



**INTRODUCTORY REMARKS BY**

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**to the**

**DIALOGUE SEMINAR ON**

**SCALING UP BIODIVERSITY FINANCE**

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**Convention on  
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Colleagues,

Welcome to the second dialogue seminar on scaling up biodiversity finance. I want to thank the Government of the hosting country, Ecuador, and other convenors: Governments of India, Japan, Norway, Republic of Korea, Sweden, Uganda and the European Union, together with the Secretariat, for making the meeting possible financially and technically. SwedBio, of course, Ms. Maria Schultz, deserves thanks mention for her unremitting efforts.

There are several developments relevant to today's meeting since we last met here:

- More clarity about the level of financial ambition. The eleventh meeting of the Conference of the Parties adopted a set of four preliminary targets for resource mobilization, including commitments from both developed and developing countries.
- Increased flow of information on various financing initiatives. The Secretariat has collected and uploaded to its website over 3,200 examples of country examples and related studies.
- A number of countries are in the process of putting together their preliminary reports on financing biodiversity as we are learning through regional workshops on the subject
- According to the 2012 and 2013 OECD-DAC Surveys on Donors' Forward Spending Plans, the recent declining trend of overall official development assistance is not being reversed by the known forward spending plans from 2013 to 2016.
- Private sector investments and global markets have picked up slowly but steadily. According to the latest IMF World Economic Outlook, the world economy continues its recovery from the global financial crisis, and the main impetus for growth now lies with the advanced economies.

These developments should be taken into account when we consider measures to scale up finance for biodiversity.

### **Funding targets**

We are on track for achieving most of the four preliminary targets of the Resource Mobilization Strategy. Quantitatively speaking, there are some significant progresses in achieving the targets to include biodiversity in national and sectoral policy documents and conduct value assessment, but substantial enhancement is still required. The target to prepare national financial plans and report on domestic expenditure as well as funding needs, gaps and priorities are being advanced in a large number of developing countries with financial support from the Global Environment Facility and the European Union, and may well be achieved by 2015 if donors can expand and expedite their financial support to all developing countries and countries with economies in transition.

Nevertheless, the risk of missing the target to double international financial resource flows for biodiversity is intensifying. Although there is no globally organized statistical system to track all international flows of financial resources, official development assistance marked for biodiversity by the Organization for Economic Cooperation and Development has indicated a sharp decline in biodiversity-related official development assistance, by 7% in 2011 and 15% in 2012. Only 15% of the decline can be attributed to the overall circumstance of decrease in official development assistance, and 85% is due to the decreased focus on biodiversity, measured by the ratio of biodiversity-related funding to official development assistance, from 6.61% in 2010 to 5.57% in

2012. The expectation is thus very high on the result of the GEF-6 replenishment, which is to be finalized next week in Geneva. No systematic information is available on relevant South-South cooperation and foreign direct investments and other financial flows.

There will be some presentations on the experiences under other forums, for instance, the experience of the Leading Group on Innovative Financing for Development. I thus urge you to consider new ideas and thoughts on how to mobilize international financial resource flows for biodiversity from this group.

### **Difference in perspectives**

The better flow of information should lead to better understanding of different perspectives and experiences. It is evident that the countries with earlier experiences on some innovative financial instruments have developed better knowledge about the pros and cons of these instruments, and may have strong opinions. The different experiences and perspectives are an asset to the development of new financing instruments under the Convention process. It is time to build upon the lessons learned from various circumstances and move forward with the common ground of achieving scaled-up biodiversity finance. This seminar should be used as a bridge to design common action agenda. I would like to see the countries with earlier experiences become champions on these financial instruments.

### **Public financing**

The recent fiscal consolidation in many countries has not been positive news for biodiversity and ecosystem services. Since the management of biodiversity and ecosystem services has been dominantly provided by the public sector, the impact of the fiscal consolidation can be greater for biodiversity and ecosystem services than for other sectors. Indeed biodiversity-related budgets and employment are being cut in several countries. Meanwhile, because of the need to find cheaper, not necessarily greener, solutions, the adverse impacts of the fiscal consolidation are further magnified. I look forward to any fine blue-printing arising from the discussion on environmental fiscal reform, such as on green public procurement, green job stimulus, green taxation, and subsidy reforms.

### **Private sector and markets**

The importance of private sector involvement and market forces has been highlighted in many decisions under the Convention, but good examples of successful broad engagement are still limited in number. Ecosystem services are too often not paid and unavoidable damages to biodiversity not compensated in a transparent and equitable manner. The investment opportunities for private sector in biodiversity and ecosystem services are generally not available in a reasonable scale. Meanwhile private sector operations and investments in biodiversity-impacting areas are occasionally adversely affected by the ignorance of the values of biodiversity and ecosystem services, leading to an atmosphere of antagonism between business and biodiversity. Concrete steps can be and must be developed to fully exploit the potential of such mechanisms as payment for ecosystem services, biodiversity offsets and market for green products, which are on the agenda of this seminar.

### **Concluding**

The experience of implementing the first strategic plan towards 2010 under the Convention has demonstrated that the progress in implementing the Convention greatly correlated with the mobilization of relevant financial resources. Financing is among the most important leverages under the Convention to mobilize efforts of developing countries and countries with economies in transition for implementing the Strategic Plan for Biodiversity 2011-2020 and achieving

associated Aichi targets. The flow of international financial resources provides a good indication for measuring the overall progress in advancing towards the 2020 biodiversity targets. As the middle point of the strategic plan 2011-2020 is fast approaching, we must be conscious of the urgency to act on the financing agenda.

I wish you a good exchange of views and dialogue.

Thank you.