

Biodiversity Financing: Lessons from National Assessment - India

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India: Annual Budget Figures in Dollar terms (Source: Ministry of Environment, Forests and Climate Change, 2014: India's Fifth National Report to the CBD *)

Core = Rs 2000 crores (\$0.44 billion)

Non Core Leveragable = Rs 11,000 crores

Total = Rs 13000 crores or \$2.9 billion

Non Core to core leverage ratio = 6.5

This can be leveraged through innovative re-design of development projects

* (Hereafter also short referenced as MoEF and CC, 2014)

Underlying Principles of Resource requirement assessment in Environment Sector

History of 'aggregation based need assessment' based on sectoral approaches

Line Departments at the village and block/range /divisional levels prepare need assessments, which are aggregated at the Provincial levels and projected to Planning Authorities at the National level

National level allocations tailor allocation of resources to availability of resources and possibility of achieving success in execution – ie capabilities as evident by physical progress achieved in the previous plan (the latter can be enhanced by GEF and other externally aided projects)

In the case of development programs, there is evidence of local self government based plans which is aggregated upwards

Either way there is an effort to co-relate needs as defined in physical terms with needs as defined in financial terms and also develop benchmarks of financial requirements per unit of ecosystem conserved (say ideal costs/ha for land treatment under Integrated watershed management Projects or on afforestation in per hectare terms)

Assessment

Is a **constrained assessment model** depending on availability of financial resources

We look at likely availability of resources and work on fulfillment of needs within these resource constraints

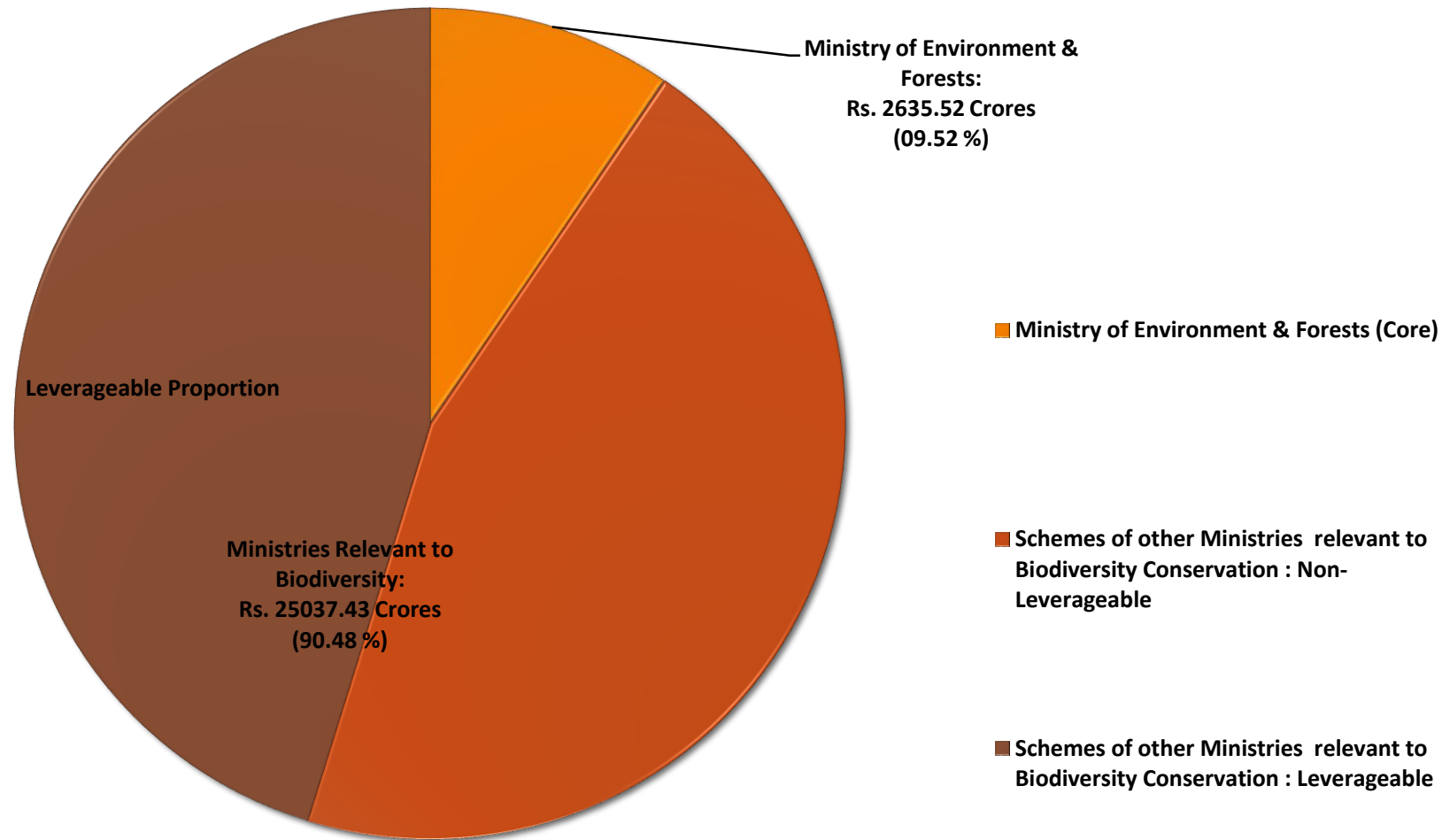
We took **core funding and non core funding**

We assume that **non core funding require structural adjustments to tune it to Aichi targets which we related to global environmental benefits.**

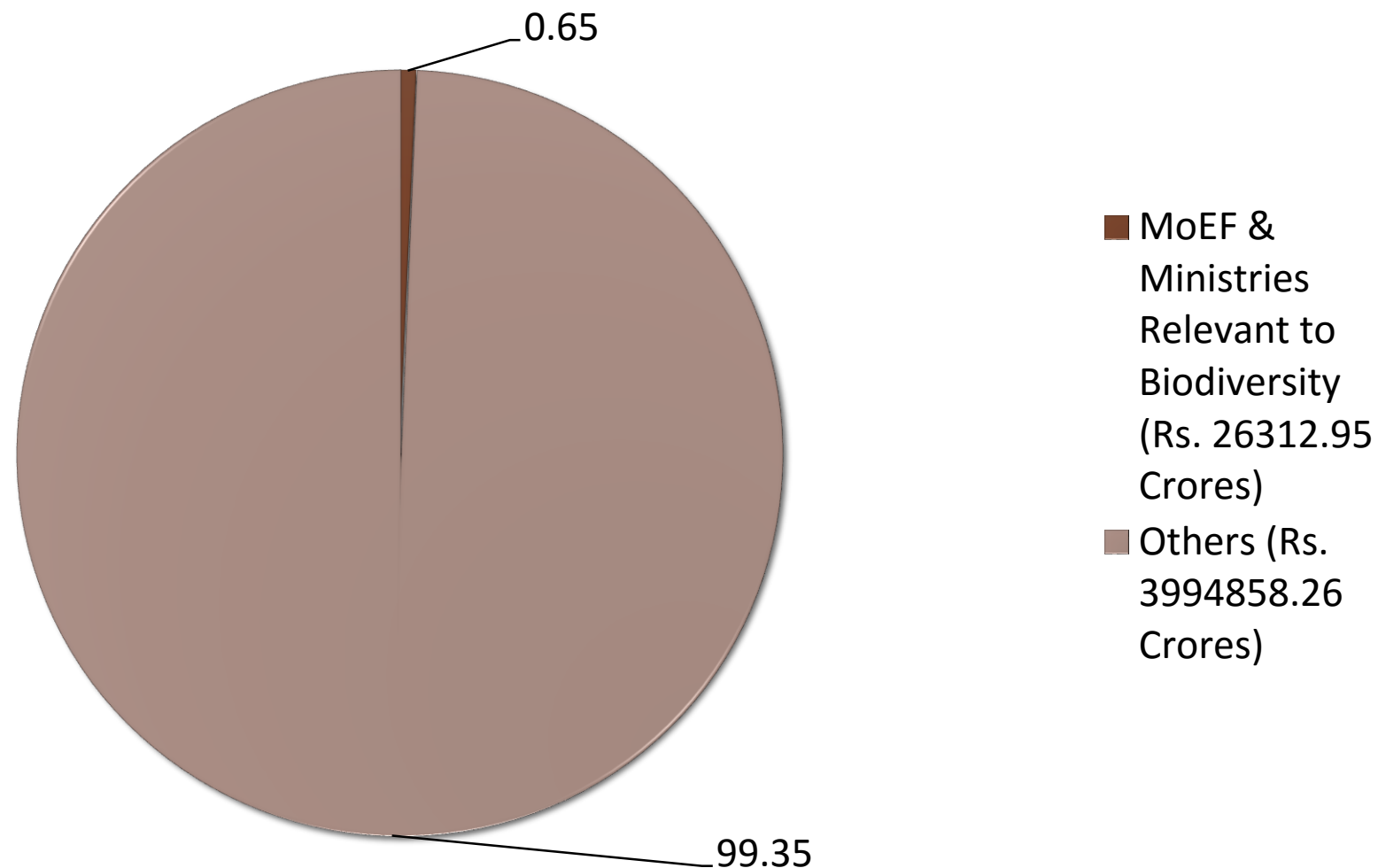
This we assume to be the **role of GEF and externally aided funds (TA, capacity building and technology leveraging)**

We divided Aichi targets into **enabling ones, policy reform requiring and programmatic ones** and postulated a flat 20% of total budget for the first type

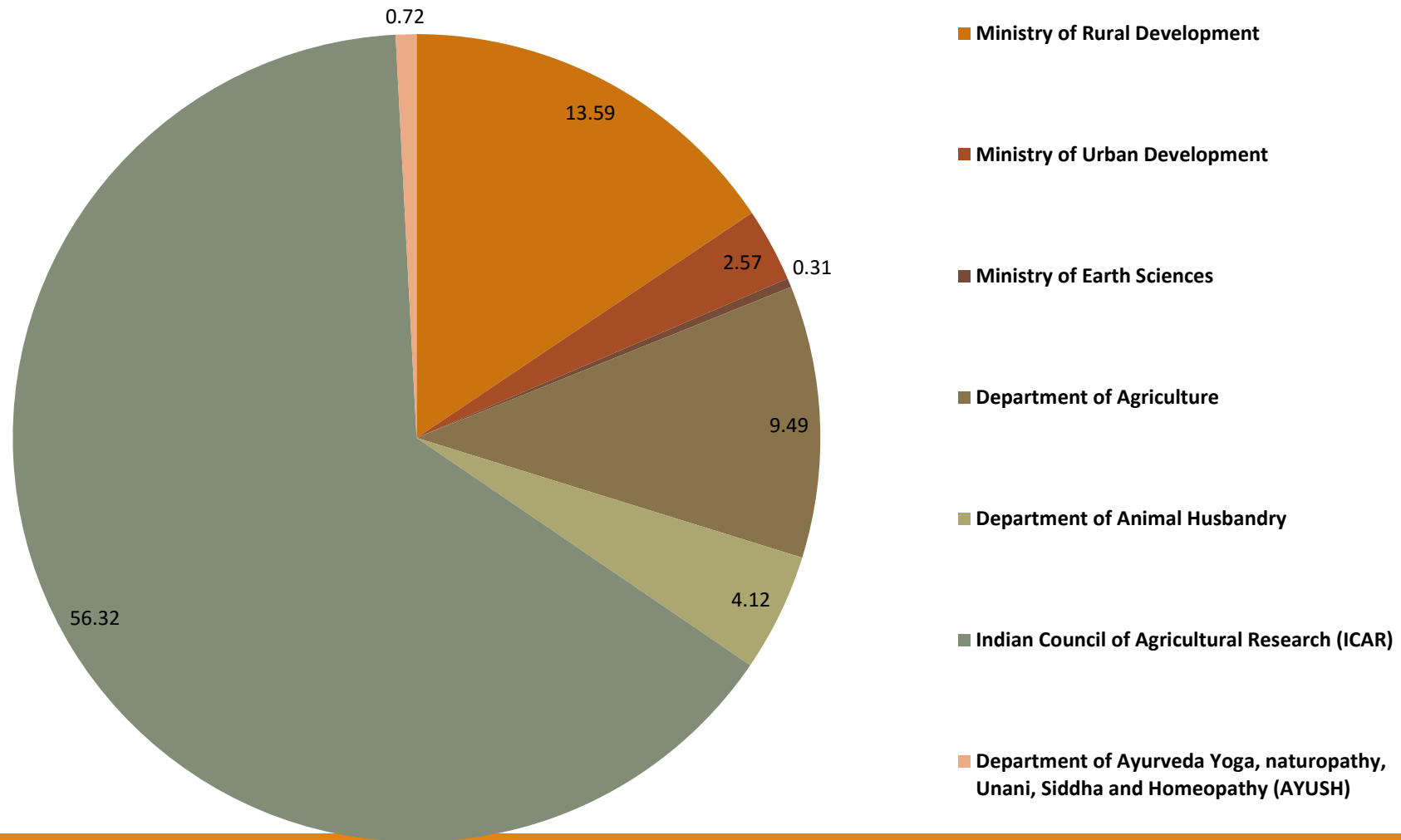
Share of Core and Peripheral Annual Funding on Biodiversity Conservation (2010-11) Source : MoEF and CC (2014)



**Share of Outlay on Biodiversity Relevant Schemes in the
Aggregate Budget of Government of India during the year
2010-11 ; Source : MoEF and CC 2014**

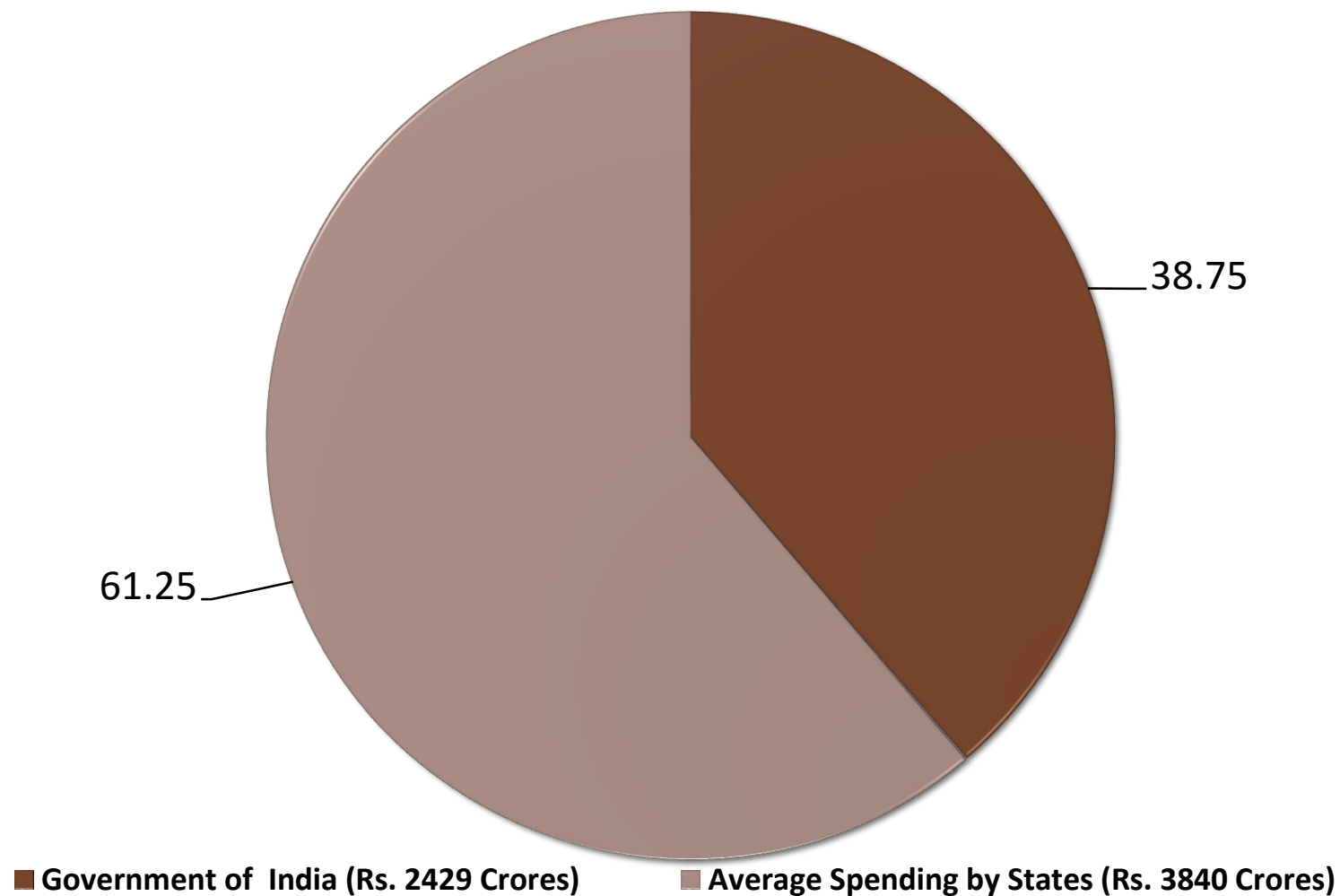


Percentage of Total Budget Spent by Various Ministries of Government of India (other than MoEF) on Biodiversity Relevant Schemes during the year 2010-11: Source: MoEF and CC 2014



Source: Annual Report of Ministries Concerned for 2010-11

Relative Shares of Central and State Governments in Core Annual Funding on Biodiversity Conservation during the year 2010-11 (in %) (Source:MoEF and CC 2014)



India: Relative Allocation Profile (Source: Ministry of Environment, Forests and Climate Change, 2014: India's Fifth National Report to the CBD)

Nature of funding	Amount (₹ in crores)
Core	1564.34
Non-core	259.8
Core + non-core	1824.14
States	5025.57
Peripheral	2354.74
	(23 Ministries/Departments, 77 schemes)
Total	₹ 9204.45 crores or USD 1482.68 million (1USD = ₹ 62.08 in February 2014)

India: Biodiversity Conservation Funding by States (Source: Ministry of Environment, Forests and Climate Change, 2014: India's Fifth National Report to the CBD)

Core funding by States in 2013-14 INR 5025 crores

12th Finance Commission (2005-2009) INR 1000 crores

13th Finance Commission (2010-2014) INR 5000 crores

Multipliers Used to Establish Contribution of Peripheral Funding

Multiplier	0.002	0.010	0.017	0.020	0.050	0.055	0.100	0.150	0.250	0.900
Number of schemes (n=77)	1	50	1	1	10	1	7	1	1	4

India: Multipliers Used (Source: Ministry of Environment, Forests and Climate Change, 2014: India's Fifth National Report to the CBD)

Issues

Strategic Goals - Aichi Target (nos) – National Biodiversity Action Plan (nos) – Schemes

Indicators – Schemes correlation

Core/Non Core and Peripheral – classify in terms of NBAP and corresponding Aichi Targets

Multiplier Co-efficients – ‘Probability’ of Biodiversity Outcome based allocations / disbursements

Issues

Funding Gap Assessment – Convert physical targets to potential Financial targets

Difficult to assess 'resource needs on mainstreaming'

The End