



# **The international funding landscape, with emphasis on the EU Multiannual Financial Framework**

**Global Workshop on Reviewing Progress and Building Capacity  
for the National Biodiversity Strategies  
and Action Plans Revision Process**

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# Funding and mainstreaming



This presentation builds on opportunities for financing biodiversity by mainstreaming it into other sectors

2 entry points detailed for financing biodiversity by linking:

Biodiversity and Sustainable Development

Biodiversity and Poverty alleviation

*(general principles, apply it to the specific EU context)*

More details about EU machinery, practical ways to access EU funding

**NB: All figures given about the EU are indicative and taken from the Commission proposal for the MFF 2014-2020; on the date of 11 November 2013 negotiations between the Council and Parliament were not yet completed**

# Estimates of the current and future scale of biodiversity finance

## The Little Biodiversity Finance Book

A guide to proactive investment in natural capital (PINC)

3rd Edition



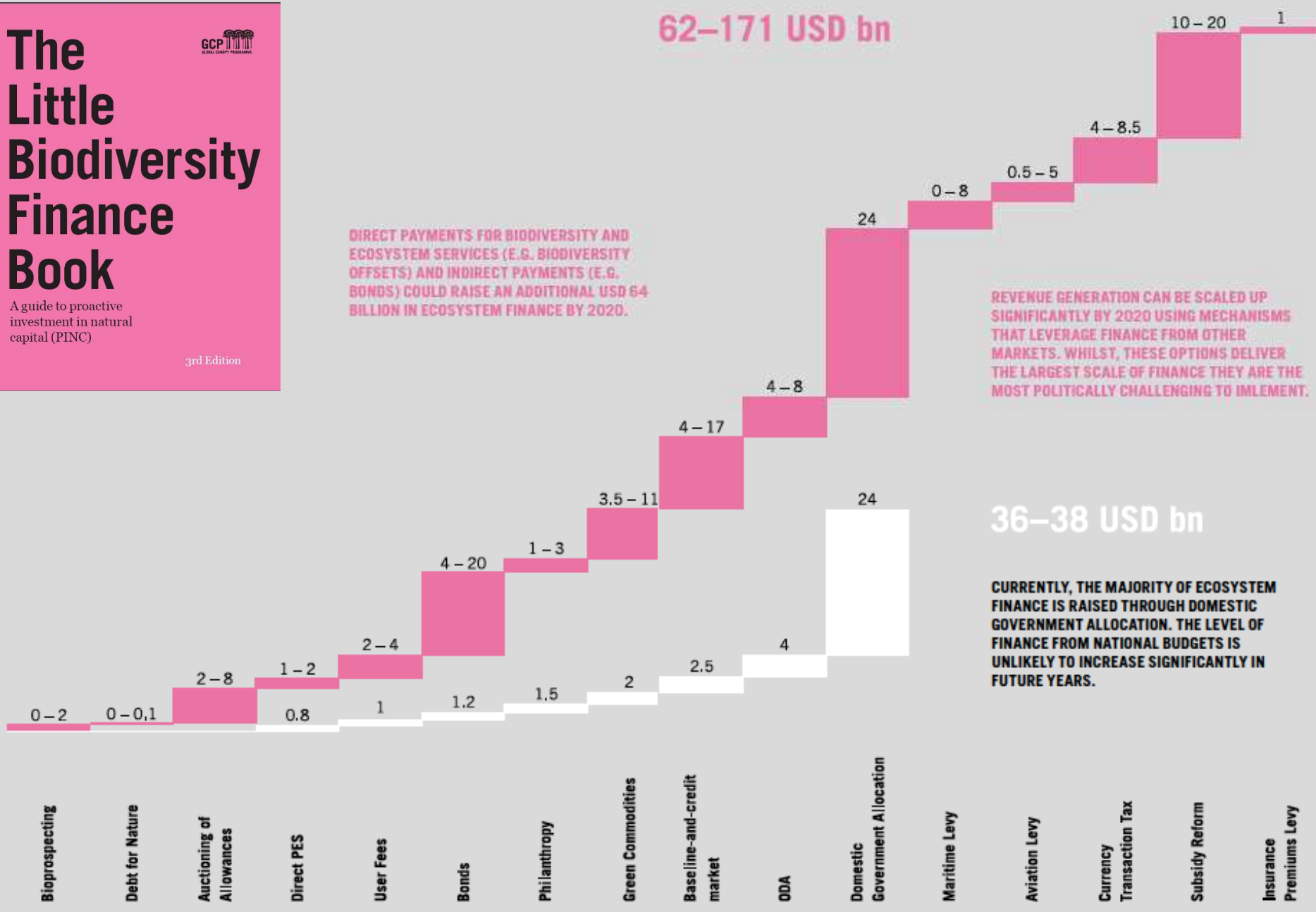
62–171 USD bn

DIRECT PAYMENTS FOR BIODIVERSITY AND ECOSYSTEM SERVICES (E.G. BIODIVERSITY OFFSETS) AND INDIRECT PAYMENTS (E.G. BONDS) COULD RAISE AN ADDITIONAL USD 64 BILLION IN ECOSYSTEM FINANCE BY 2020.

REVENUE GENERATION CAN BE SCALED UP SIGNIFICANTLY BY 2020 USING MECHANISMS THAT LEVERAGE FINANCE FROM OTHER MARKETS. WHILST, THESE OPTIONS DELIVER THE LARGEST SCALE OF FINANCE THEY ARE THE MOST POLITICALLY CHALLENGING TO IMPLEMENT.

36–38 USD bn

CURRENTLY, THE MAJORITY OF ECOSYSTEM FINANCE IS RAISED THROUGH DOMESTIC GOVERNMENT ALLOCATION. THE LEVEL OF FINANCE FROM NATIONAL BUDGETS IS UNLIKELY TO INCREASE SIGNIFICANTLY IN FUTURE YEARS.



# Biodiversity and sustainable development



Taking an ecosystem perspective

Biodiversity and the economic pillar

- ES foundation for any economic activity – raw materials come from nature
- Environmental damages (floods, fires) have negative economic impacts

Biodiversity and the social pillar

- The poor are highly dependent on biodiversity
- Direct impacts (health – air pollution, mercury) and indirect impacts (nutrient intake reduced due to soil erosion, bad pollination)

# Biodiversity and sustainable development



## Biodiversity and the economic and social pillars

The 3 Capital's fluxes



# Biodiversity and sustainable development



EU Sustainable Development strategy (2006) - 7 priority challenges (incl. Conservation and management of natural resources, Climate change and clean energy, Sustainable consumption & production, Global poverty and sustainable development challenges)

EU's obligation to mainstream the environment into its development cooperation

The Cotonou Agreement - EU's partnership with Africa, the Caribbean and Pacific (ACP) includes the principle of mainstreaming environmental sustainability into its objectives.

# Biodiversity and poverty alleviation



Poverty often occurs after links between ES and human well-being are broken

Healthy ecosystems = “wealth of the poor”

ES make up 50 to 90% of total source of livelihoods among poor rural and forest-dwelling households – this is the ‘GDP of the poor’ (TEEB 2010).

Compare this with GDP figures where agriculture, forestry and fisheries account for 6 to 17% of overall GDP.

## GDP of the Poor: estimates for ecosystem-service dependence

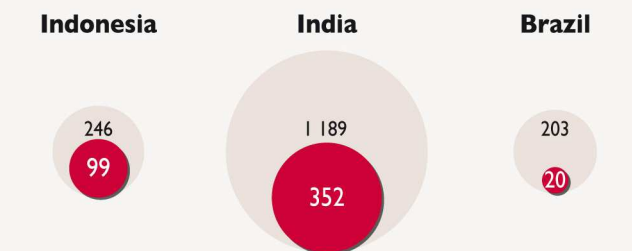
Share of agriculture, forestry, and fisheries in classical GDP



Ecosystem services as a percentage of “GDP of the Poor”



Rural poor population considered in GDP of the Poor  
Millions



Source: TEEB for National Policy, 2010; CIA: The World Factbook.

# Biodiversity and poverty alleviation



- Eradication of poverty is a fundamental objective of the European consensus on development
  - links between poverty, natural resources and livelihood
  - deliver pro-poor benefits (improved water supply, sustainable management of local fisheries, PA management with local communities)
- WB poverty-environment linkages
- Paris declaration on aid effectiveness

# EU Multi-Annual Financial Framework (MFF)



- MFF = EU internal and external action
- Budget circa 1,000 billion €
- on External Action (called “Global Europe”) focuses on four policy priorities: enlargement, neighborhood, cooperation with strategic partners and development coop.

EU policy document guiding development cooperation is the “Increasing the impact of EU Development Policy: An Agenda for Change”, reference to “EU Biodiversity Strategy 2011 – 2020” is also key for EU's contribution to preventing global biodiversity loss

2 main funding instruments : Geographical and Thematic for development cooperation. Budget circa 100 billion €

# Some figures/ Development Cooperation Instrument (DCI)



## GEOGRAPHIC FUNDING INSTRUMENTS

**European Development Fund (EDF)** – € 34 276 million [*outside EU Budget*]

The 11th EDF (2014-2020) will remain outside the EU budget;

**Development Cooperation Instrument (DCI), geographic** – € 14 991 million

The DCI – which consists of (i) geographic instruments and (ii) thematic instruments – contributes to the **achievement of sustainable economic, social and environmental development** as well as the promotion of democracy, rule of law, good governance and respect for human rights.

Geographic instruments under the DCI are the following:

Geographic Programmes (€ 13 991 million): Asia, Central Asia, Latin America and the Middle-East DCI Programmes.

Pan-African Programme (€ 1 000 million) to support the Africa-EU Strategic Partnership, complementing other funding instruments (in particular the European Development Fund).

# Some figures/ Development Cooperation Instrument (DCI)



The DCI thematic component is organized in two main components and several thematic instruments:

Global public goods and challenges (€ 6 303 million):

Climate change & environment (no less than 50% will be Rio-compatible) – 31,8%;

Sustainable energy – 12,7%;

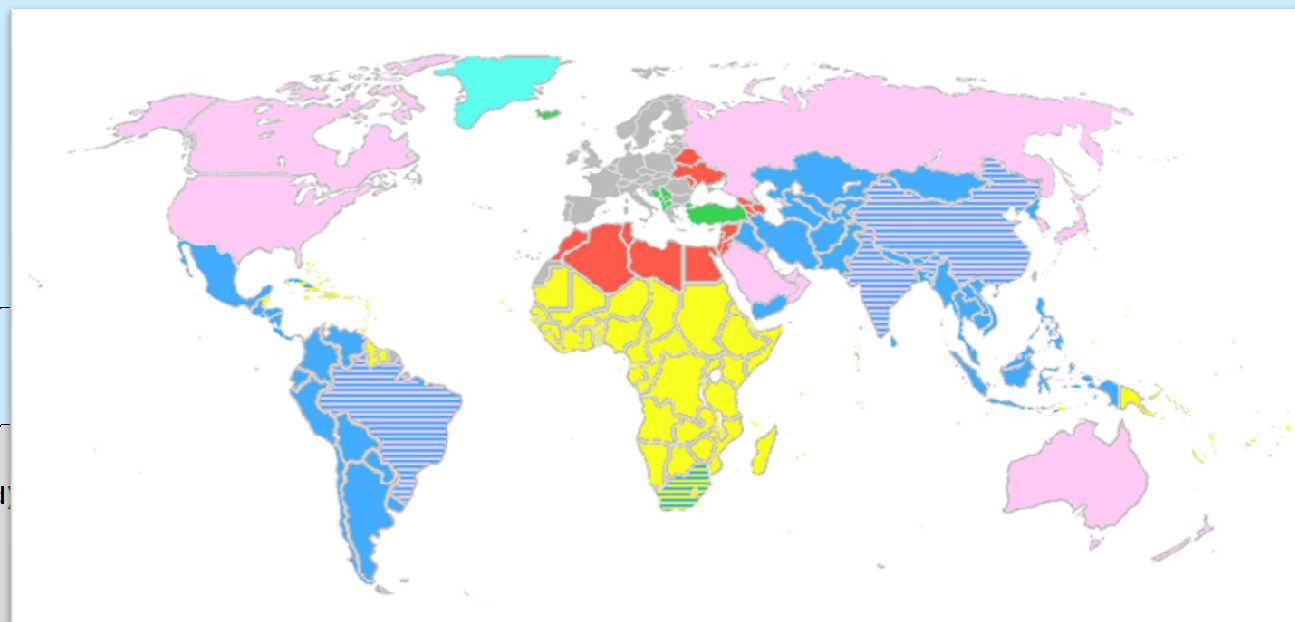
Human development – 20%;

Food security and Sustainable Agriculture – 28,4%;

Migration and asylum – 7,1%.

Civil society organizations & local authorities (€ 2 000 million): to empower these actors to take part in development strategies & processes.

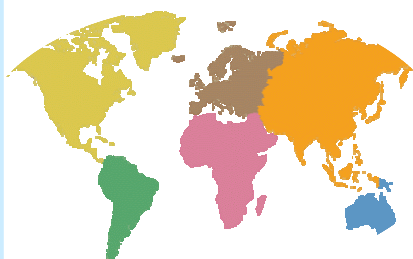
# EU Geographic Instruments



## EC funding instrument

<span style="color: yellow;">■</span>	European Development Fund (EDF)
<span style="color: blue;">■</span>	Development Cooperation Instrument (DCI)
	<i>DCI Geographic Programmes</i>
	DCI Asia
	DCI Central Asia
	DCI Latin America
	DCI Middle East
	<i>DCI - Pan-African Programme</i>
<span style="color: red;">■</span>	European Neighbourhood Instrument (ENI)
<span style="color: green;">■</span>	Instrument for Pre-Accession (IPA)
<span style="color: pink;">■</span>	Partnership Instrument
<span style="color: cyan;">■</span>	Instrument for Greenland
	Cohesion & Structural Funds
	Agriculture and Rural Development
	Life+

# Levels of decision-making



## EU Delegations

- **Country Programmes:** Leading the programming process
- **Regional Programmes:** contribution to the programming
- **Thematic programmes:** contribution to the programming



## DG DevCo (Brussels)

- **Regional Programmes:** Leading the programming process
- **Thematic Programmes:** Leading the programming process
- **Country Programmes:** support and validation of programming (mainly: Draft EU Response Strategy, National Indicative Programmes)

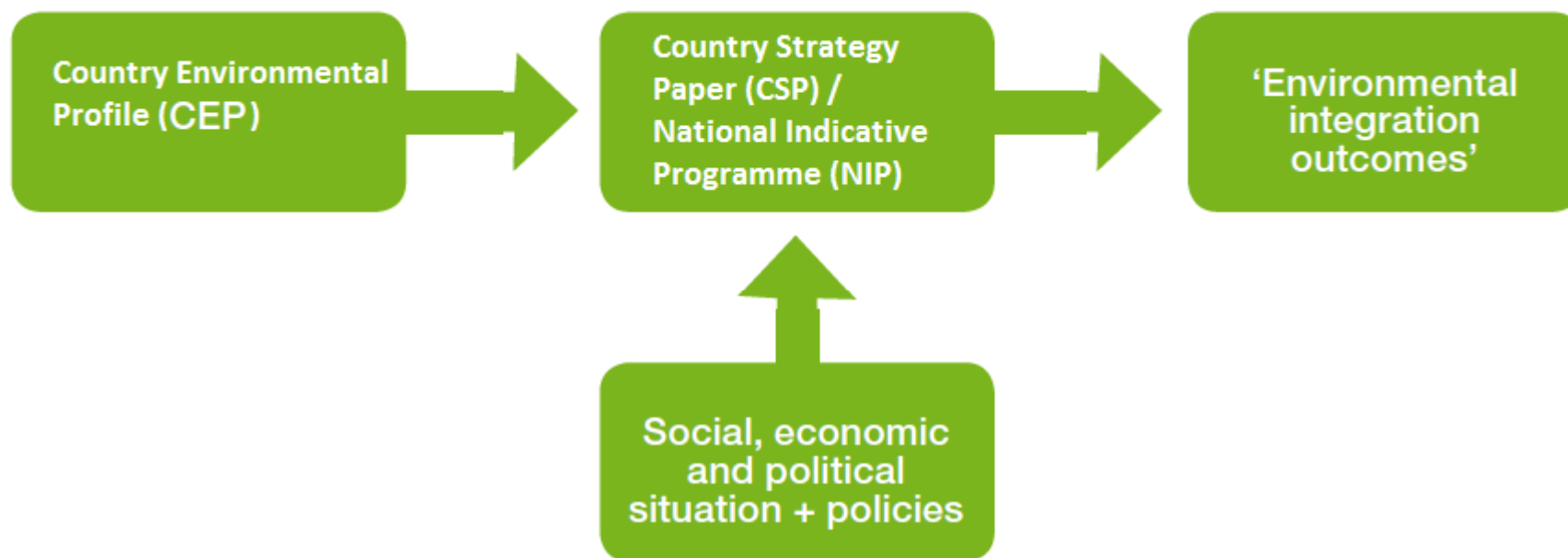


## EEAS (Brussels)

- **Regional and Country Programmes:** overall guidance



# Including biodiversity into the EC multi-annual programming



# What is a CEP ?

## How can you be involved ?



A Country Environmental Profile (CEP) is a description of the country's environmental situation, including the implications of biodiversity loss, current policies, institutional capacities and environmental cooperation experience including recommendations for the integration of the environment and biodiversity-related aspects during Country Strategic Paper (CSP) preparation.

The European Delegation contract consultants to carry out the study involving either the preparation of a new CEP or the revision/update of an existing CEP

The CEP is used to inform the preparation of the CSP/National Indicative Programme (3 years 2014-17, 2017-20). The CEP also informs policy dialogue and can be used as reference for environmental integration in programmes and projects by EC staff and cooperation partners.

# Possible entry points for biodiversity integration in the Country Strategy Paper



Based on the CEP, the analysis of the overall situation of the country should identify the main environmental challenges and articulate their links with social and economic issues. Particular attention should be paid to the poverty–environment linkages. This section could include :

- vulnerability to natural disasters and expected consequences of increasing climate variability and climate change;
- **environmental resources** (e.g. biodiversity, forests) providing opportunities for sustainable development;
- environmental constraints and problems, for instance **resource degradation** (deforestation, desertification, soil erosion, depletion of fish stocks), air, water and land pollution, **contributing to social, economic and political problems** (e.g. in relation to food security, health, conflicts, employment, migration, exports, incomes);
- the **dependency of the country's economy on local natural resources** such as forests, water or fisheries, and the sustainability of patterns of natural resource exploitation;
- major pressures and impacts on the national, regional and global environment, resulting from social, economic and political trends (e.g. deforestation resulting from population growth or land reform policies).

# Possible entry points for biodiversity integration in the Country Strategy Paper



Selection of focal sectors: Environmental concerns should receive the same attention as social and economic concerns. The country analysis and CEP recommendations influence the **selection of focal sectors** - 'environment and sustainable management of natural resources' can be a specific focal area of intervention.

The selection of other focal sectors will still provide opportunities to integrate the environment as a cross-cutting issue.

Next slide – one example of a sector (from EC development cooperation areas) and list of general biodiversity issues related to it

# Biodiversity into Infrastructure, transport



Environmental pressures and impacts (to be mitigated)

- Direct impacts (soil erosion, pollution, ecosystem fragmentation)

Entry point for the area

- Strategic and Env. Impact assest

Indicators

- Fragmentation of vulnerable habitats



*Thank you*

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