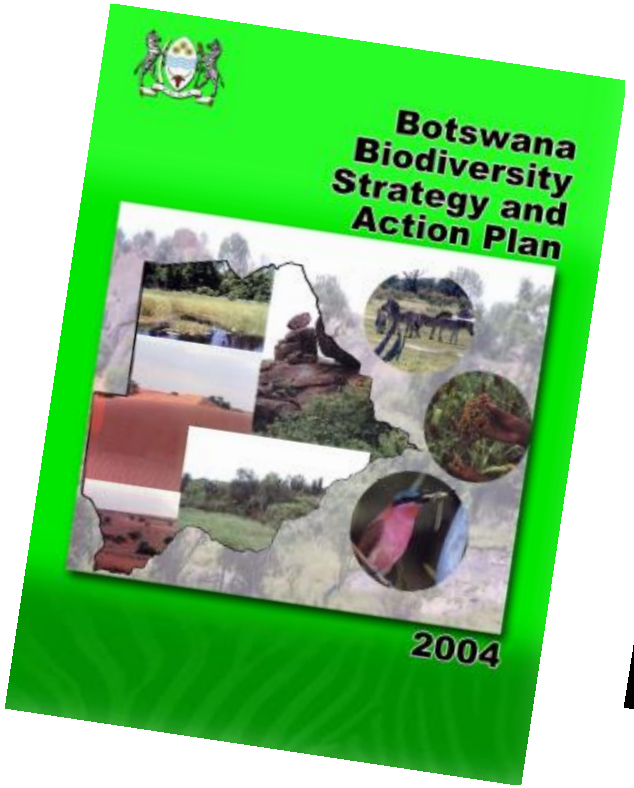
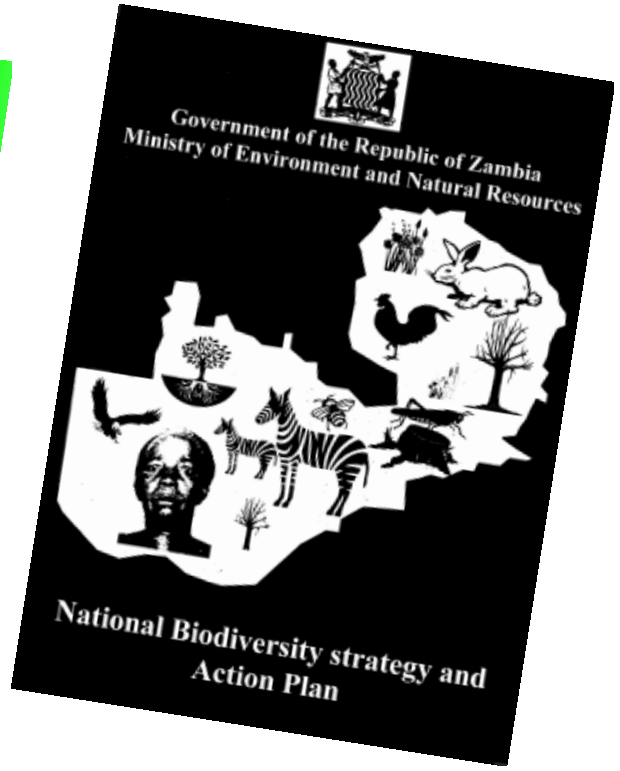
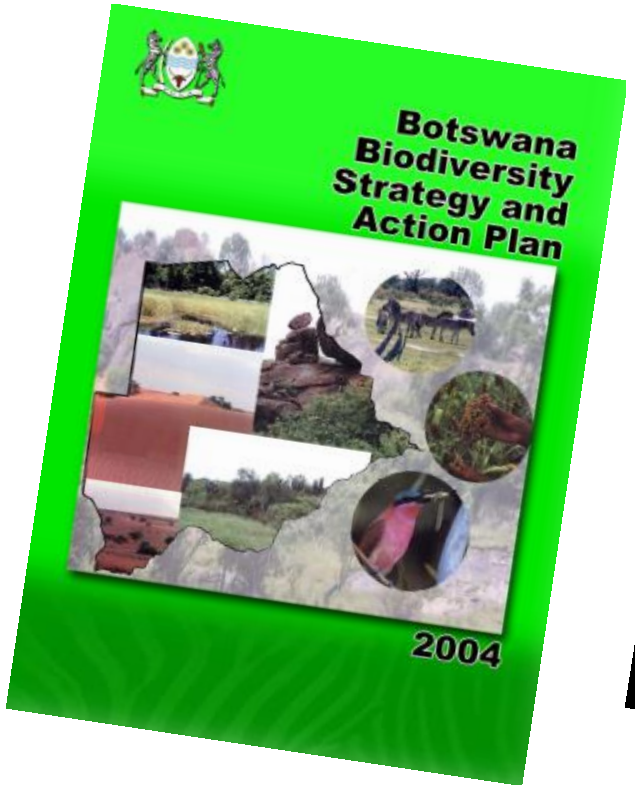
OVERVIEW OF UNDP's BIOFIN METHODOLOGY

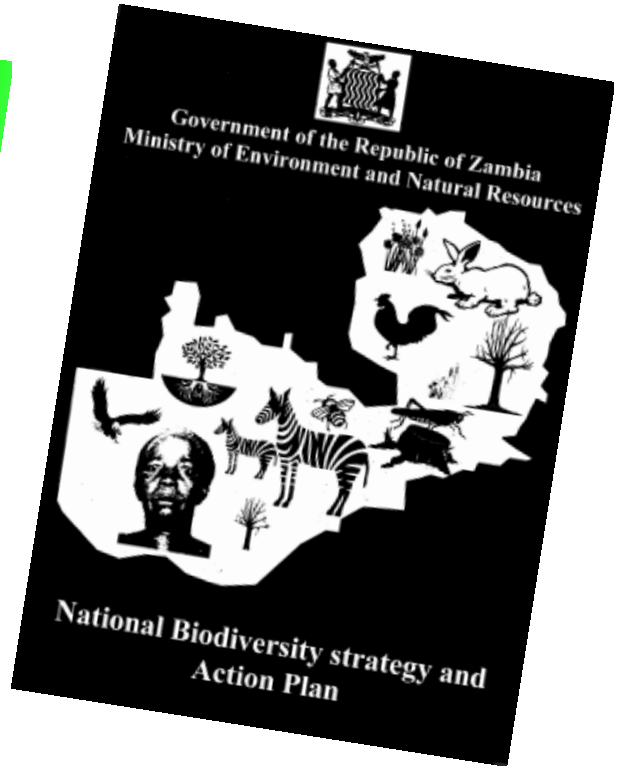
We know that implementing NBSAPs will require funding





But how much will it cost, and who will pay for which activities?





Fatal Flaw in the last round of NBSAPs:

Strategies and actions did not assign realistic costs or identify feasible sources of revenue

Source: Prip et al., 2010

UNDP's BIOFIN methodology is an approach that helps planners systematically assess finance needs and mobilize financial resources

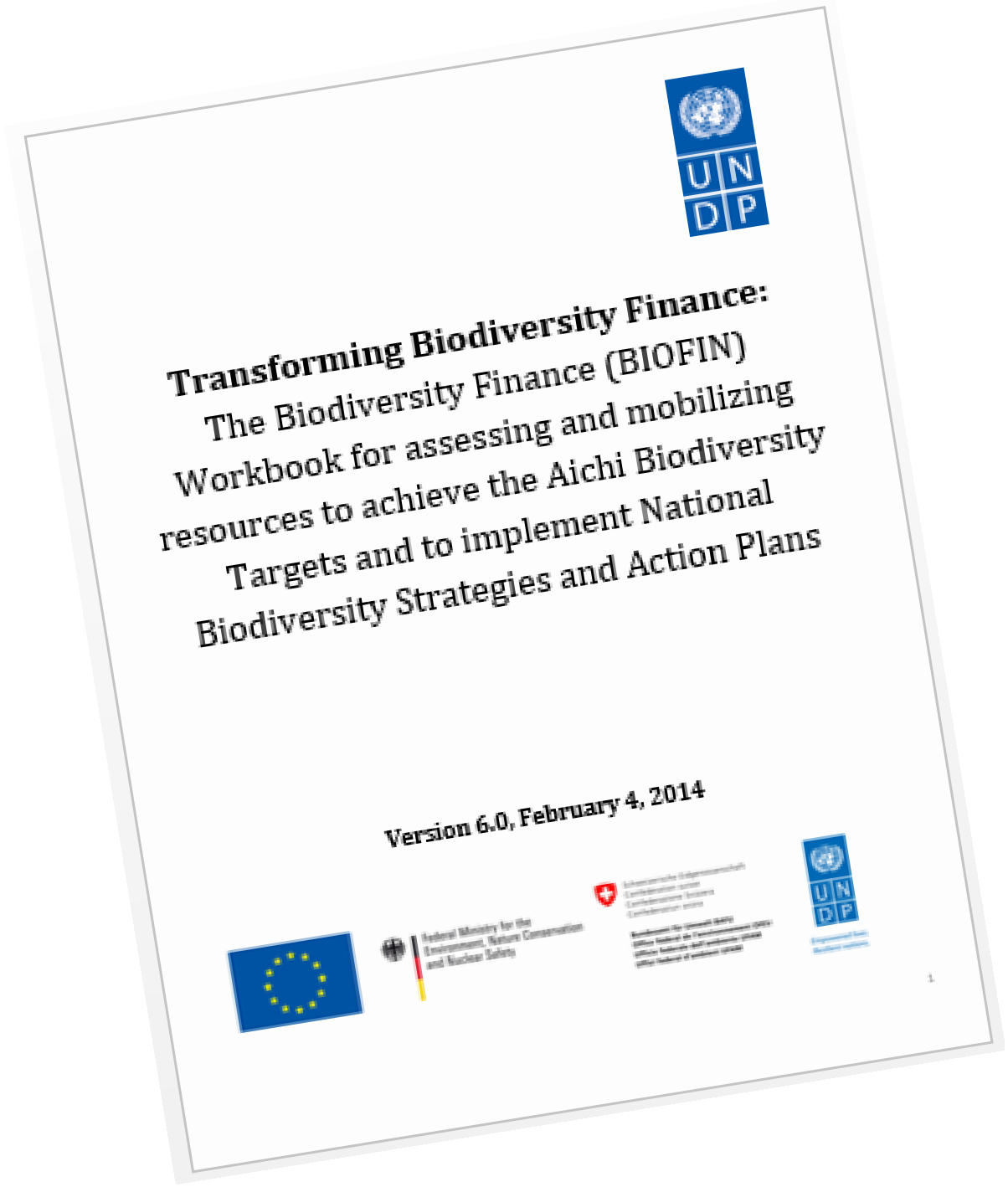
UNDP-supported countries for NBSAPS and for BIOFIN

Kazakhstan
India

Chile
Colombia
Peru
Ecuador
Costa Rica
Guatemala
Mexico

Botswana
Uganda
Seychelles
South Africa
Zambia

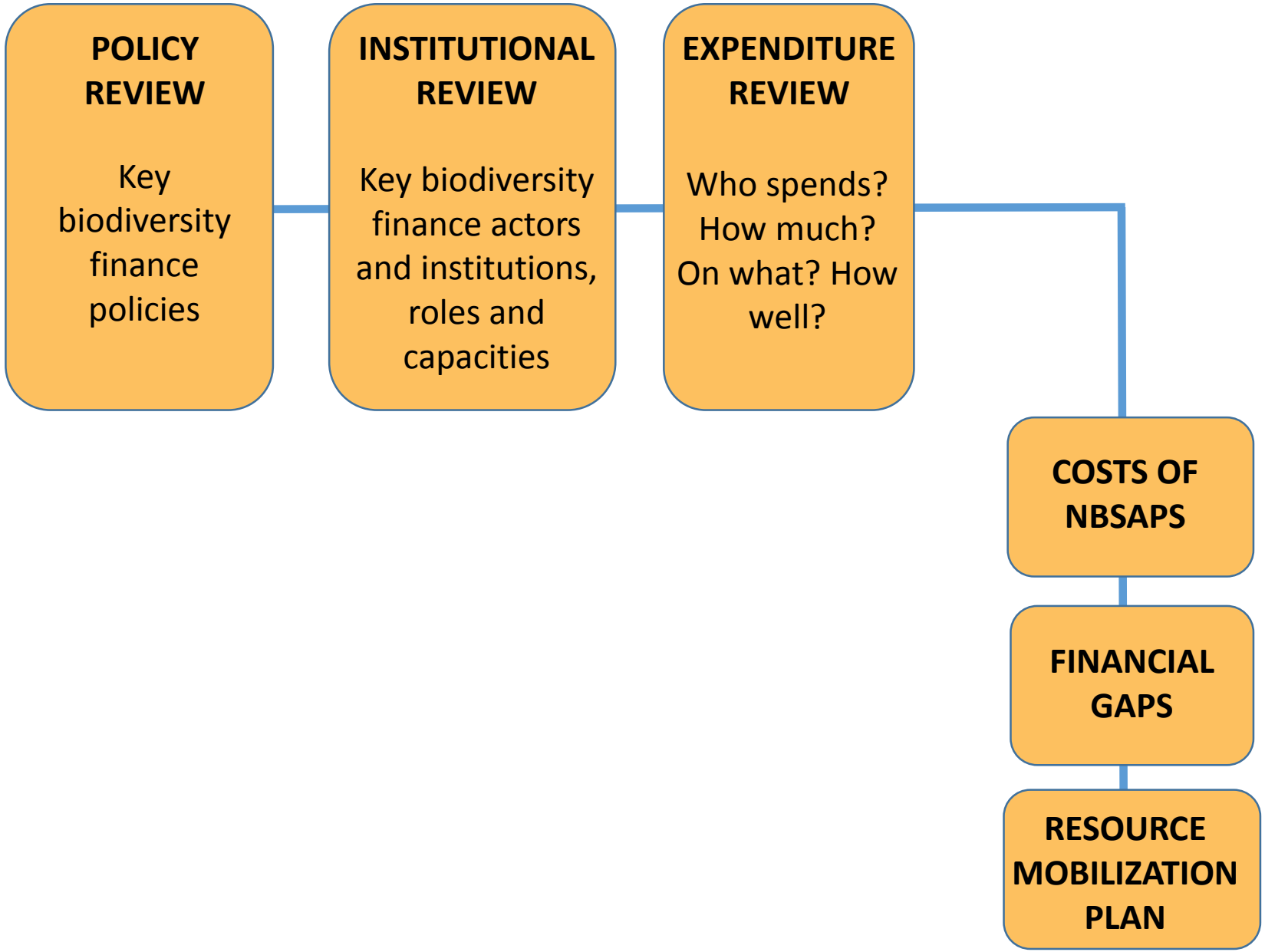
Indonesia
Malaysia
Philippines
Fiji
Thailand



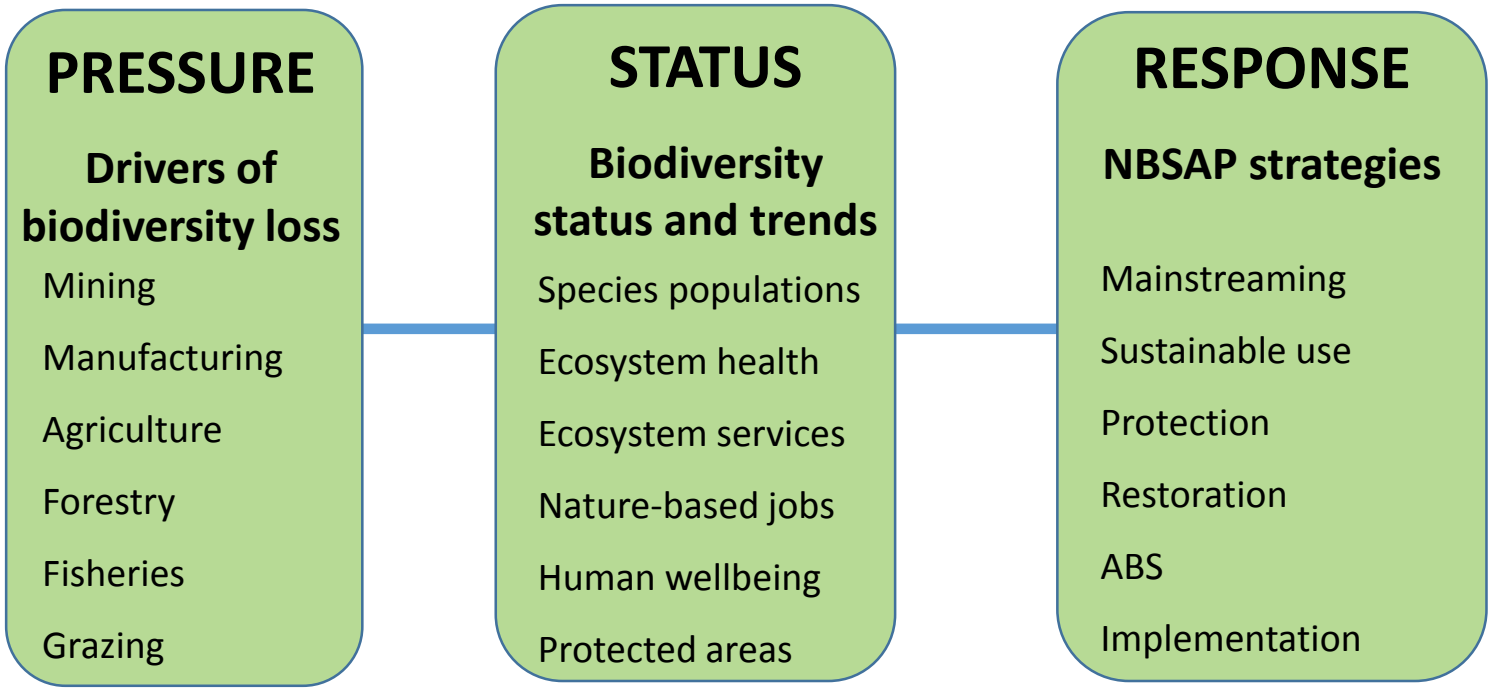
BIOFIN IS BASED ON 4 CONCEPTUAL FRAMEWORKS

1. Public expenditure review framework
2. Pressure-state-response
3. Scenario development and comparison
4. Root causes analysis

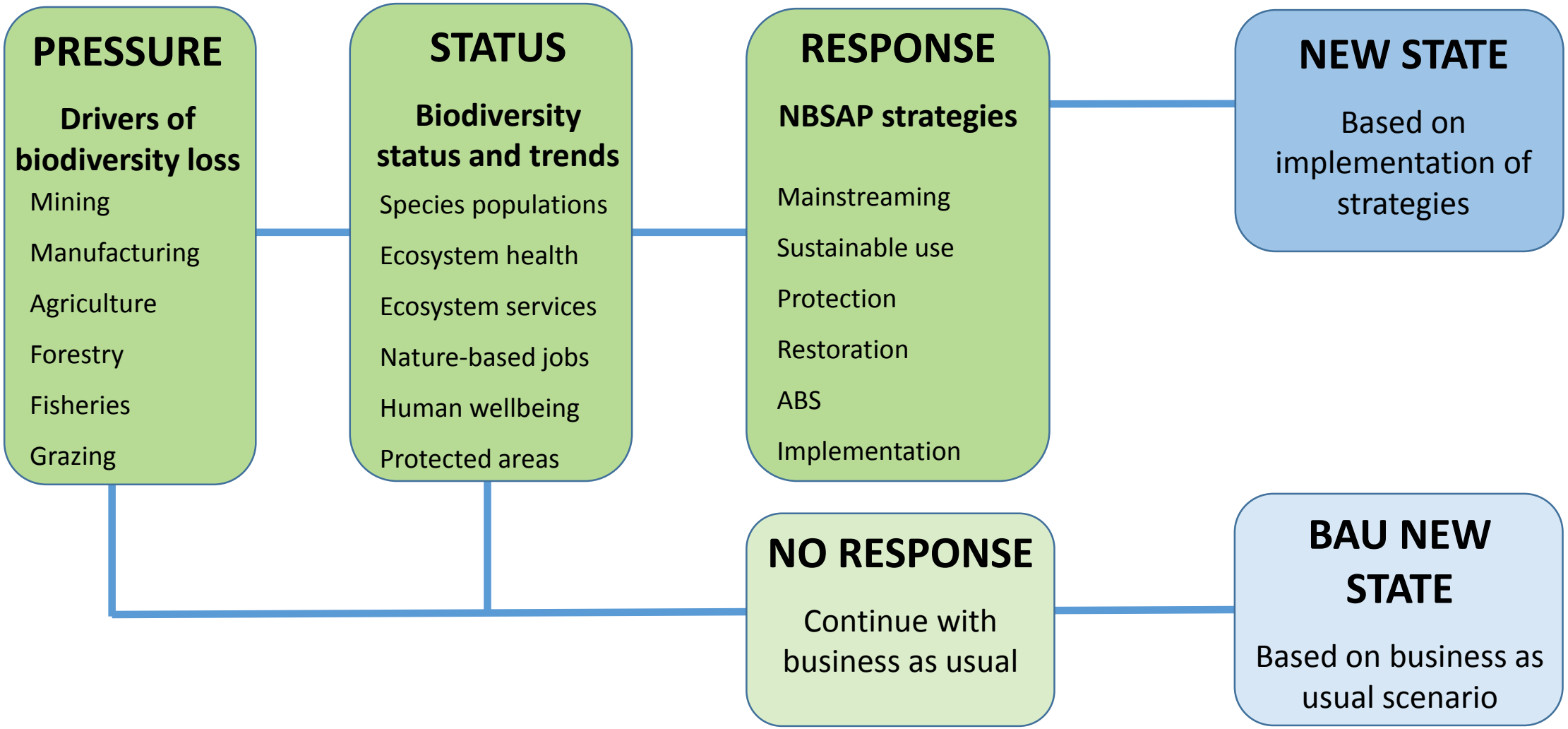
PUBLIC EXPENDITURE REVIEWS



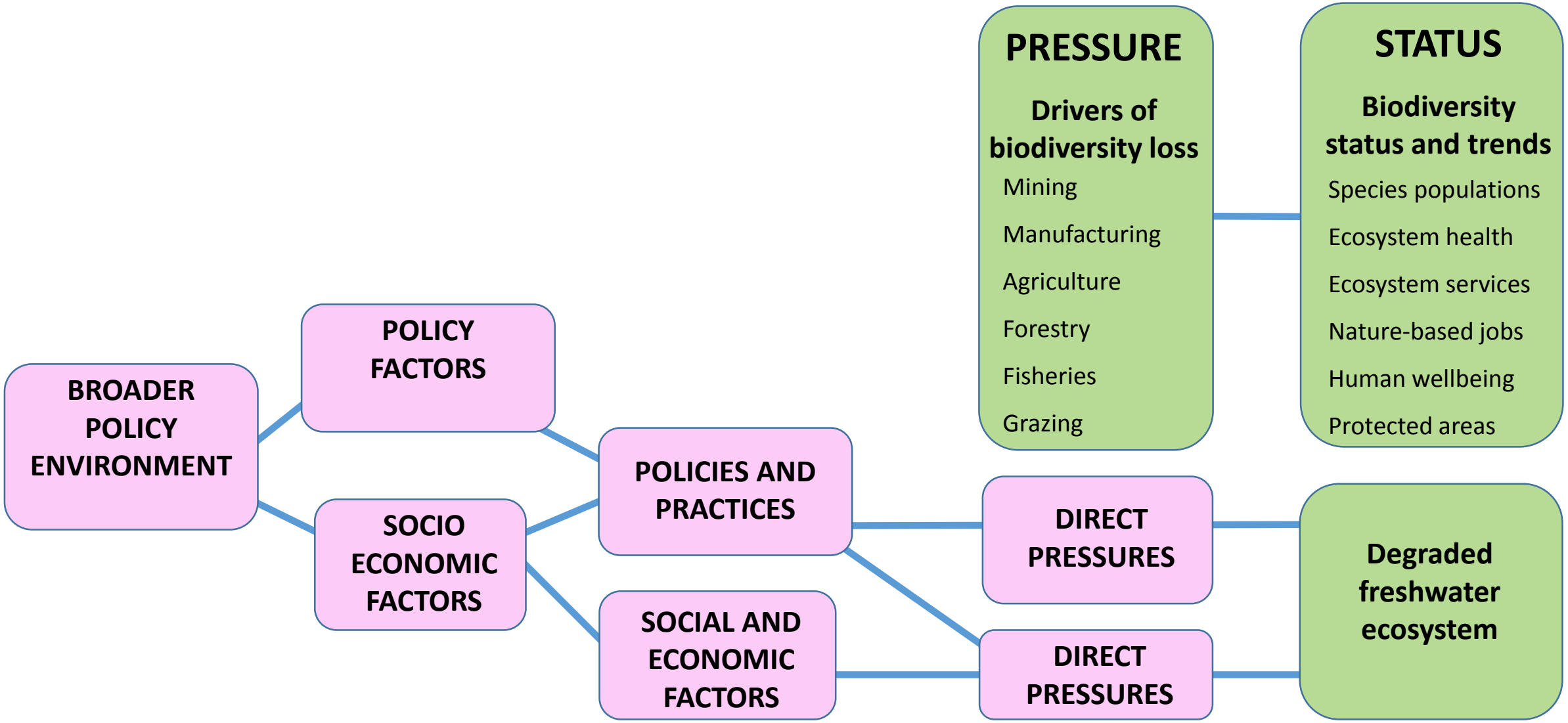
PRESSURE-STATE-RESPONSE FRAMEWORK



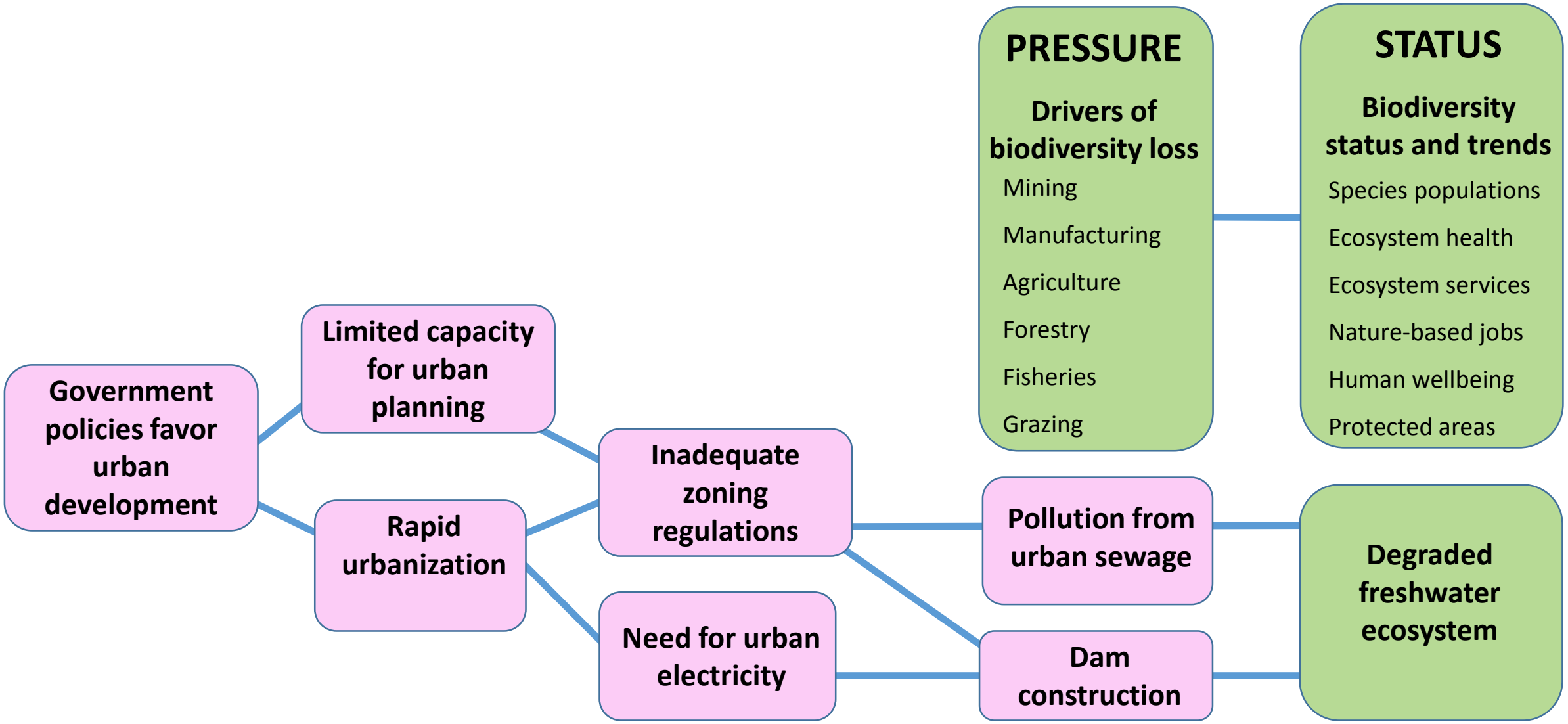
PRESSURE-STATE-RESPONSE WITH SCENARIO COMPARISON



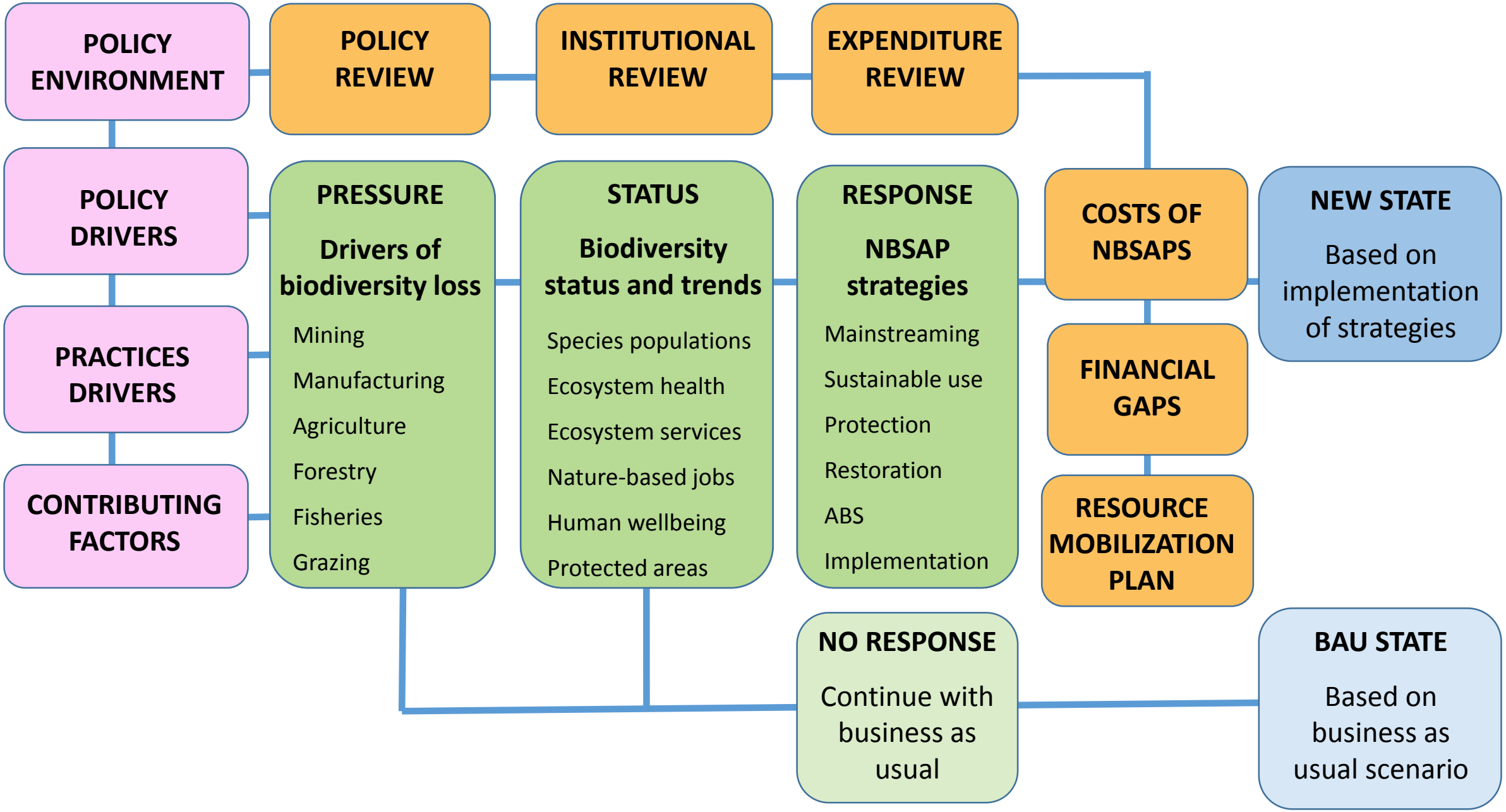
PRESSURE AND STATE WITH ROOT CAUSES ANALYSIS



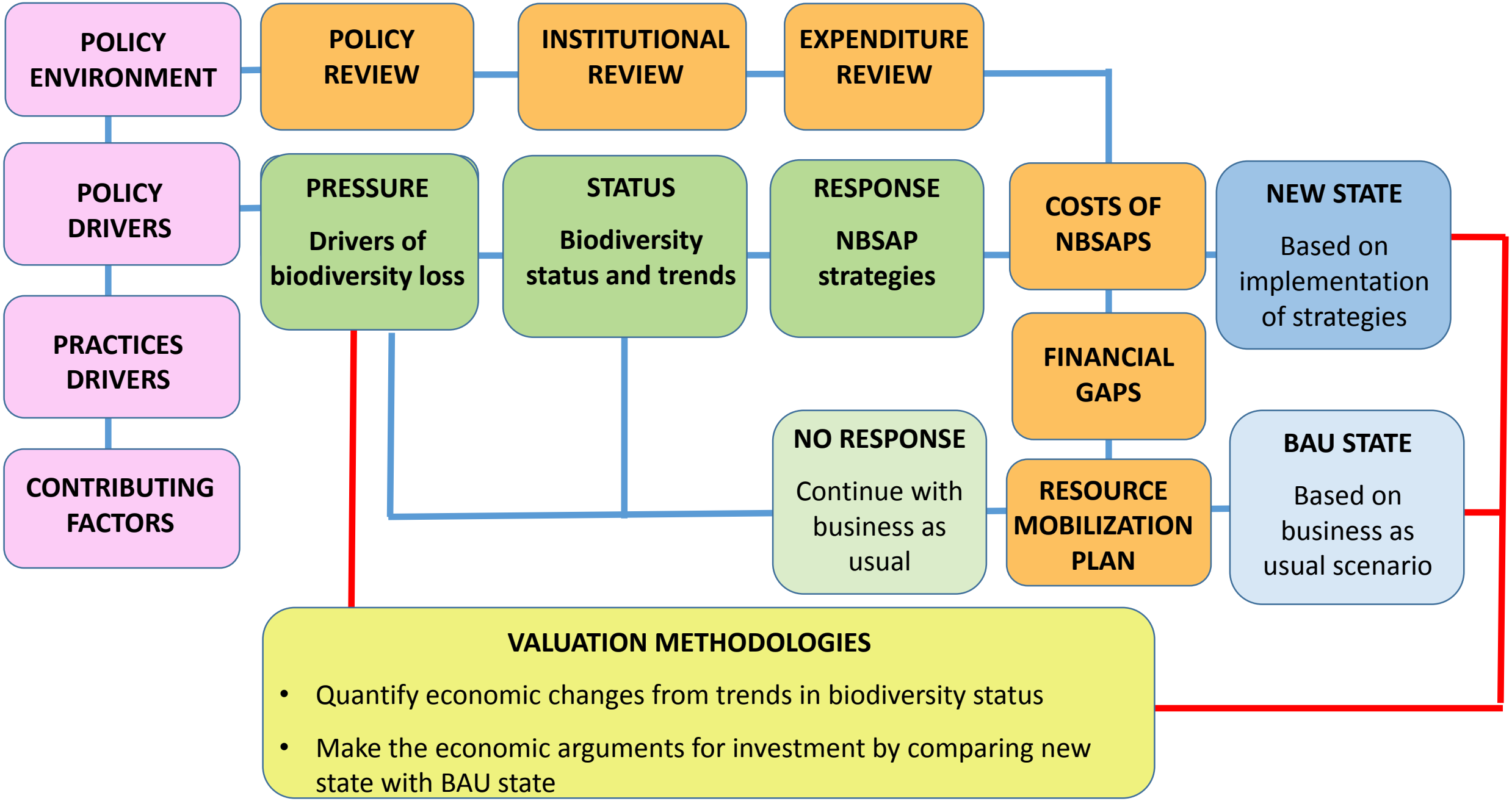
PRESSURE AND STATE WITH ROOT CAUSES ANALYSIS

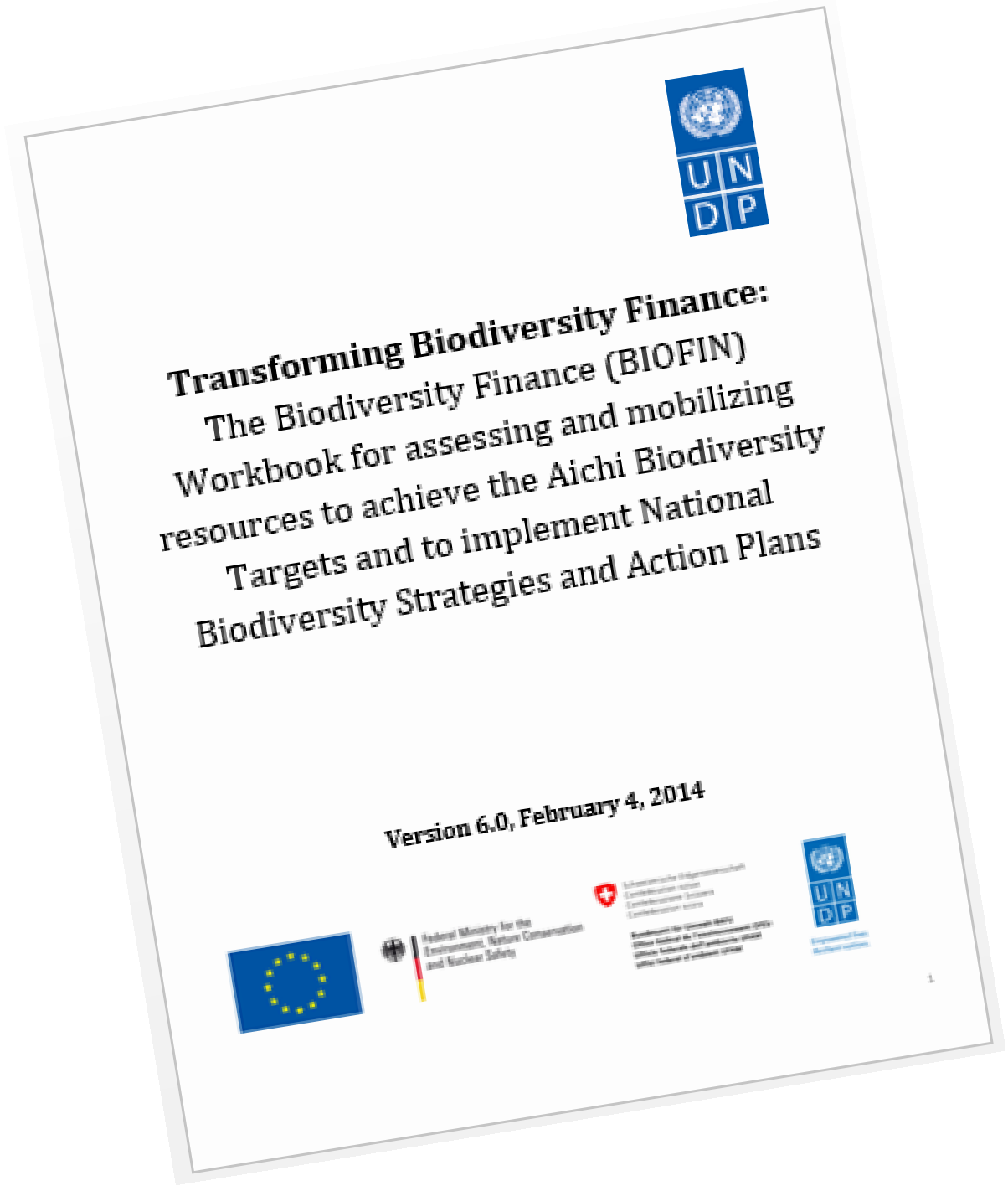


BIOFIN CONCEPTUAL MODEL



BIOFIN MODEL SHOWING RELATIONSHIP TO VALUATION





The BIOFIN Methodology also clearly links the NBSAP revision process with the resource mobilization process

Steps in developing NBSAPs

GET STARTED

↓

ENGAGE STAKEHOLDERS

↓

GATHER INFORMATION

↓

DEVELOP STRATEGIES

↓

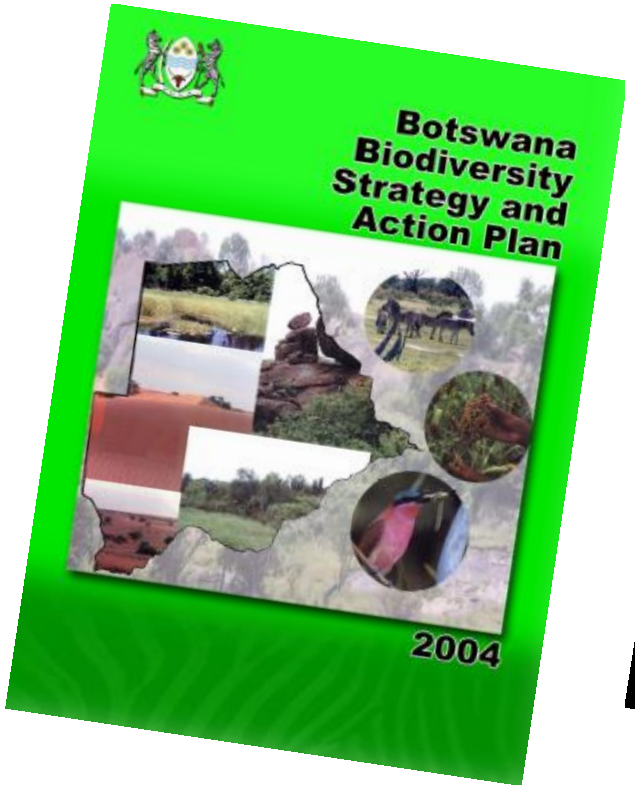
DEVELOP IMPLEMENTATION PLANS

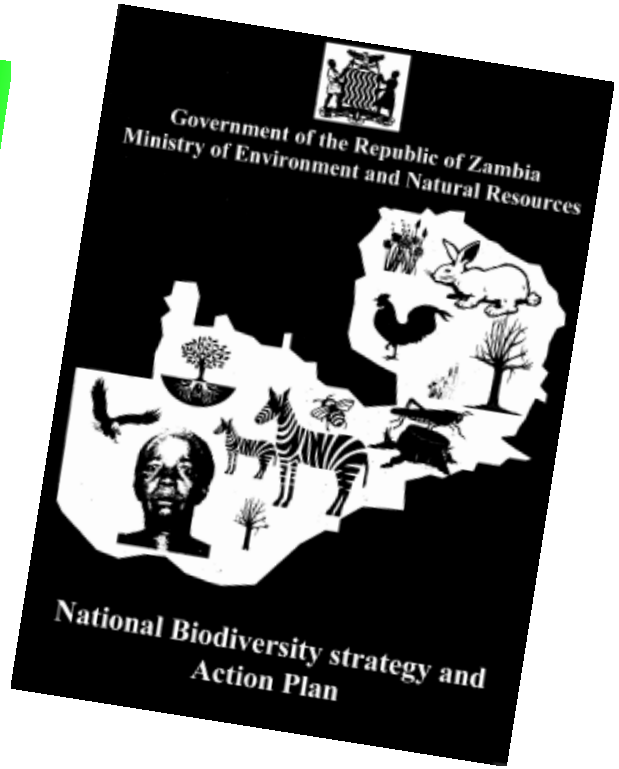
↓

IMPLEMENT THE NBSAP

↓

MONITORING, ADAPTING





Steps in mobilizing resources

REVIEW BROADER CONTEXT

- Identify sectoral drivers of loss
- Assess sectoral institutions and actors
- Review biodiversity expenditures

ASSESS COSTS AND GAP

- Assess costs of strategies and actions
- Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

- Identify finance actors and mechanisms
- Develop resource mobilization plan

Steps in developing NBSAPs

GET STARTED

ENGAGE STAKEHOLDERS

GATHER INFORMATION

DEVELOP STRATEGIES

DEVELOP IMPLEMENTATION PLANS

IMPLEMENT THE NBSAP

MONITORING, ADAPTING

Steps in mobilizing resources

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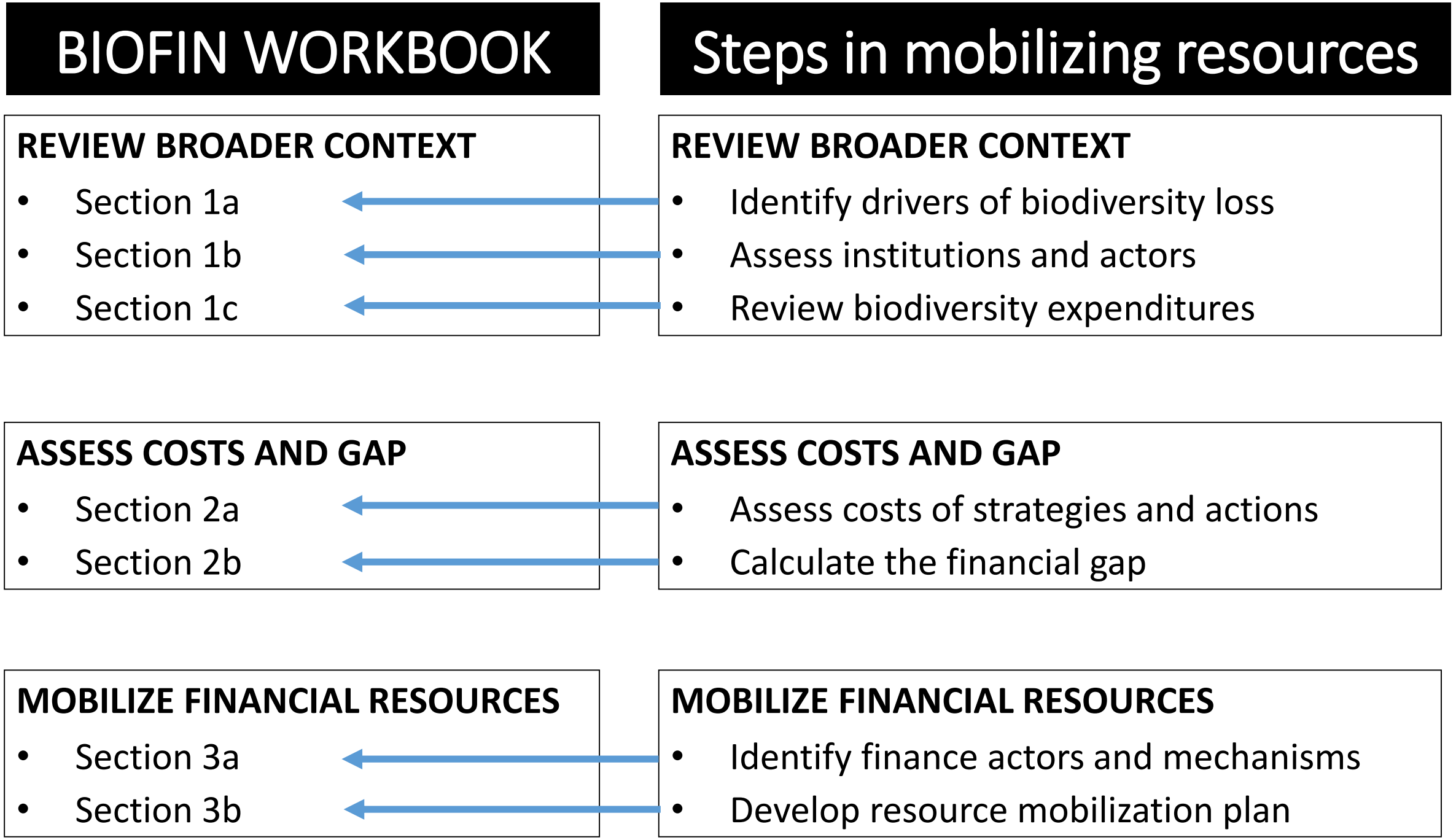

BIOFIN WORKBOOK
Steps in mobilizing resources
REVIEW BROADER CONTEXT
• Section 1a
• Section 1b
• Section 1c
REVIEW BROADER CONTEXT
• Identify drivers of biodiversity loss
• Assess institutions and actors
• Review biodiversity expenditures
ASSESS COSTS AND GAP
• Section 2a
• Section 2b
ASSESS COSTS AND GAP
• Assess costs of strategies and actions
• Calculate the financial gap
MOBILIZE FINANCIAL RESOURCES
• Section 3a
• Section 3b
MOBILIZE FINANCIAL RESOURCES
• Identify finance actors and mechanisms
• Develop resource mobilization plan

POLICY AND PRACTICE REVIEW: DRIVERS OF CHANGE

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify drivers of loss

1b) Assess sectoral institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2b) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

3b) Develop resource mobilization plan

1a) What are the key practices and policies that are driving the loss of biodiversity?

DRIVERS OF CHANGE: KEY QUESTIONS

1. What are the most important drivers of both negative and positive trends in biodiversity and ecosystems?

2. What are the most important **practices and policies** that are driving these trends?

3. What are the **underlying factors** that contribute to these practices and policies?

HOW TO ARTICULATE DRIVERS OF CHANGE

1. Use a clear, concise and complete sentence
2. Include a description of ‘what’, ‘how’ and ‘why’ change is occurring
    - Refer to specific changes in status and trends in biodiversity
    - Refer to specific practices and pressures
    - Refer to specific underlying causes, forces, policies
3. Ensure that the sentence is ‘actionable’ -- could be addressed by a strategy

HOW TO ARTICULATE DRIVERS OF CHANGE

GORILLA POACHING: Mountain gorilla populations are rapidly declining because of poaching with snares, which is driven by inadequate capacity and insufficient political will for enforcement, by high national and international market demand, and by insufficient community incentives for conservation.

HOW TO ARTICULATE DRIVERS OF CHANGE

WATER POLLUTION: Populations of fish are rapidly declining because of agricultural runoff of fertilizers and pesticides, driven by low-cost subsidized products, government policies that promote the over-use of chemical fertilizers and pesticides, and insufficient riparian buffer zones.

1a

EXAMPLES OF SPECIFIC POLICY AND PRACTICE DRIVERS OF BIODIVERSITY LOSS

Mainstreaming and sustainable use:

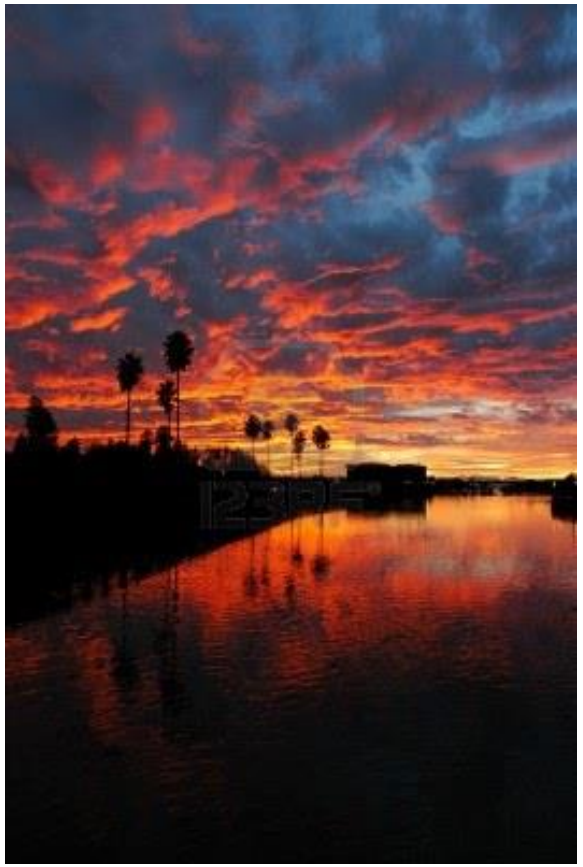
- Agricultural frontier is expanding into sensitive ecosystems because of weak land use planning (Argentina)
- Non-selective fisheries alters food chains and ecosystems because existing fishing policies are poorly enforced (Costa Rica)
- Large-scale mining is promoted in pristine, sensitive ecosystems because of powerful mining interests and weaker environmental interests (Ecuador)
- Mining affects water resources because full environmental impact assessments are not conducted or are incomplete (Peru)

1a

EXAMPLES OF SPECIFIC POLICY AND PRACTICE DRIVERS OF BIODIVERSITY LOSS

Protection:

- Protected areas are isolated, with few connectivity corridors because of social pressures for land (India);
- Invasive species are spreading throughout protected areas because staff do not have resources to prevent their spread (Mexico);
- The protected area network does not adequately represent the biodiversity in the country because of competing interests (US);
- Poaching and illegal trade threaten the viability of elephant populations because of market forces (many African countries)
- The protected area network is not yet designed for climate resilience because of inadequate capacity (Nepal).



REFLECTION POINT

Enabling factors

- **Political will, leadership**
- Lobbying by interest groups
- Public media, perception
- Good governance
- Inter-sectoral coordination
- Public participation
- Information about values
- Utilization of funding

CHALLENGE

- A government lacks political will to mainstream biodiversity; does not place biodiversity high on agenda

OPPORTUNITY

- A new government is elected
- A politician commits to ambitious goals at a high-level meeting

Enabling factors

- Political will, leadership
- **Lobbying by interest groups**
- Public media, perception
- Good governance
- Inter-sectoral coordination
- Public participation
- Information about values
- Utilization of funding

CHALLENGE

- Powerful interests (e.g., mining) do not acknowledge the value of biodiversity, and lobby against it

OPPORTUNITY

- Powerful interests (e.g., tourism) recognize and promote the value of biodiversity to their industry

Enabling factors

- Political will, leadership
- Lobbying by interest groups
- **Public media, perception**
- Good governance
- Inter-sectoral coordination
- Public participation
- Information about values
- Utilization of funding

CHALLENGE

- The public is unaware of biodiversity issues, and biodiversity is not covered by local media

OPPORTUNITY

- The public understands key biodiversity issues, and is supportive of biodiversity conservation

Enabling factors

- Political will, leadership
- Lobbying by interest groups
- Public media, perception
- **Good governance**
- Inter-sectoral coordination
- Public participation
- Information about values
- Utilization of funding

CHALLENGE

- Corruption within government agencies and law enforcement prevents effective decisions about biodiversity

OPPORTUNITY

- The government routinely upholds biodiversity-related laws and policies , and is transparent about the costs and tradeoffs of decisions

Enabling factors

- Political will, leadership
- Lobbying by interest groups
- Public media, perception
- Good governance
- **Inter-sectoral coordination**
- Public participation
- Information about values
- Utilization of funding

CHALLENGE

- There is competition between sectors (e.g., mining vs. forestry vs. biodiversity), and little or no coordination

OPPORTUNITY

- There is an effective multi-sectoral working group in place, and sectors coordinate information well

Enabling factors

- Political will, leadership
- Lobbying by interest groups
- Public media, perception
- Good governance
- Inter-sectoral coordination
- **Public participation**
- Information about values
- Utilization of funding

CHALLENGE

- There are no effective means of engaging the public in key biodiversity decisions

OPPORTUNITY

- Public decision-making procedures and mechanisms are developed and fully used

Enabling factors

- Political will, leadership
- Lobbying by interest groups
- Public media, perception
- Good governance
- Inter-sectoral coordination
- Public participation
- **Information about values**
- Utilization of funding

CHALLENGE

- The government and public are unaware of the true value of biodiversity to their societal goals and agenda

OPPORTUNITY

- There is clear and compelling information about the value of biodiversity, and the government is aware of these values

Enabling factors

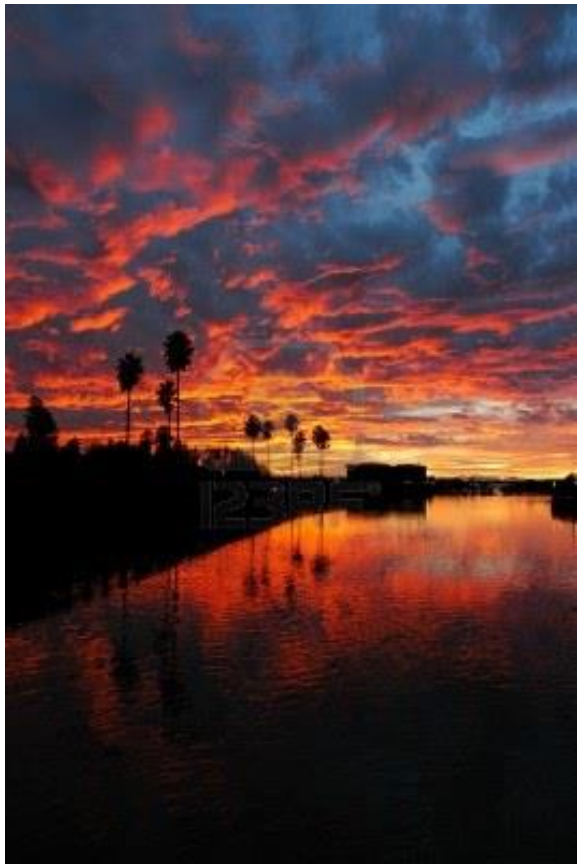
- Political will, leadership
- Lobbying by interest groups
- Public media, perception
- Good governance
- Inter-sectoral coordination
- Public participation
- Information about values
- **Utilization of funding**

CHALLENGE

- The government does not strategically and fully take advantage of potential funding

OPPORTUNITY

- Utilization of funding is fully aligned with national priorities for biodiversity and mainstreaming



REFLECTION POINT

INSTITUTIONAL REVIEW

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify sectoral drivers of loss

1b) Assess institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2f) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

3b) Develop resource mobilization plan

1b) What are the key institutions, agencies and organizations, and what is their relation to the status quo and to the new state?

Ministry of Agriculture

Agricultural associations

Chemical companies

INSTITUTIONAL REVIEW: KEY QUESTIONS

1. Which actors are **responsible** for the existing status quo, and which will likely be responsible under the new projected state?
2. Which actors and institutions currently **benefit from**, and **pay the costs of**, biodiversity in the status quo, and which will likely benefit from, and pay the costs of, the new projected state?
3. What role do key finance actors have in **setting budget priorities**, **determining costs**, **accessing and disbursing resources** and **spending and reporting on funds**?
4. What are the existing finance **capacities and capacity needs** of key finance actors under the status quo and under the new projected state?

IDENTIFYING KEY ACTORS AND INSTITUTIONS

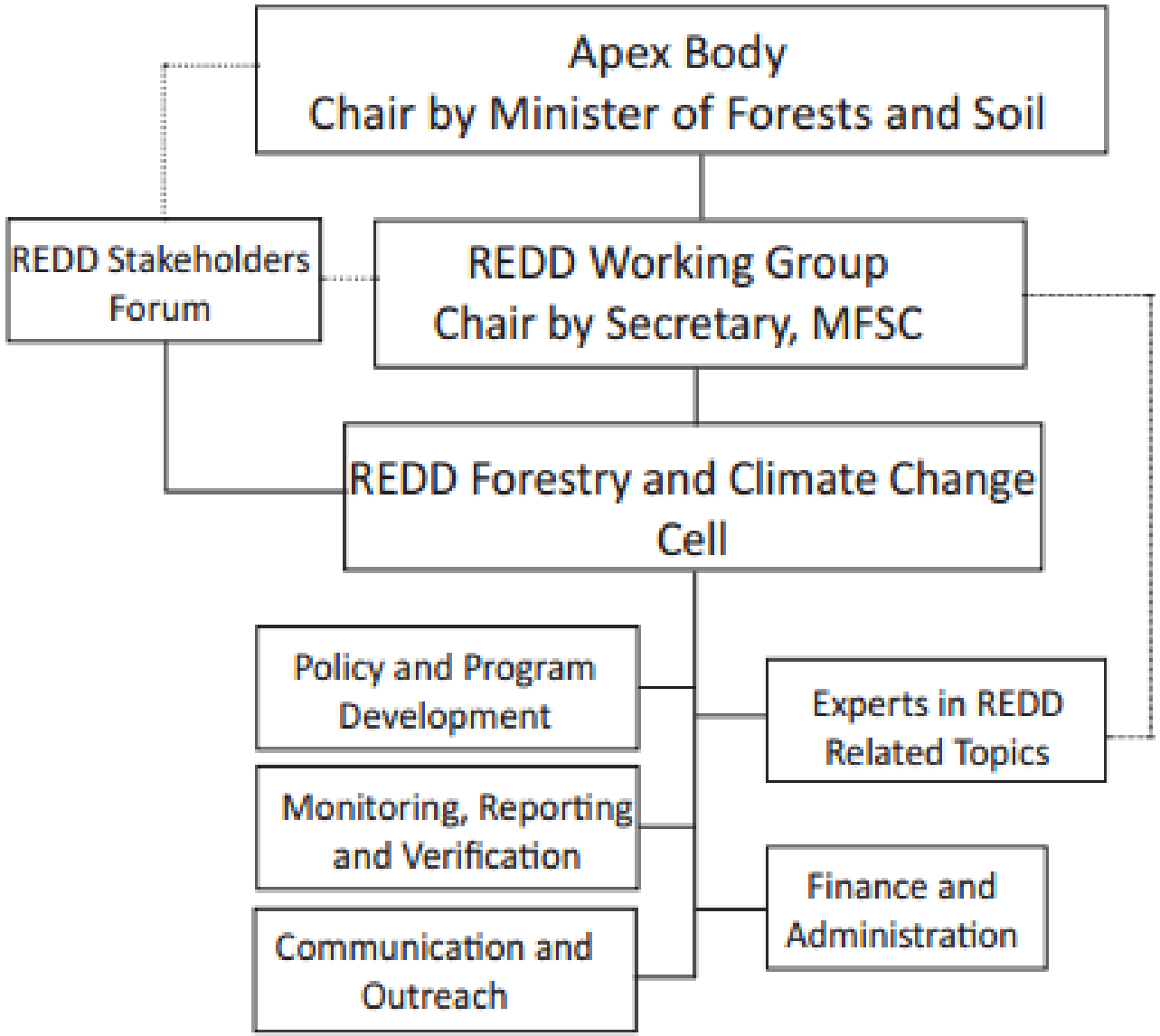
1. Those who are or might be responsible for, or dependent upon, drivers of change	**2. Those who already do, or might in the future, benefit from biodiversity under the status quo or from the projected new scenario**
3. Those who already do, or who might in the future, pay for biodiversity under the status quo or in the projected new scenario	**4. Those who have a key role in finance, either under the status quo, or under the projected new scenario**

IDENTIFYING KEY ACTORS – FROM DRIVERS

Gorilla poaching: key actors include poachers, communities, protected area officials, police, national and international NGOs, each stage along the supply chain, trade officials, treasury, Ministry of Wildlife

Water pollution: key actors include chemical companies, Ministry of Agriculture, Ministry of Finance, lobbyists, Department of Health and Sanitation, farmers and landowners, Department of Forests, Department of Fisheries

MAP INSTITUTIONAL ARRANGEMENTS



WHY IT'S IMPORTANT TO IDENTIFY WHO BENEFITS AND PAYS

	BENEFICIARY PAYS	POLLUTER PAYS
ECOSYSTEM SERVICES	**Direct Ecosystem Fees** Beneficiary pays for ecosystem services that flow to them e.g. payments for watershed services	**Ecosystem Services Markets** Polluter pays for damages to ecosystems by buying an offset e.g. water quality trading, forest carbon
BIODIVERSITY	**Direct Biodiversity Fees** Beneficiary pays for access to biodiversity e.g. ecotourism fees, hunting licenses	**Biodiversity Markets** Polluter pays for damages to biodiversity by buying an offset e.g. fisheries quota trading; biodiversity offset

Source: GCP 2012

CHECKLIST OF INSTITUTIONS AND ACTORS

Public actors:

- Central government & ministries
- District/local government
- Governmental institutions
- Public research institutions & academia

Market actors:

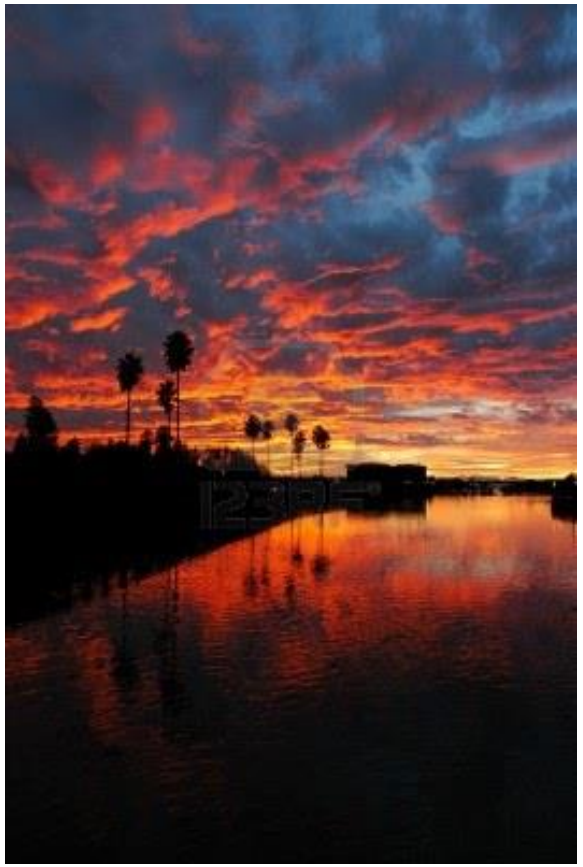
- Businesses and industry
- Trade associations
- Lobby associations
- Trade unions
- Zoos, gene banks

Private sector actors:

- Households
- Private foundations
- Private communities
- Non-governmental organizations

Donor actors:

- Multilateral institutions (e.g. WorldBank, UNDP)
- Bilateral donors
- Private foundations



REFLECTION POINT

EXPENDITURE REVIEW: ESTABLISHING A BASELINE

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify sectoral drivers of loss

1b) Assess institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2f) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

3b) Develop resource mobilization plan

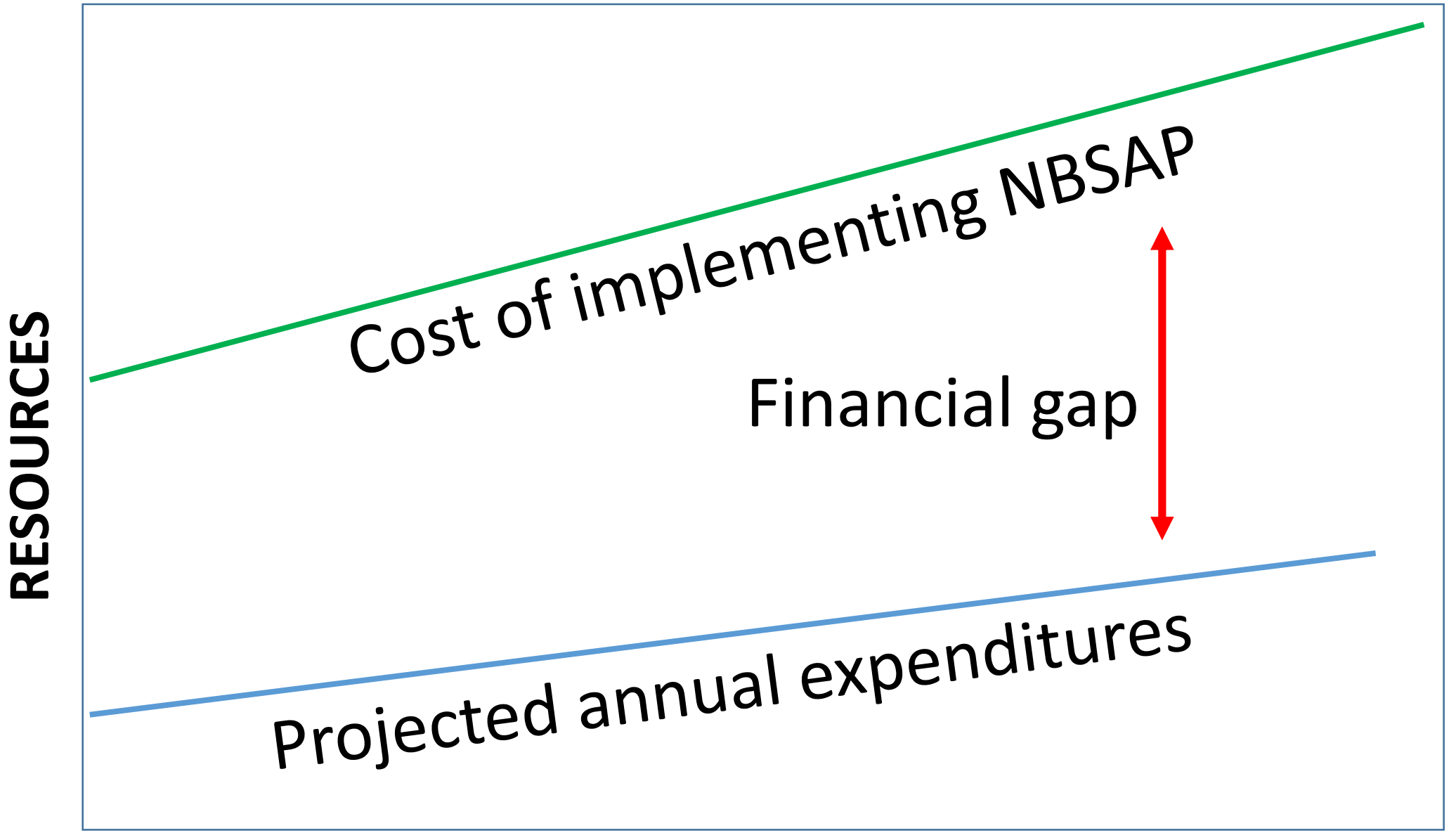
1c) What is the scope, amount and effectiveness of biodiversity expenditures for each key finance actor?

Ministry of Agriculture

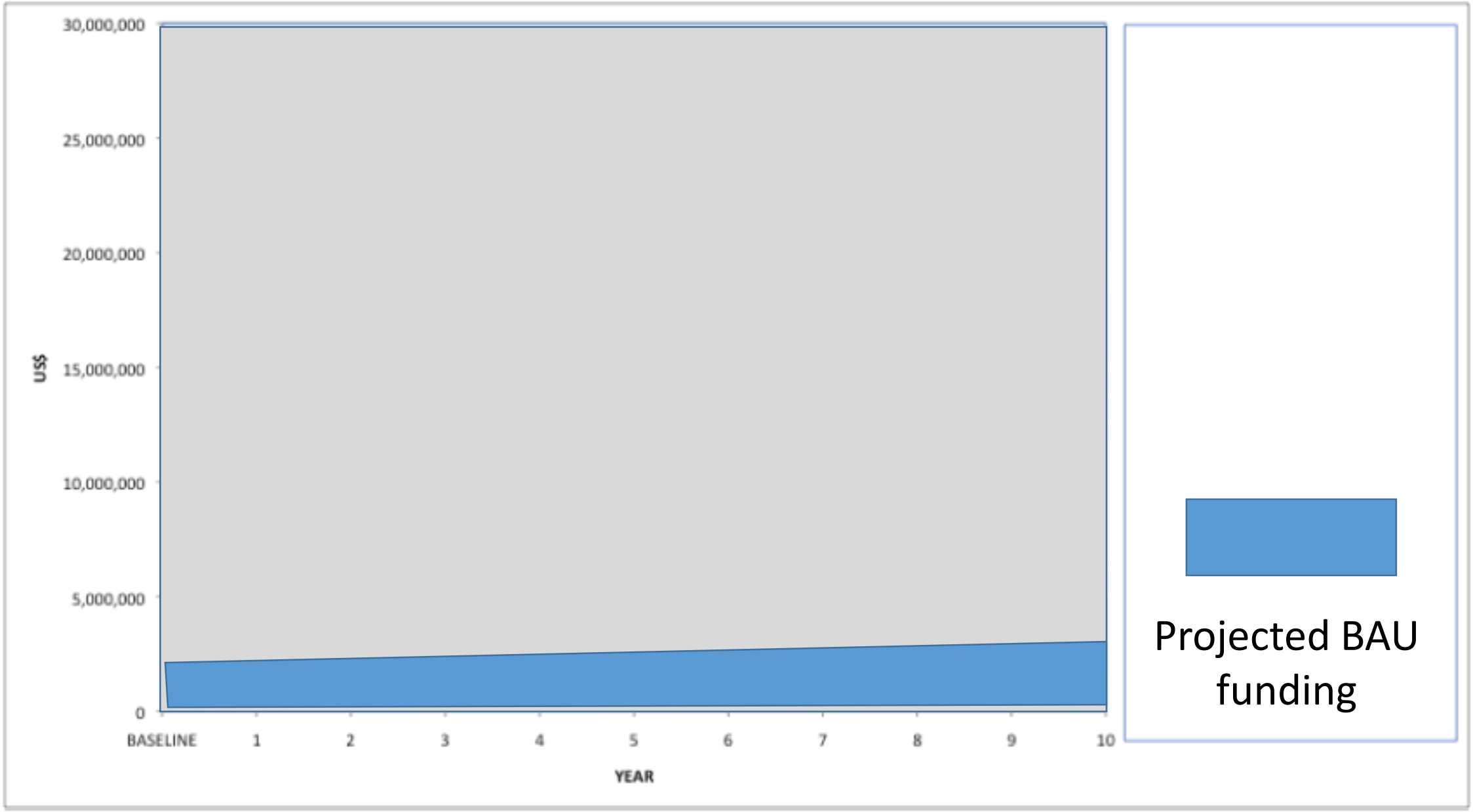
Agricultural associations

Chemical companies

DETERMINE THE FINANCIAL GAP



Baseline expenditures for PAs in Belize



Biodiversity expenditure review

A compilation of all public and private expenditures on biodiversity-related activities

Steps in an expenditure review

Step 1: Identify relevant finance actors

Tourism

Forestry

Agriculture

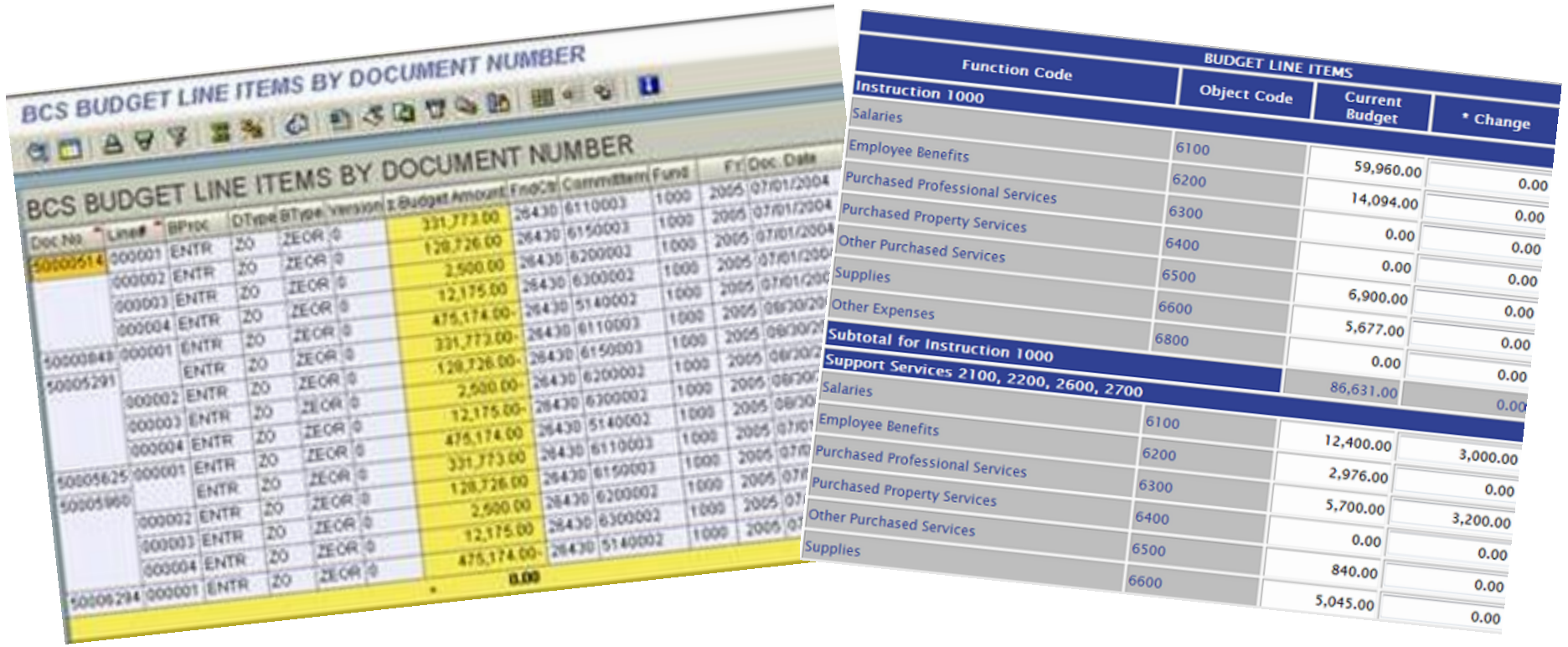
Fisheries

Protected areas

Water

Steps in an expenditure review

Step 2: Extract budgetary data from relevant finance actors, including ministries, agencies, entities



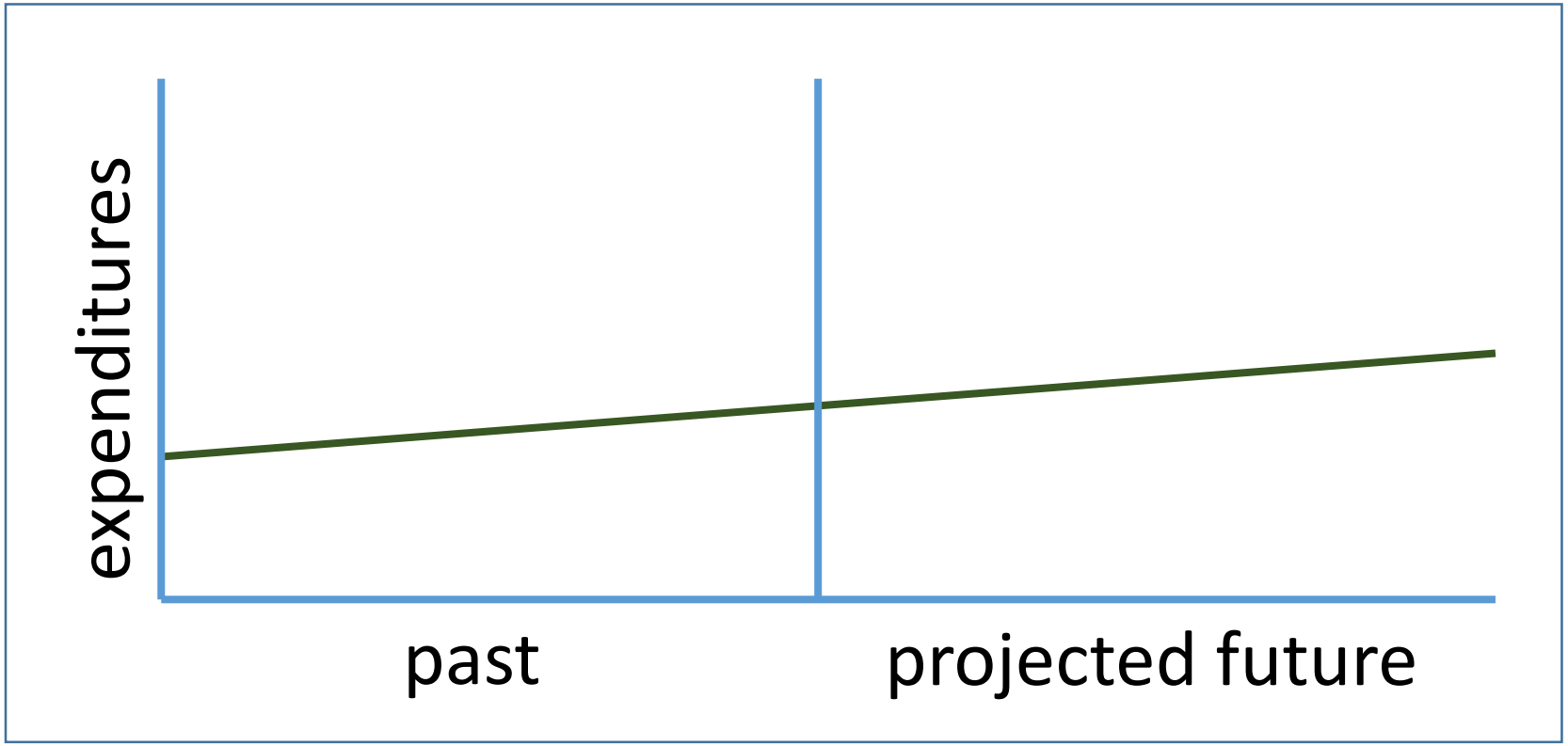
Steps in an expenditure review

Step 3: Develop a single coherent system for coding and processing all data

TOTALS		Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99
	Utilities												
$ 989.60	SCE	$ 78.74	$ 56.70	$ 59.22	$ 50.35	$ 49.46	$ 38.49	$ 63.55	$ 160.72	$ 159.41	$ 133.48	$ 90.71	$ 48.77
$ 658.18	Gas Co.	$ 129.04	$ 118.36	$ 95.68	$ 103.88	$ 29.13	$ 16.43	$ 10.39	$ 10.02	$ 11.97	$ 11.91	$ 16.86	$ 104.51
$ 1,003.99	Phone	$ 127.67	$ 108.93	$ 80.52	$ 82.64	$ 58.00	$ 81.49	$ 75.63	$ 82.46	$ 71.26	$ 92.58	$ 75.51	$ 67.30
$ 796.08	Sewer/Trash/Water	$ 62.24	$ 62.24	$ 56.84	$ 65.48	$ 60.08	$ 62.24	$ 60.08	$ 61.00	$ 79.36	$ 86.92	$ 80.60	$ 59.00
$ 366.86	Cable	$ 28.98	$ 28.98	$ 28.98	$ 28.98	$ 28.98	$ 31.66	$ 31.65	$ 31.73	$ 31.73	$ 31.73	$ 31.73	$ 31.73
$ 3,814.71	**TOTAL**	**$ 426.67**	**$ 375.21**	**$ 321.24**	**$ 331.33**	**$ 225.65**	**$ 230.31**	**$ 241.30**	**$ 345.93**	**$ 353.73**	**$ 356.62**	**$ 295.41**	**$ 311.31**
	Auto												
$ 109.00	AAA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 109.00	$ -	$ -
$ 1,032.00	Car Insurance	$ -	$ -	$ -	$ -	$ 516.00	$ -	$ -	$ -	$ -	$ -	$ 516.00	$ -
$ 79.00	DMV - Truck	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 79.00	$ -
$ 215.00	DMV - Honda	$ -	$ -	$ 215.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 919.51	Unocal	$ 61.73	$ 60.70	$ 73.37	$ 73.08	$ 116.21	$ 89.37	$ 116.13	$ 79.42	$ 52.06	$ 65.25	$ 66.58	$ 65.61
$ 100.08	Mobil	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11.15	$ 29.71	$ 7.70	$ 42.07	$ 9.45
$ 19.33	Shell	$ -	$ -	$ 19.33	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 150.00	Honda Maintenance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 150.00	$ -	$ -	$ -	$ -
$ 22.99	Truck Maintenance	$ -	$ -	$ -	$ -	$ 22.99	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 2,646.91	**TOTAL**	**$ 61.73**	**$ 60.70**	**$ 307.70**	**$ 73.08**	**$ 655.20**	**$ 89.37**	**$ 116.13**	**$ 240.57**	**$ 81.77**	**$ 181.95**	**$ 703.65**	**$ 75.06**
	Credit Cards												
$ 459.87	First USA (VISA)	$ 12.74	$ -	$ 176.05	$ -	$ -	$ -	$ 52.76	$ 38.20	$ 93.50	$ 41.89	$ 44.73	$ -
$ 136.59	MBNA (M/C)	$ 9.95	$ 9.95	$ 12.41	$ 9.95	$ 9.95	$ 11.63	$ 20.00	?	$ 9.88	$ 9.95	$ 22.97	$ 9.95
$ 5,342.74	Citibank (VISA)	$ 400.01	$ 366.26	$ 329.36	$ 406.15	$ 313.46	$ 315.45	$ 422.52	$ 431.63	$ 583.25	$ 513.04	$ 502.01	$ 759.60
$ 5,939.20	**TOTAL**	**$ 422.70**	**$ 376.21**	**$ 517.82**	**$ 416.10**	**$ 323.41**	**$ 327.08**	**$ 495.28**	**$ 469.83**	**$ 686.63**	**$ 564.88**	**$ 569.71**	**$ 769.55**
	Groceries												
$ 2,175.95	Staters/Albertsons	$ 158.80	$ 157.43	$ 202.24	$ 194.70	$ 173.51	$ 188.18	$ 229.03	$ 359.89	$ 75.78	$ 252.93	$ 49.97	$ 133.49
$ 1,559.81	Costco	$ 146.08	$ 147.63	$ -	$ 130.66	$ 161.71	$ 244.88	$ -	$ -	$ 199.85	$ 184.51	$ -	$ 344.49
$ 3,735.76	**TOTAL**	**$ 304.88**	**$ 305.06**	**$ 202.24**	**$ 325.36**	**$ 335.22**	**$ 433.06**	**$ 229.03**	**$ 359.89**	**$ 275.63**	**$ 437.44**	**$ 49.97**	**$ 477.98**
	Retail												
$ 1,605.10	Target	$ -	$ 170.47	$ 152.10	$ 79.95	$ 62.39	$ 72.40	$ 69.62	$ 80.66	$ 235.46	$ 301.56	$ 89.77	$ 290.72
$ 438.45	K-Mart	$ -	$ -	$ -	$ 215.28	$ -	$ 85.95	$ -	$ 137.22	$ -	$ -	$ -	$ -
$ 181.97	Wal-Mart	$ -	$ -	$ -	$ -	$ -	$ -	$ 110.31	$ -	$ 71.66	$ -	$ -	$ -
$ 2,225.52	**TOTAL**	**$ -**	**$ 170.47**	**$ 152.10**	**$ 295.23**	**$ 62.39**	**$ 158.35**	**$ 179.93**	**$ 217.88**	**$ 307.12**	**$ 301.56**	**$ 89.77**	**$ 290.72**
	House												
$ 394.00	Home Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 394.00
$ 814.69	Maintenance	$ 25.00	$ -	$ -	$ -	$ 169.30	$ 604.17	$ -	$ -	$ -	$ 16.22		$ -

Steps in an expenditure review

Step 4: Analyze all relevant expenditures from the past, and project into the future



Expenditure review: 3 key issues

Relevancy: Some expenditures are more relevant to biodiversity than others

Example: Protected area management has high relevancy to biodiversity; water quality control efforts might have only low relevancy

Expenditure review: 3 key issues

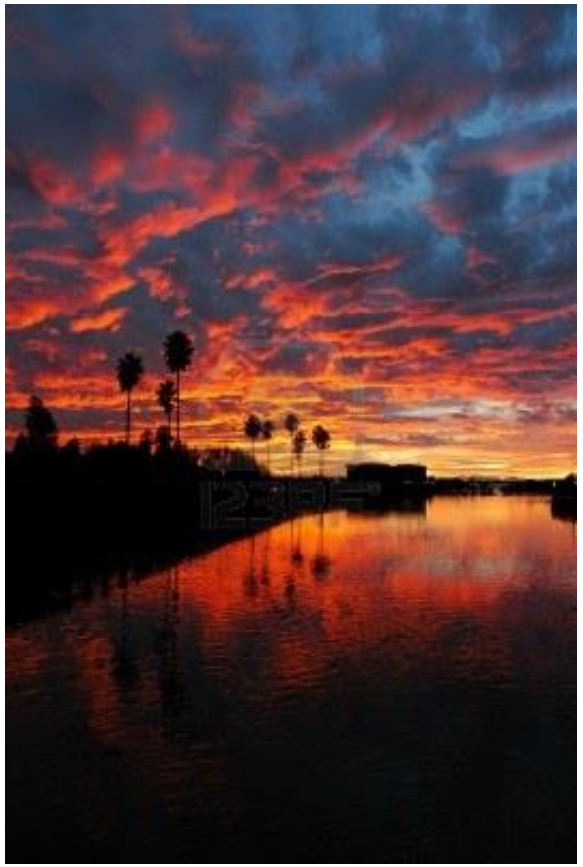
Effectiveness: Some expenditures are more effective in conserving biodiversity than others

Example: Tree planting efforts that fail

Expenditure review: 3 key issues

Environmentally harmful expenditures: Some expenditures *harm* biodiversity

Example: Subsidies that promote excessive fertilizer use



REFLECTION POINT

IDENTIFYING THE COST OF STRATEGIES IN THE NBSAP

AND DETERMINING THE GAP

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify sectoral drivers of loss

1b) Assess sectoral institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2b) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

3b) Develop resource mobilization plan

What is the cost of specific strategies and actions

Biodiversity mainstreaming

Protection

Restoration

Access and benefits sharing (ABS)

Enhancing implementation

FROM STRATEGIES AND ACTIONS TO COSTS

Strategies

Sub-strategies

Actions
Actions
Actions
Actions

Sub-strategies

Actions
Actions
Actions
Actions

Sub-strategies

Actions
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Sub-strategies

Actions
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Cost elements	Cost elements
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Protection strategy: Create connectivity corridor in order to maintain viable populations of wide-ranging species

Create connectivity corridor	Cost elements	High	Med	Low
Land acquisition	Staff, materials, travel, land acquisition	250K	175K	125K
Inventory and site analysis	**Staff, materials, travel**	**125K**	**100K**	**75K**
Alternative livelihood program for communities within corridor	Staff, materials, travel	450K	350K	250K

Protection strategy: Create connectivity corridor in order to maintain viable populations of wide-ranging species

ACTION: **Conduct inventory and site analysis**

Conduct inventory	Cost elements	High	Med	Low
Conduct site-level inventory	Staff time – 100 days	25,000	15,000	10,000
	Travel – 2500 miles			
	25 camera traps	5000	4000	3000
Conduct GIS inventory	Staff time – 10 days	2500	1500	1000
	Updated GIS layers	4500	3200	1800
Gather all existing data	Staff time – 50 days	12,500	7,500	5,000
Legal analysis of boundaries	Legal time – 3 days	1500	1200	900

Mainstreaming strategy: Reduce impacts of intensive agriculture by developing a training program to help farmers transition to low-impact agricultural practices

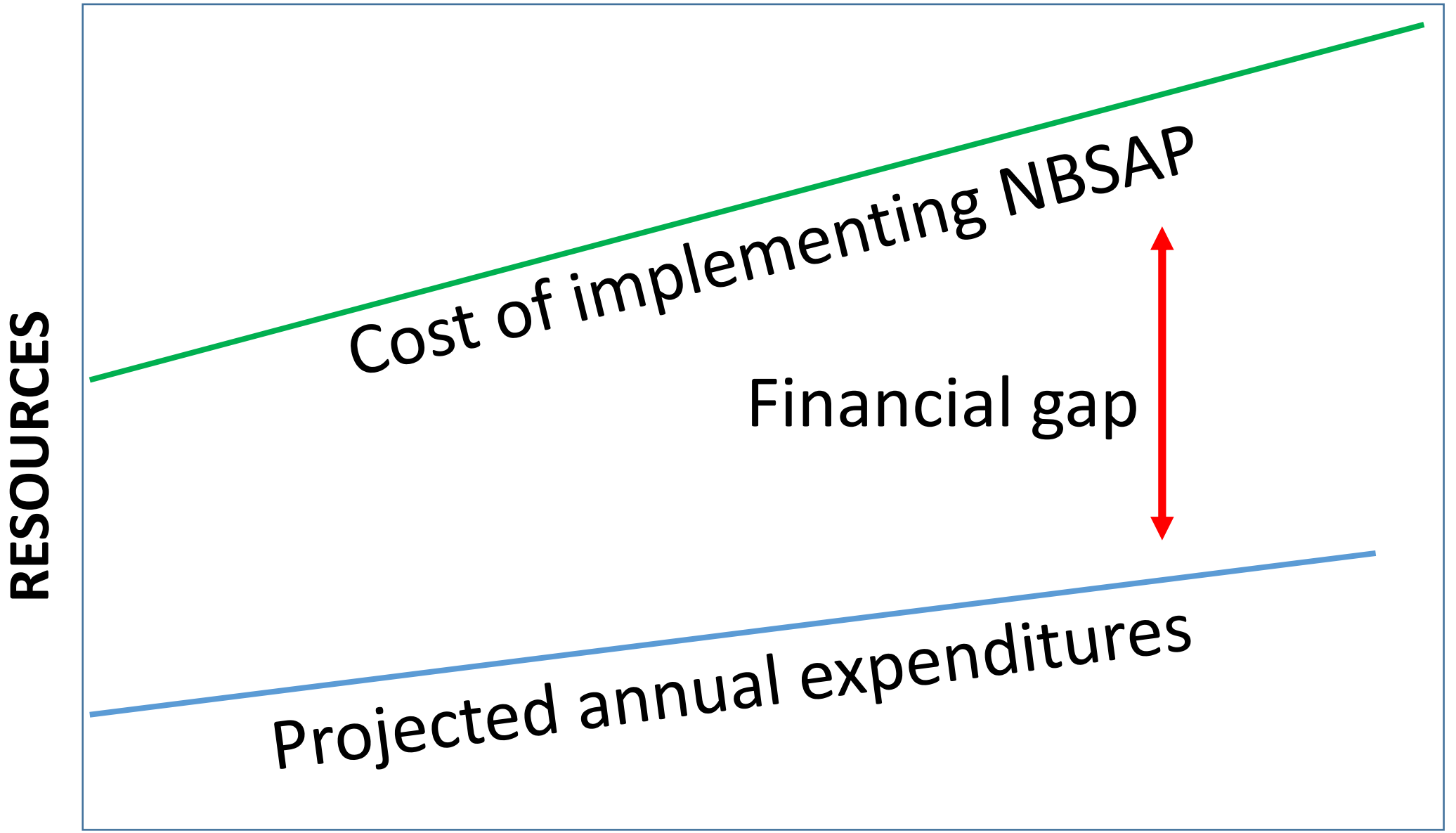
Develop agricultural training program	Cost elements	High est.	Med est.	Low est.
Develop best practices and guidelines	Staff, materials, travel	250K	175K	125K
Develop training curriculum on low-impact agriculture	Staff, materials, travel	125K	100K	75K
Conduct training of trainers	**Staff, materials, travel**	**450K**	**350K**	**250K**

Mainstreaming strategy: Reduce impacts of intensive agriculture by developing a training program

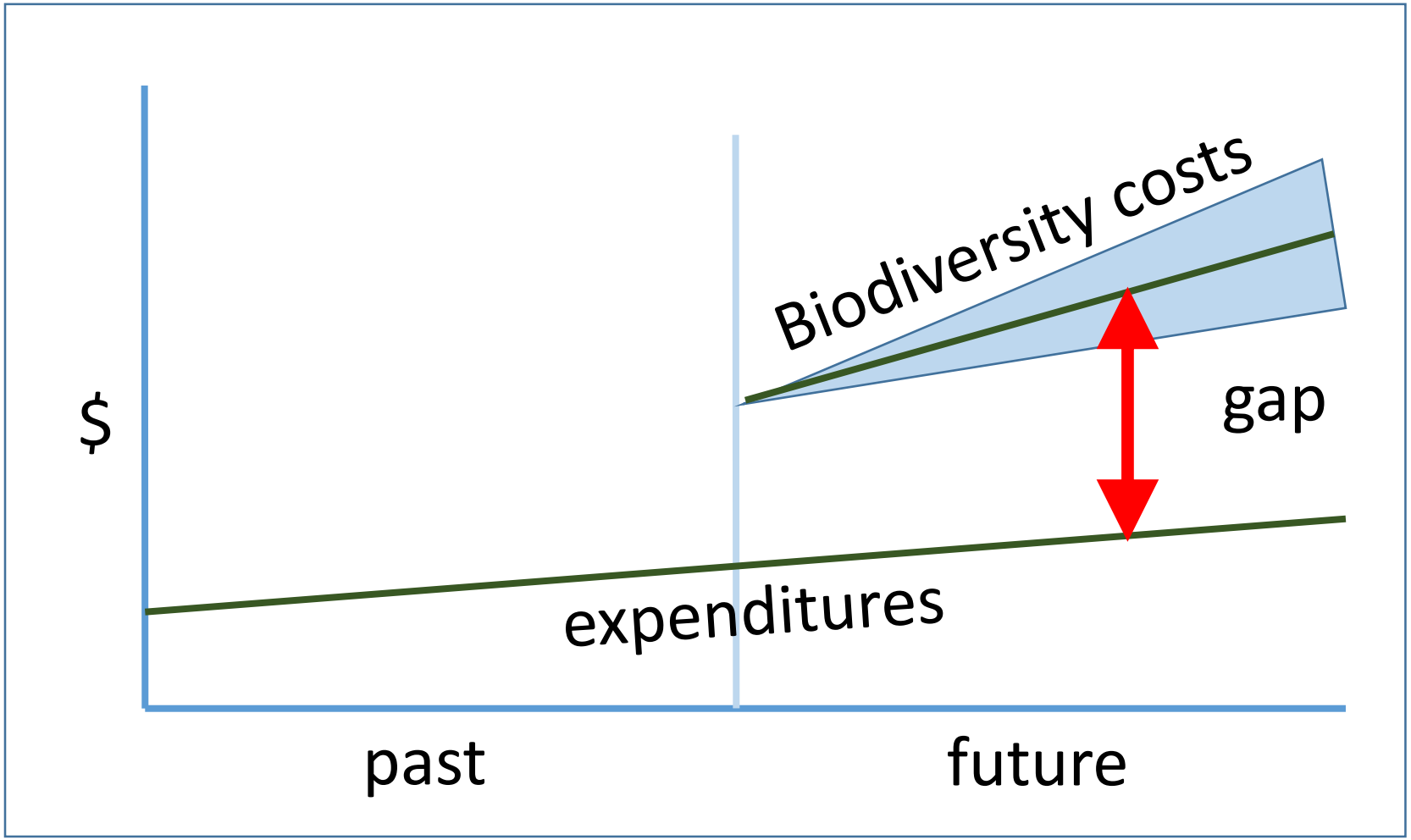
ACTION: Conduct training of trainers

Conduct training of trainers	Cost elements	High	Med	Low
Participants and trainers	Travel and DSA	60,000	50,000	40,000
Workshop venue	Hotel	5000	4000	3000
Printed material	Photocopying, binding	5000	4000	3000
Translations	Translators, 4 days	2000	1000	800
	Translation of materials	10000	8000	3000
Field trip	Driver, gas, guide	7200	3600	2200
Follow up webinar	Web hosting costs	2500	1200	0

DETERMINE THE FINANCIAL GAP



Factoring in uncertainty and estimates



Costing: 6 key issues

One-time vs. recurring: Some costs occur only once, while others are recurring

Example: Tree planting that occurs once vs. a multi-year afforestation process

Costing: 6 key issues

Timing: Not all costs will occur at once – some may be phased in over time

Example: Gradual phasing out and eventual elimination of harmful subsidies over time

Costing: 6 key issues

Sequencing and prioritizing: Not all strategies and related costs are equal…planners should prioritize and sequence the most urgent actions

Example: Urgent restoration for critical ecosystems prioritized over the creation of a new PA in an intact area

Costing: 6 key issues

Return on investment: An activity-based cost accounting model (input-output) can be used to calculate return on investment

Example: It may be cheaper to invest in protected areas for drinking water than a new water treatment facility

Costing: 6 key issues

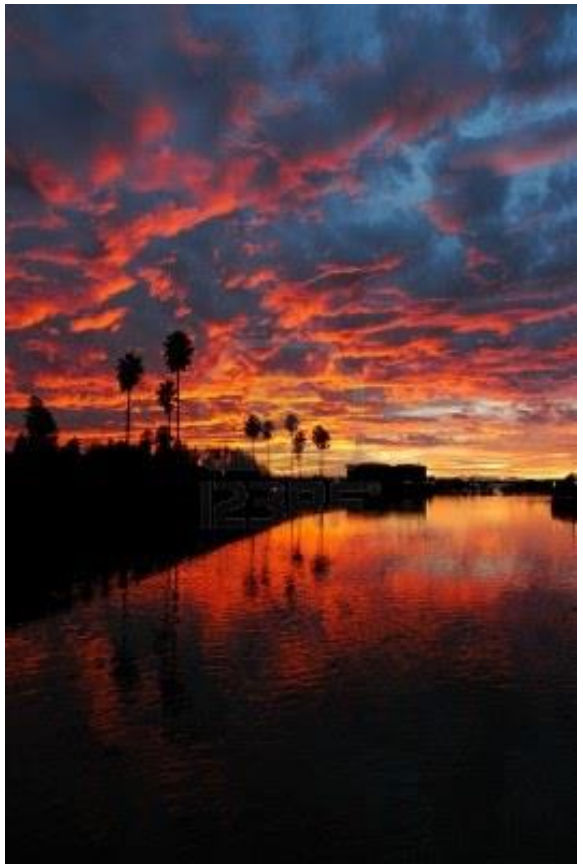
Cost of inaction: Planners may consider multiple investment scenarios, but should also consider the costs of inaction

Example: By not investing in protection and restoration, future options may be much more expensive, or closed altogether

Costing: 6 key issues

Time horizon for analysis: Planners must carefully consider their time horizon when weighing tradeoffs

Example: Fisheries will recover with adequate protection, but this must be analyzed over several years



REFLECTION POINT

INNOVATIVE FINANCE: AN OVERVIEW

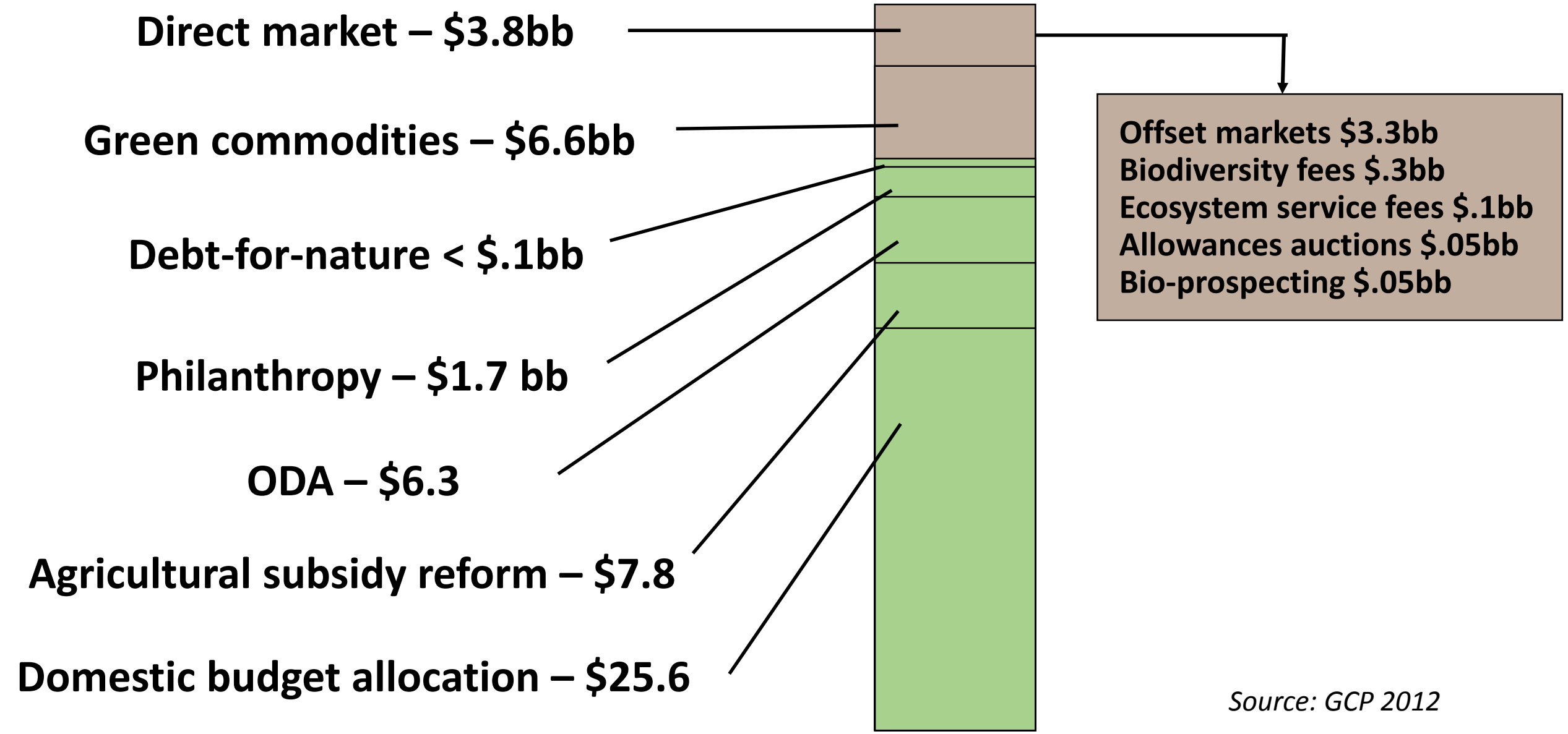
BIODIVERSITY FINANCE GAP

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 –

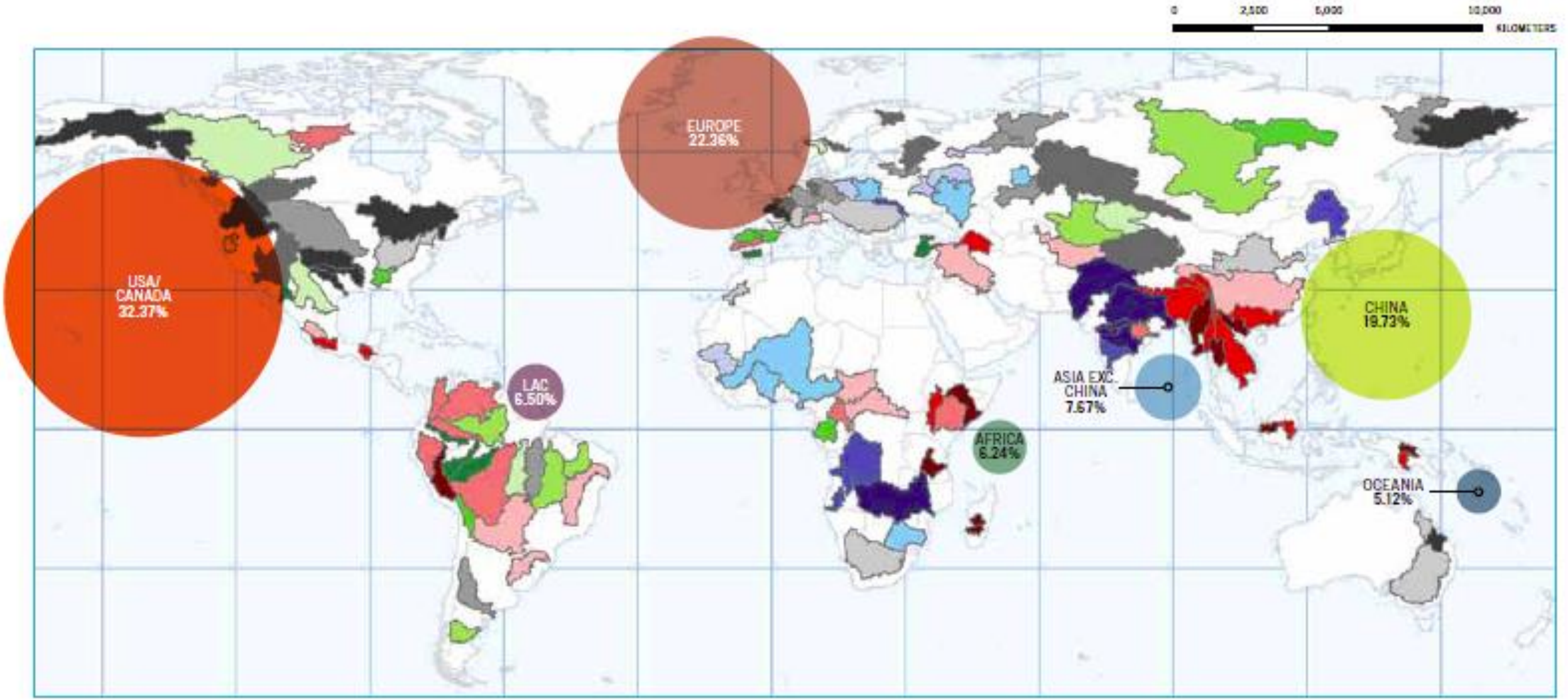
less than 5%.

CONSERVATION FINANCE FLOW – $51.8 billion



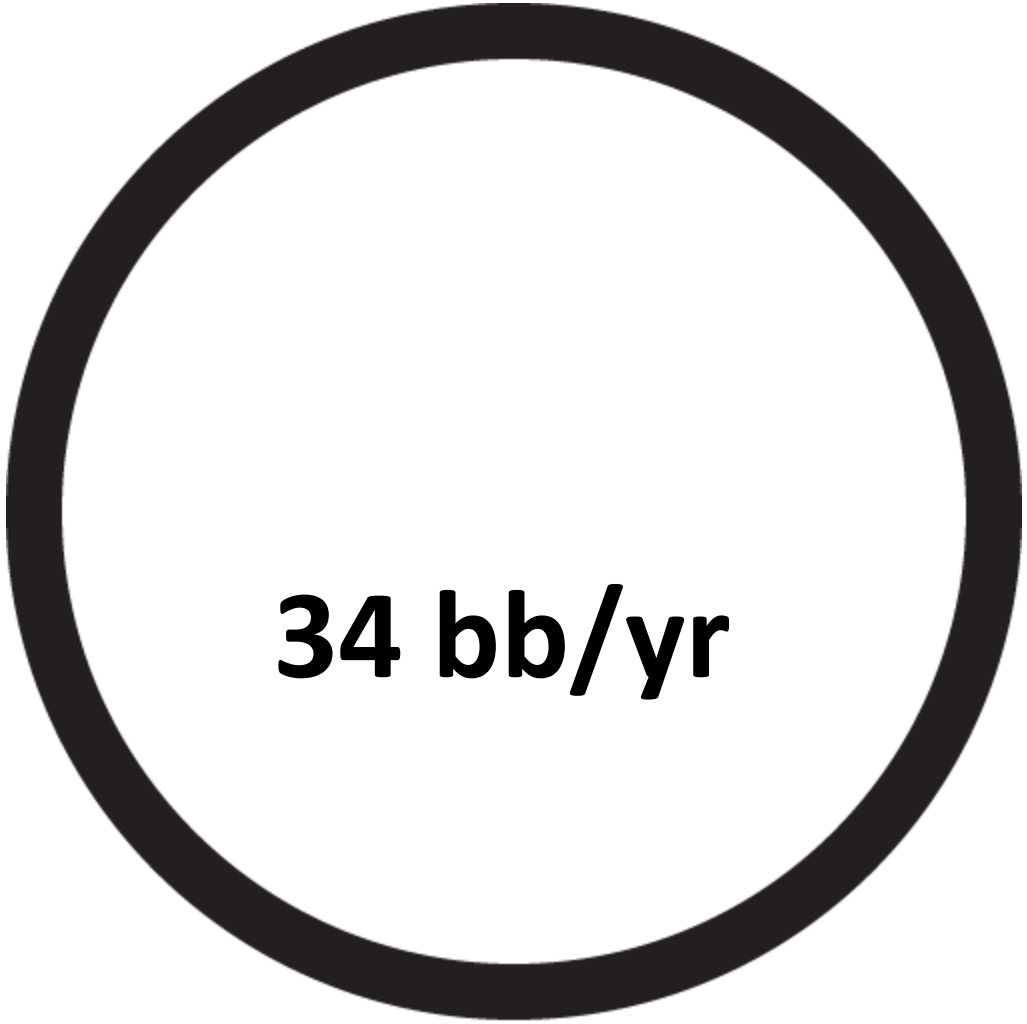
Source: GCP 2012

GLOBAL BIODIVERSITY VS. GLOBAL BIODIVERSITY FINANCE



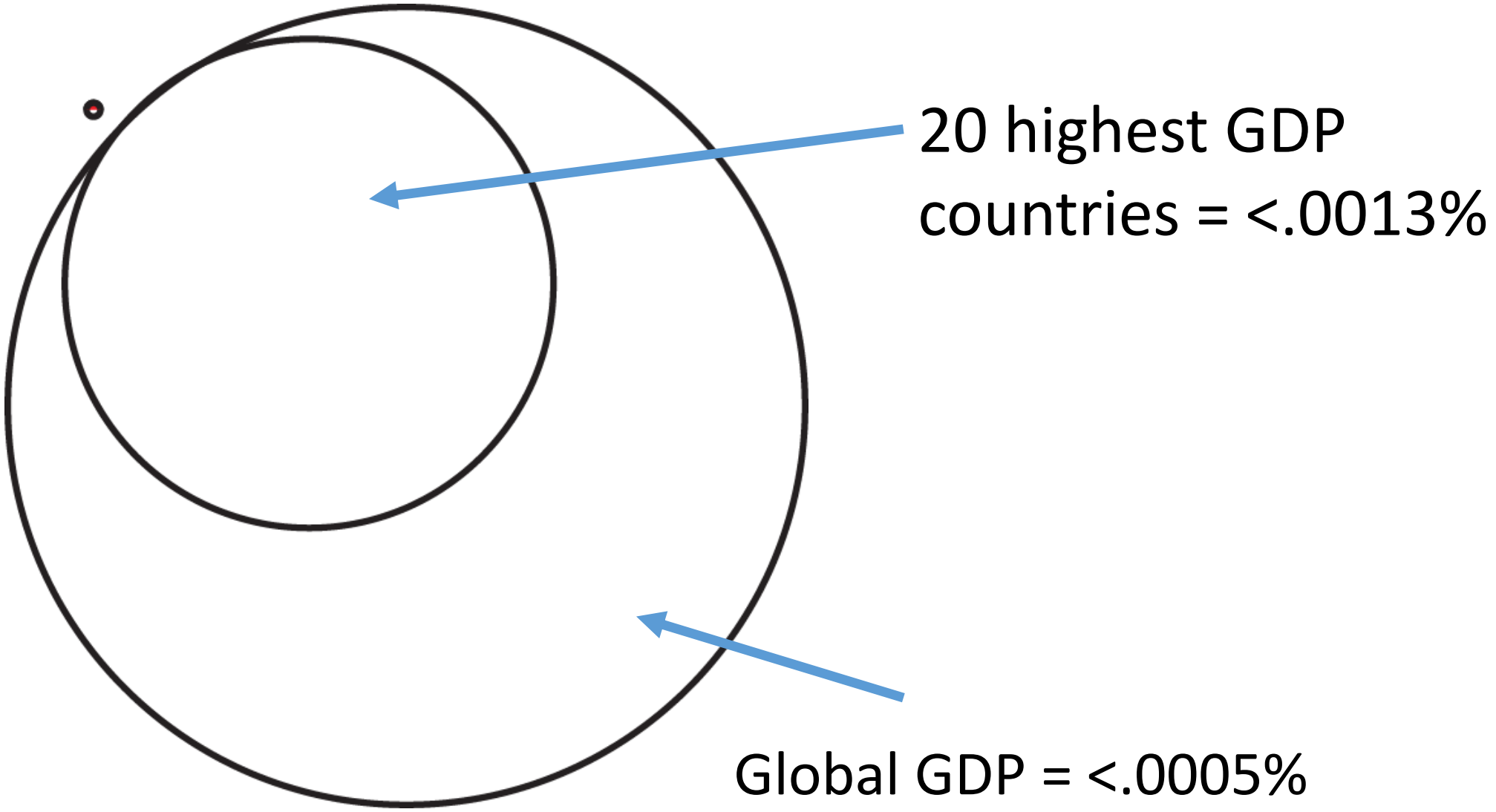
Source: GCP 2012

Protected Area Global Cost Estimates

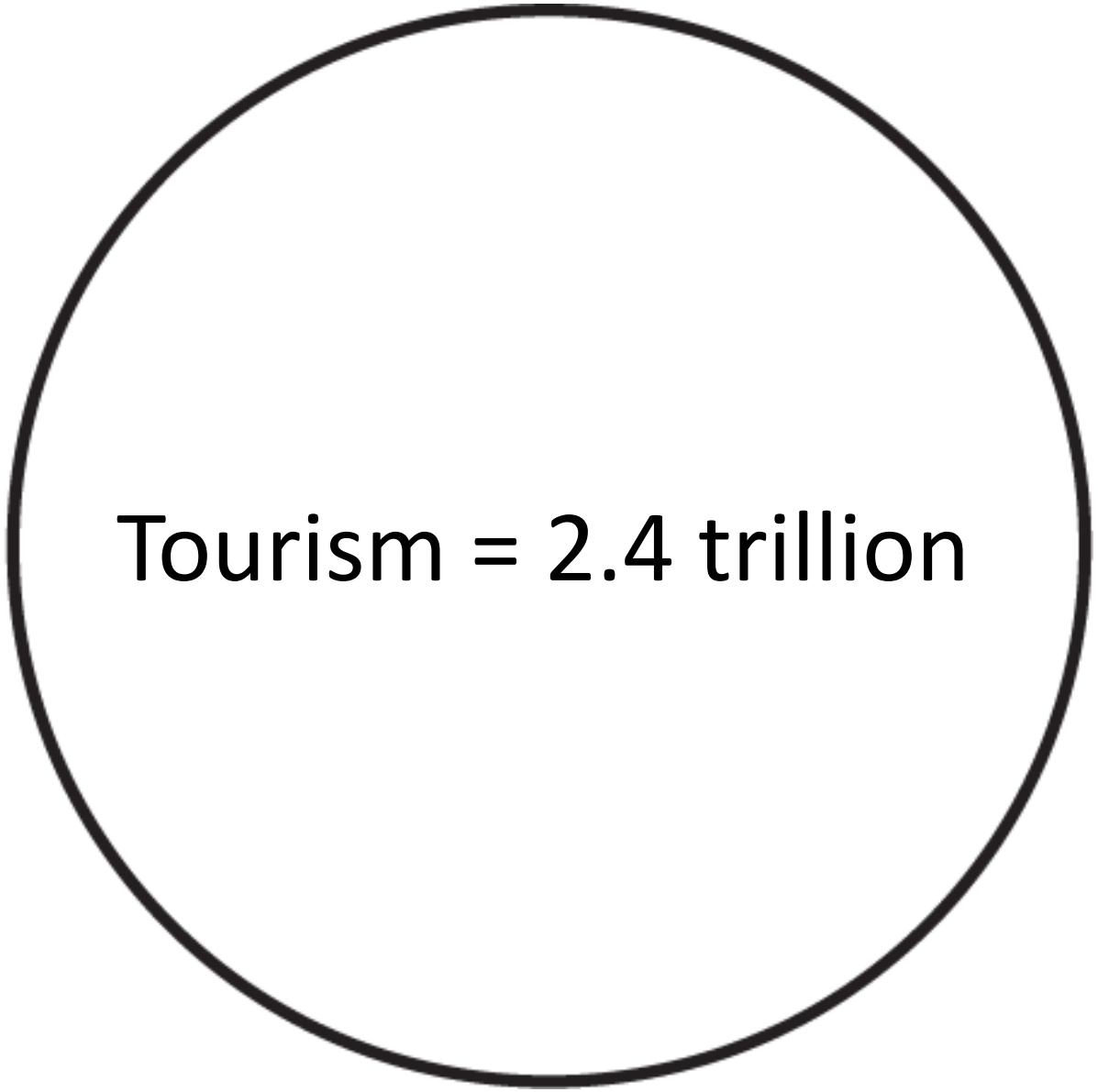


Roughly half the costs are funded

Protected area costs as a percentage of GDP

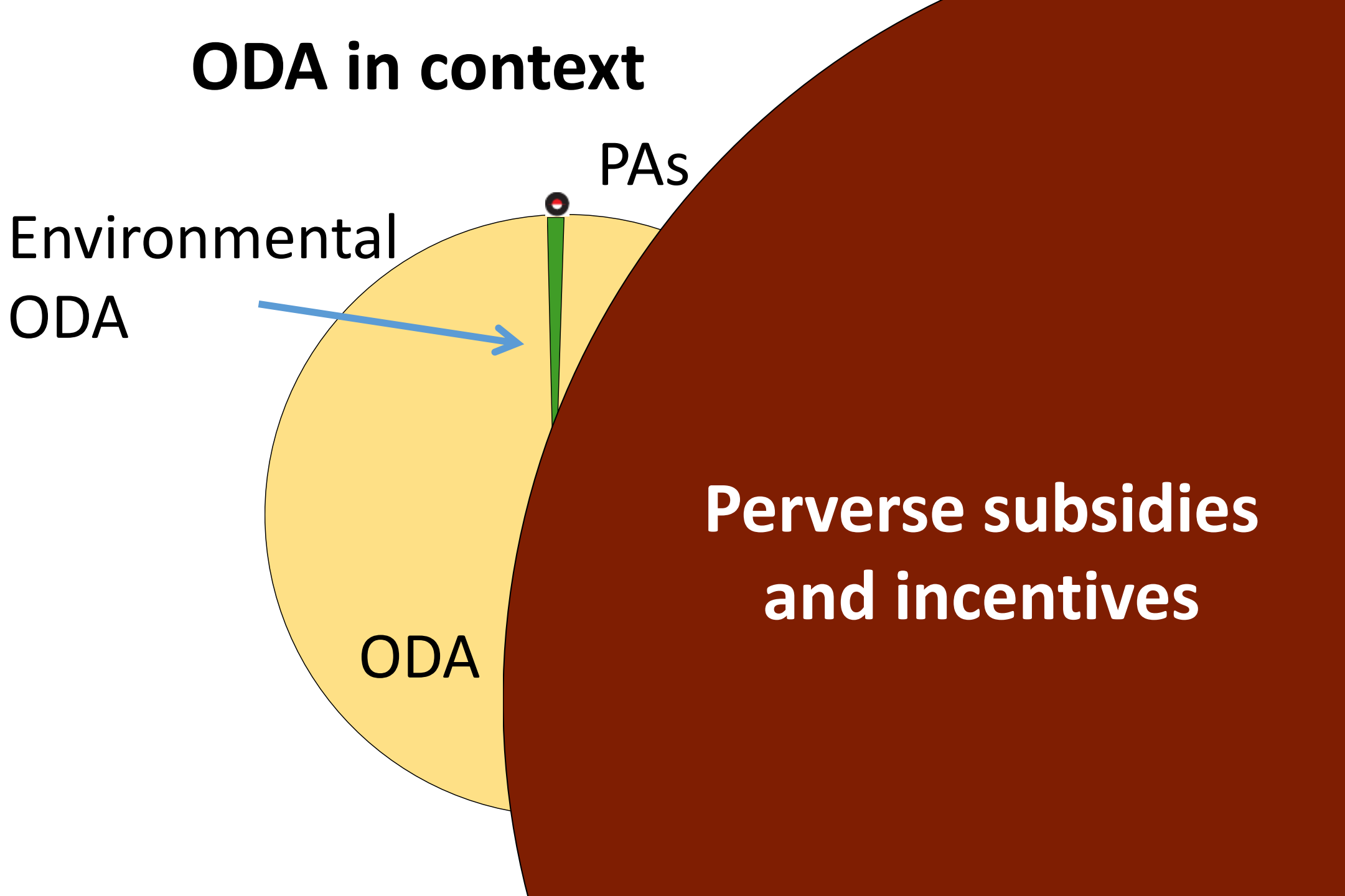


Many untapped sources of revenue

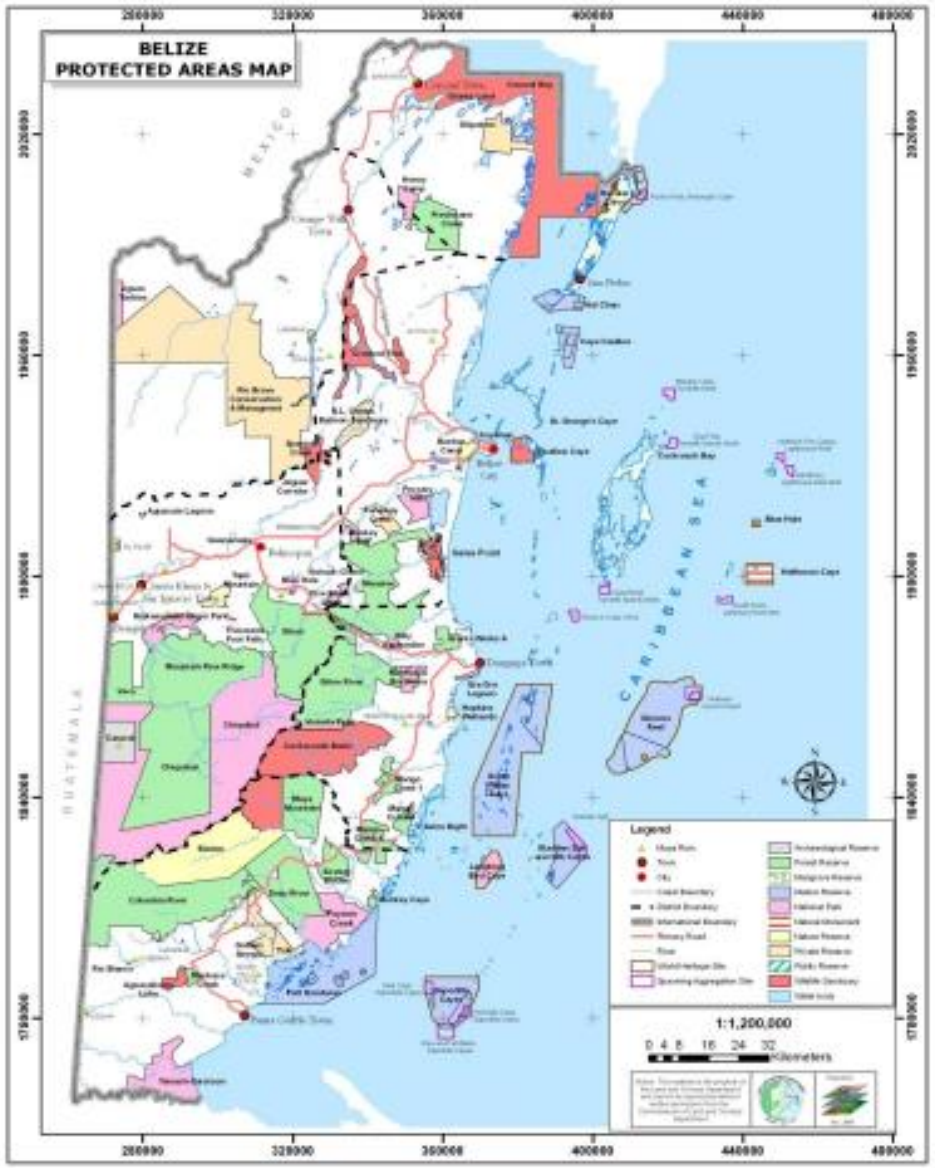


A surcharge of .007% would fully fund all protected areas globally

ODA in context

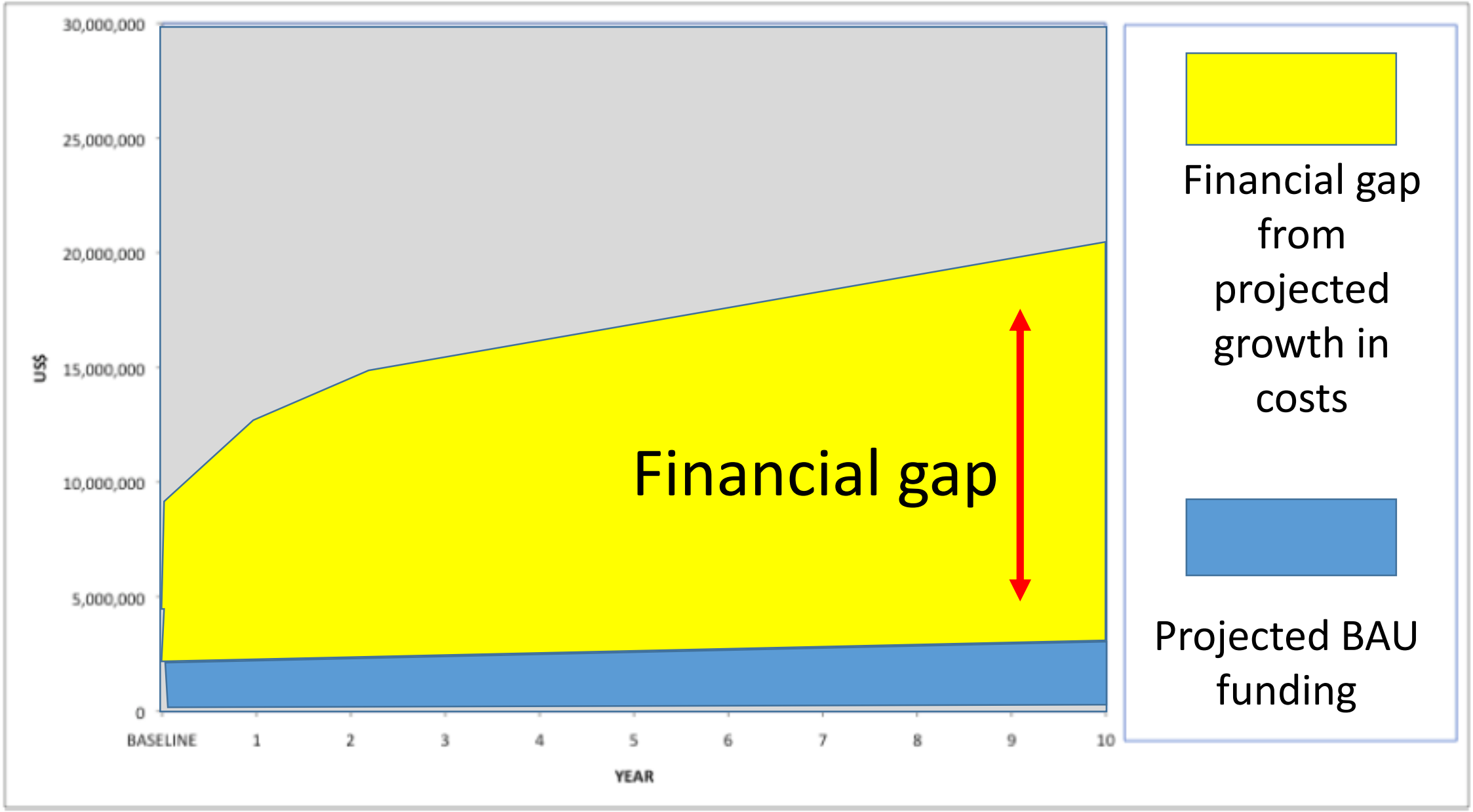


Financial gap for PAs in Belize

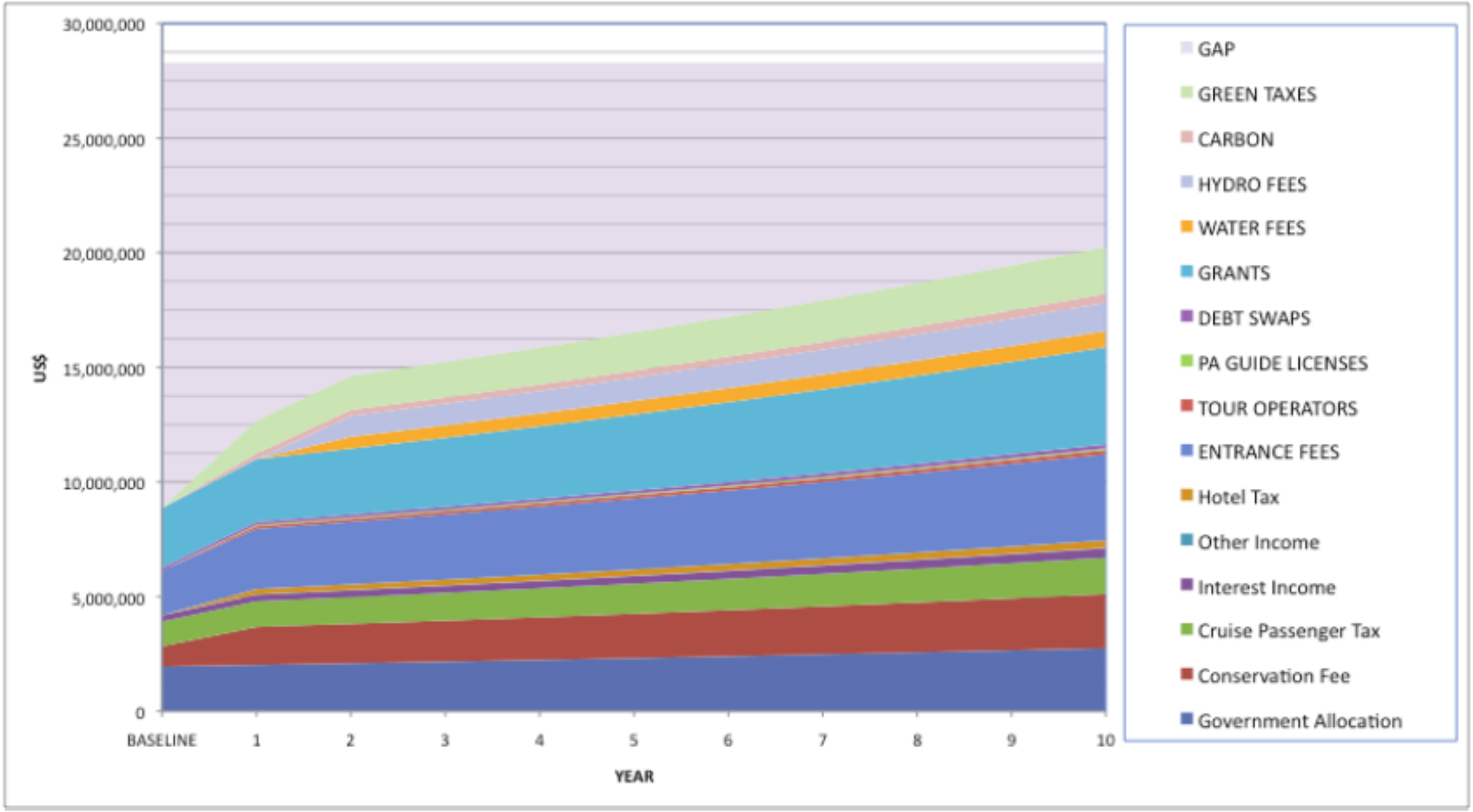


- Current funding: $**9mm**
- Current finance gap: **$19 – 29 mm**
- Gap: **$10-20mm**

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?

Toward a resource mobilization plan

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify sectoral drivers of loss

1b) Assess sectoral institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2b) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

3b) Develop resource mobilization plan

Identify the key finance opportunities, actors and mechanisms, and identify who will pay for what costs

Steps in mobilizing resources

REVIEW BROADER CONTEXT

1a) Identify sectoral drivers of loss

1b) Assess sectoral institutions and actors

1c) Review biodiversity expenditures

ASSESS COSTS AND GAP

2a) Assess costs of strategies and actions

2b) Calculate the financial gap

MOBILIZE FINANCIAL RESOURCES

3a) Identify finance actors and mechanisms

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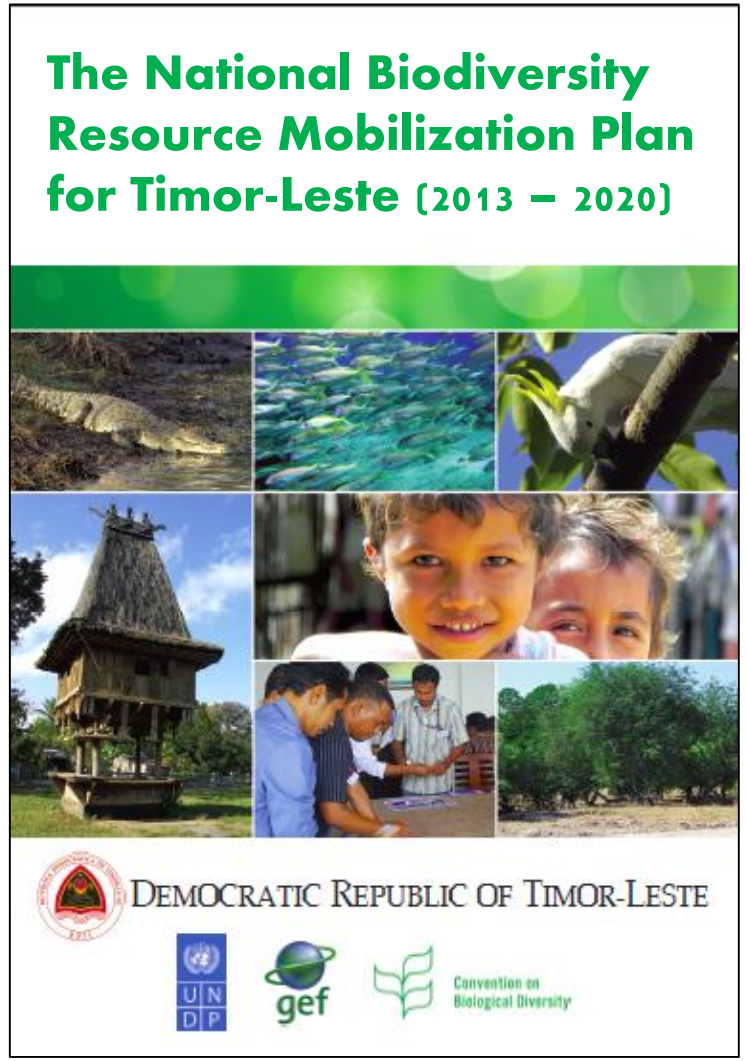
Develop a coherent resource mobilization plan



Typical view of resource mobilization

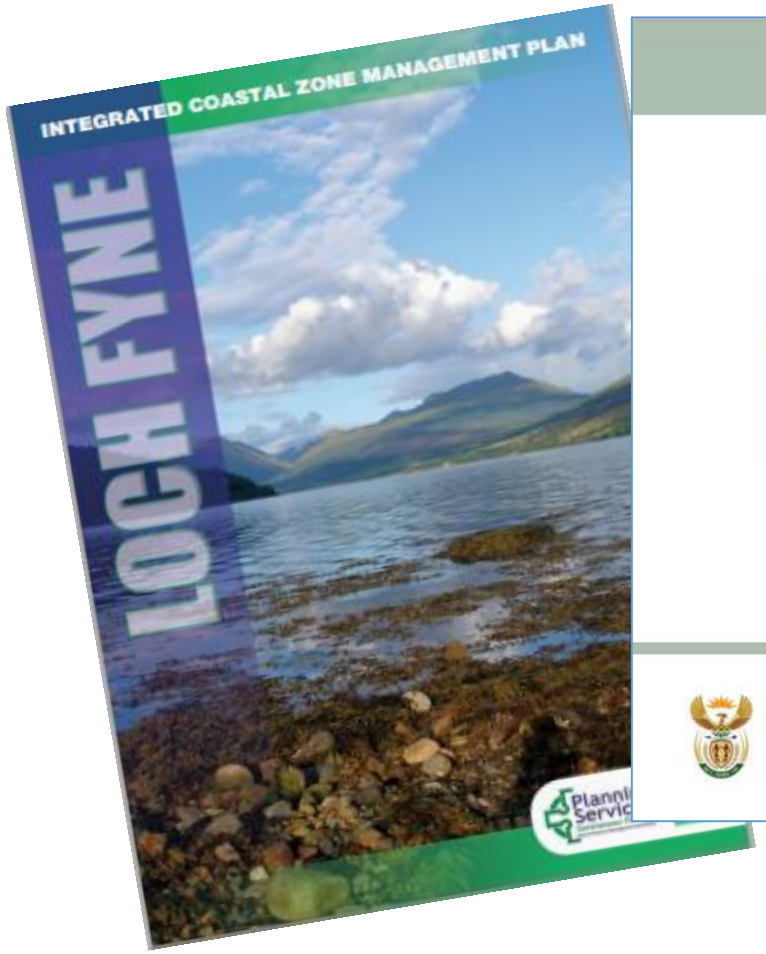
Identify problems → Develop strategies → Find funding

But resource mobilization should start EARLY in the NBSAP process

1. Identify steps you can take NOW to integrate with the NBSAP revision process

- Identify sectors that might pay for biodiversity
- Identify potential finance actors
- Engage finance actors early in the process
- Identify potential finance mechanisms
- Prepare institutions for expenditure review
- Develop systems for aggregating finance data

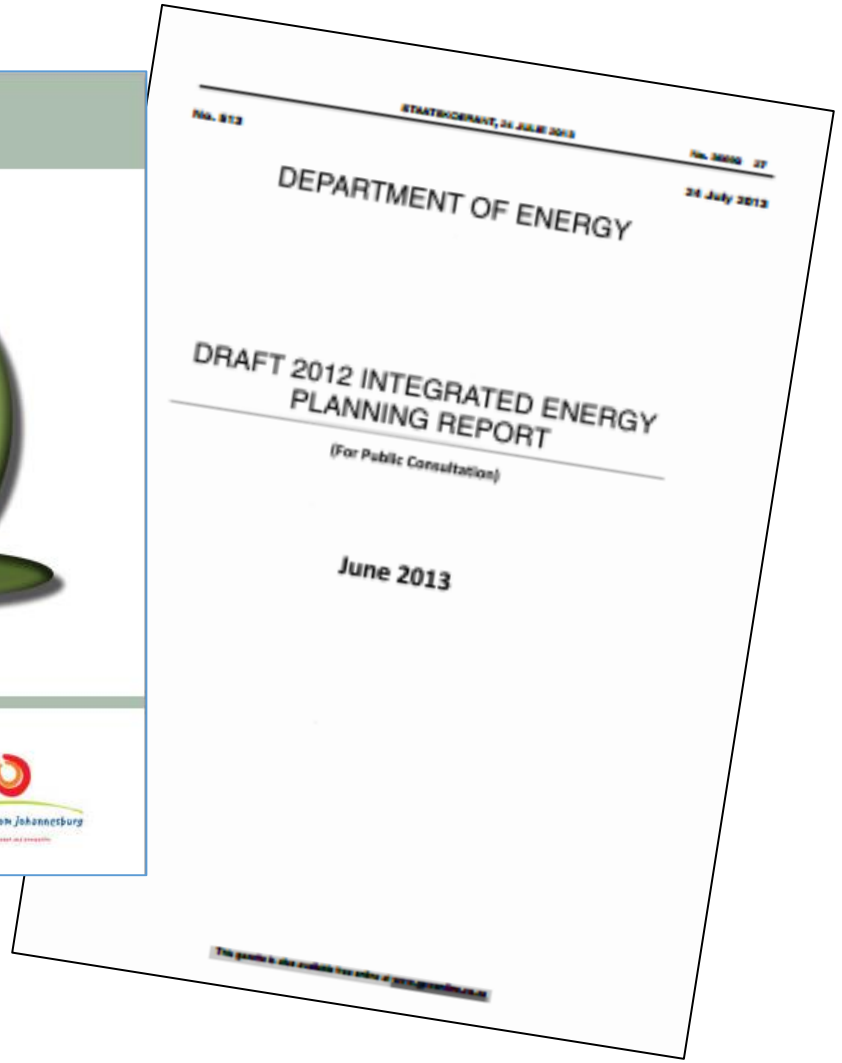
2. Identify potential synergies and entry points



National Strategy
for Sustainable Development
and Action Plan (NSSD 1)
2011-2014
Approved by Cabinet on 23 November 2011

environmental affairs
Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

the road from Johannesburg



DEPARTMENT OF ENERGY

DRAFT 2012 INTEGRATED ENERGY PLANNING REPORT

(For Public Consultation)

June 2013

HLP Findings - Synergies

- “Biodiversity and ecosystems can be a powerful engine for delivering on sustainable development goals at scale, particularly food security, water security, livelihoods and disaster risk reduction, among other development goals”
- “Enhanced synergies and alignment across sectors are needed for reaching biodiversity targets. There is significant alignment between the Aichi Targets and other policy agendas, including development, growth, poverty alleviation, climate change, agriculture, fisheries, water and health”

Finding synergies

- Which desired outcomes do the NBSAP and other sectoral plan share?
- How can the strategies within an NBSAP help achieve outcomes in the sectoral plan and vice versa?
- What economic and political opportunities does the sectoral plan create for the NBSAP and vice versa?
- Which strategies are in conflict with each other?
- Where are there overlaps in spatial priorities?
- Are there overlaps in finance actors and mechanisms?

Potential areas for synergies

- National development plans
- National climate-related plans
- Food security plans
- Water security plans
- Rural health plans
- Disaster risk reduction plans
- Invasive species plans
- Tourism and ecotourism plans
- Land-use plans and spatial plans
- Integrated coastal development plans
- Energy and mining plans
- Manufacturing plans
- Water management plans
- Fisheries management plans
- Rangeland management plans
- Wildlife crime plans
- Species recovery plans
- Forestry plans
- Agricultural plans
- National protected area plans
- National restoration plans
- Waste management plans

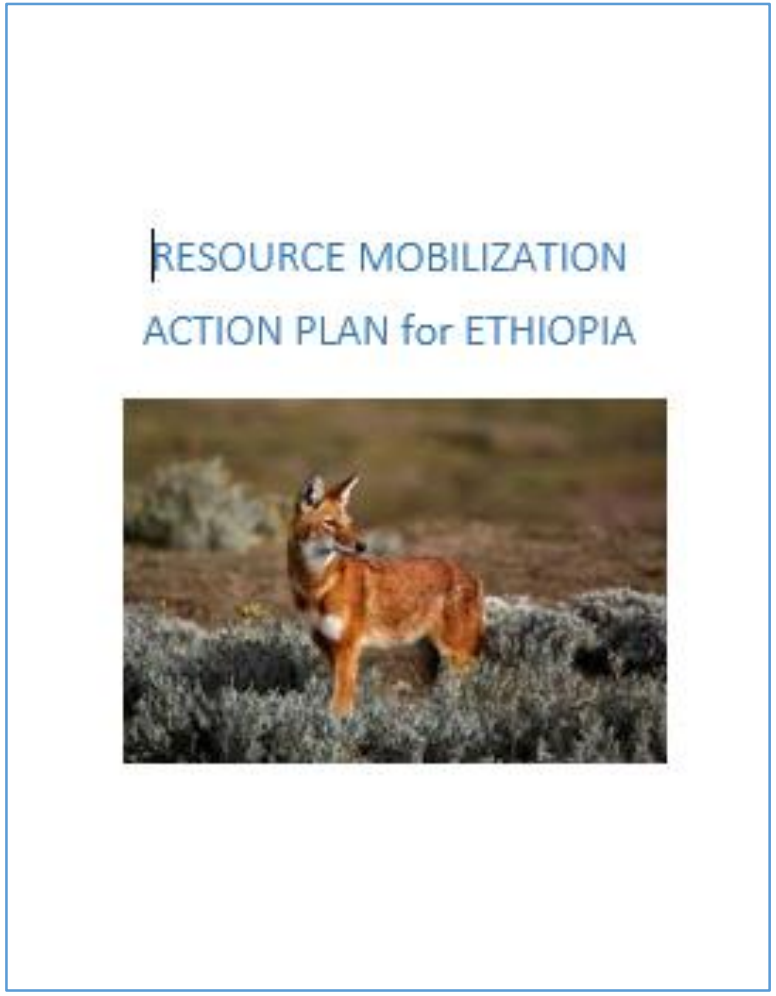
Finding entry points

- What are the key issues and entry points within a country?
  - Flooding in Thailand, Uganda
  - Jobs in South Africa
  - Livelihoods in India
  - Tourism in Botswana, Namibia
  - Water in Costa Rica, Colombia
  - Disaster risk reduction in The Philippines, Nepal

3. Develop an action plan that can help advance you toward a resource mobilization plan

Stocktaking and next steps on:

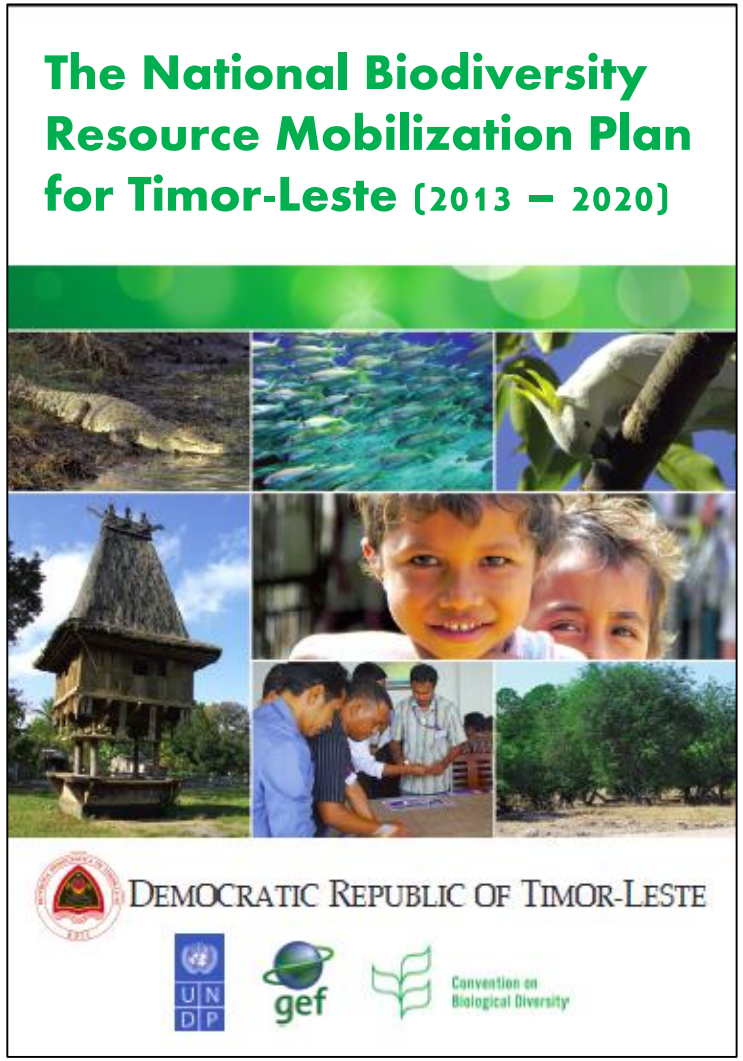
- valuation of biodiversity and ecosystems
- identifying policy and practice drivers of change
- identifying key actors and institutions
- reviewing expenditures
- assessing the cost of NBSAP strategies and actions
- identifying financial gaps
- identifying and scaling up finance mechanisms
- integrating resource mobilization plans into national plans
- Identifying national synergies and entry points

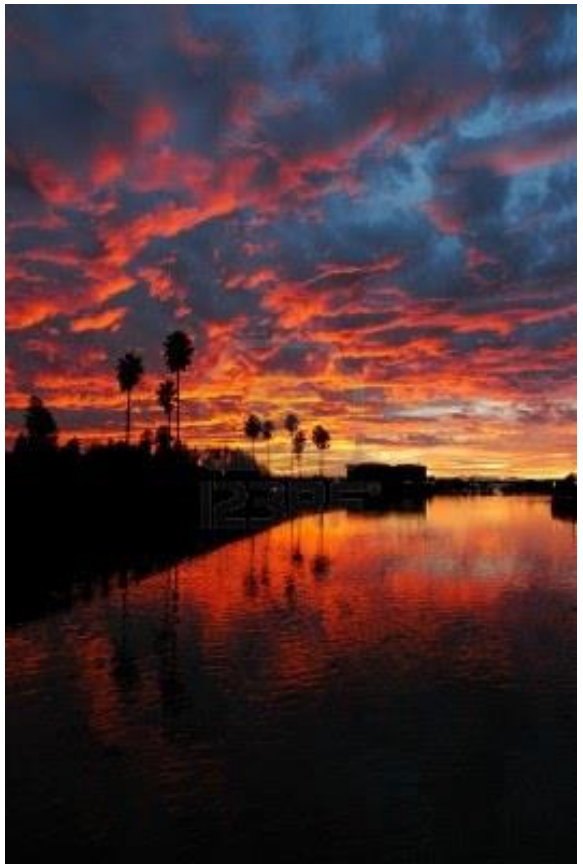


4. As time and finances allow, develop a full resource mobilization plan

Components of a resource mobilization plan

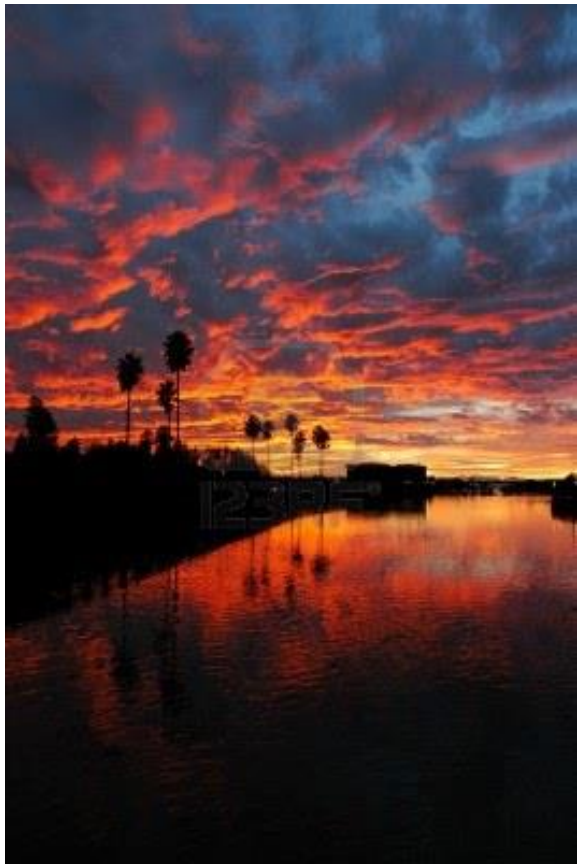
- Background and overview
- Policy and institutional analysis
- Expenditure review
- Strategies, actions and costs
- Projected future states with investment
- Opportunities for mobilizing resources
- Making the case for biodiversity investments
- Consolidated resource mobilization plan with finance mechanisms, actors, timelines





GROUP DISCUSSION:

What are the potential synergies and entry points within each of your countries?



REFLECTION POINT