

Workshops for implementing the Strategic Plan for Biodiversity  
through the National Biodiversity Strategies and Action Plans

## Module 6: Financial Resource Mobilization for NBSAPs

CBD Secretariat  
April 2011.



# Key messages

***La implementación de las estrategias nacionales actualizadas a luz del Plan estratégico de 2012-2020 y las Metas de Aichi implican desafíos significativos y requieren de planificación financiera como parte integral de las ENBD***

***Los Países han de determinar brechas en el financiamiento de la biodiversidad, y de acceder, combinar y secuenciar financiamiento ambiental para lograr sus metas de biodiversidad.***

## **Strategic goal E. Enhance implementation through participatory planning, knowledge management and capacity building**

Target 20: By 2020, at the latest, **the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization should increase substantially from the current levels.** This target will be subject to changes contingent to resources needs assessments to be developed and reported by Parties.

## VISION

By 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people.

## MISSION

Take effective and urgent action to halt the loss of biodiversity in order to ensure that by 2020 ecosystems are resilient and continue to provide essential services, thereby securing the planet's variety of life, and contributing to human well-being, and poverty eradication. ....

STRATEGIC GOAL A:  
Address the  
underlying causes of  
biodiversity loss by  
mainstreaming  
biodiversity

STRATEGIC GOAL B:  
Reduce the direct  
pressures on  
biodiversity and  
promote sustainable  
use

STRATEGIC GOAL C:  
Improve the  
status of biodiversity  
by safeguarding  
ecosystems, species  
and genetic diversity

STRATEGIC GOAL D:  
Enhance the  
benefits to all from  
biodiversity and  
ecosystem services

STRATEGIC GOAL E: Enhance implementation through participatory planning, knowledge management and capacity-building

## SUPPORT MECHANISMS

## Strategy for Resource Mobilization (Decision IX/11)

Mission/Target: to substantially enhance international financial flows and domestic funding for biodiversity .....

Goal **1**: improve **information** base on funding needs, gaps and priorities (also to assess costs of policy inaction and benefits of action)

Goal **2**: strengthen **national capacity** for resource use and mobilize domestic resources (develop national financial plans for NBSAPs)

Goal **3**: **Strengthen existing financial institutions** and promote scaling up (ODA; co-financing; public and private sector investments; funds ...)

Goal **4**: **Explore new and innovative financial mechanisms** (PES; offsets; fiscal reforms; green markets; climate finance ...)

Goal **5**: **Mainstream** biodiversity **into development cooperation**

Goal **6**: Build capacity and **promote South-South cooperation**

Goal **7**: **Enhance ABS** in support of resource mobilization

Goal **8**: Enhance global engagement (**public awareness**)

## **Implementation of the Strategy for Resource Mobilization (Decision IX/11)**

Strategy intended to assist Parties to (consider) to :

- Establish national targets, objectives, actions and timeframes
- Establish National financial mechanisms
- Implement CBD Articles 20, 22 based on good practices
- Appoint resource mobilization focal points
- Design and implementation on a country-specific resource mobilization strategy in the framework of updated NBSAPs
- Involves NGOs, ILCs, environment funds, business, donors.

## **Strategy for Resource Mobilization (Decision X/3)**

The COP, committed to substantially increasing resources from all sources, balanced with effective implementation of the Strategic Plan 2011-2020 ..

Decides to adopt targets at its 11<sup>th</sup> meeting provided that robust baselines have been identified and endorsed and an effective reporting framework has been adopted

Possible inputs for targets:

Increase financial flows by 2020

All Parties provided with adequate financial resources will have, by 2015:

- Reported funding needs, gaps and priorities
- Assessed the values of biodiversity
- Prepared national financial plans for biodiversity

How much are we spending on biodiversity?

What will it cost to achieve the Aichi  
Targets?

What are the funding gaps?

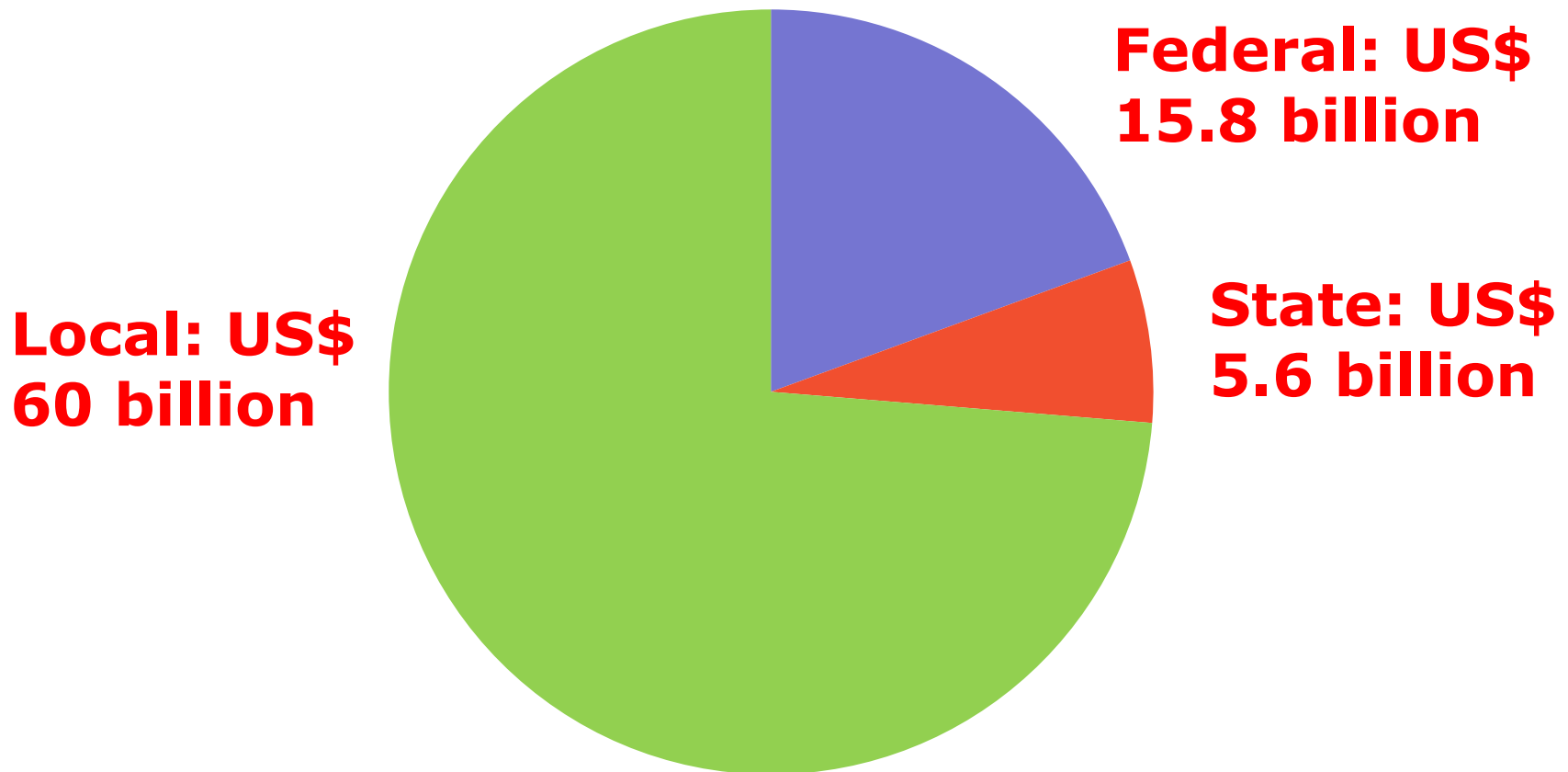
How can we fill the gaps?

Global and national perspectives.



# US government spending on biodiversity

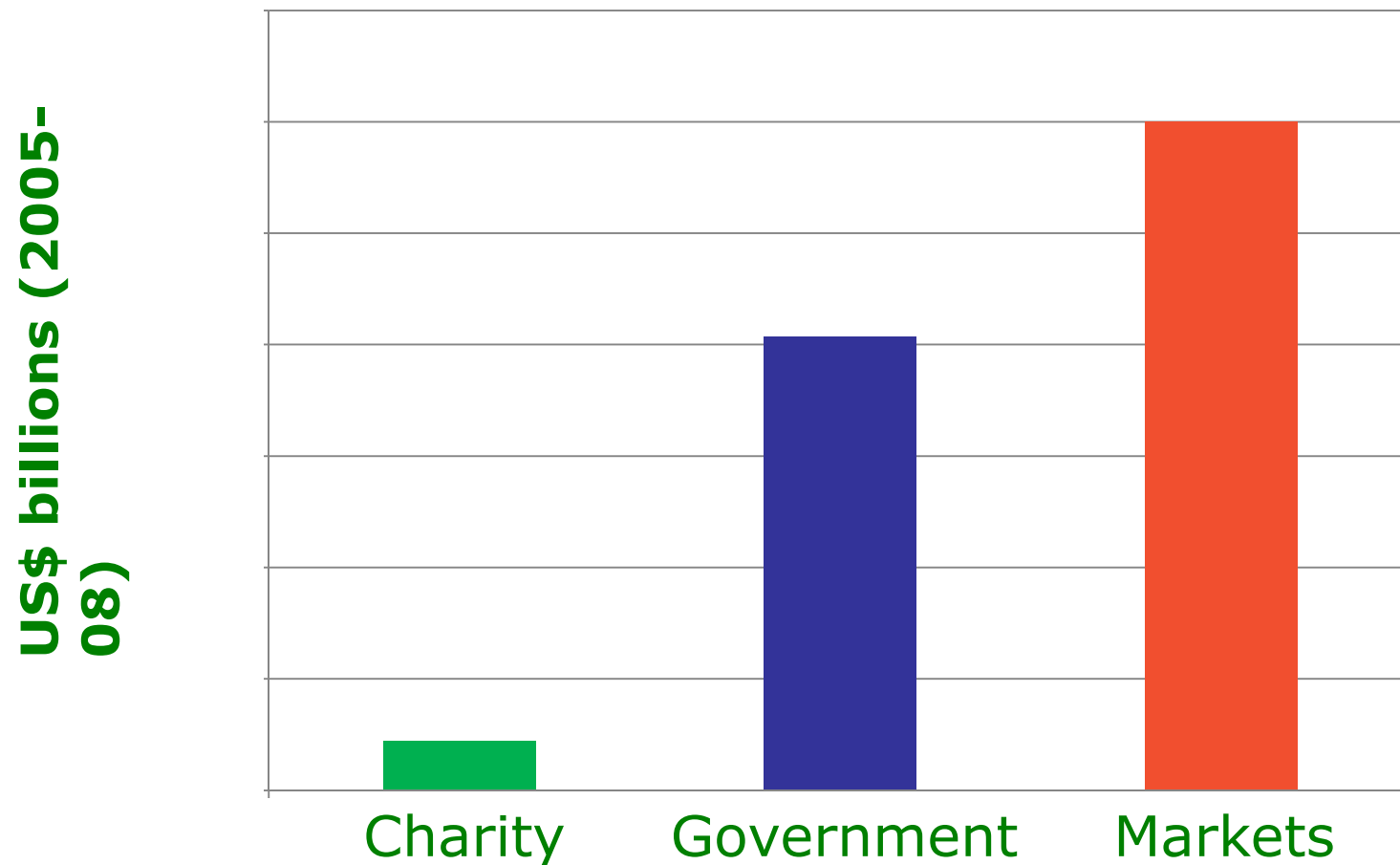
1. What was the total in FY2008? **US\$ 81.4 billion**
2. What was the rank (federal, state, local)?



Source: Walls, M., Darley, S., Siikamäki, J. 2009. The State of the Great Outdoors: America's Parks, Public Lands, and Recreation Resources. Resources for the Future: Washington, D.C. 100 pp.

# US public & private spending on biodiversity

What is the rank (government, charity, market)?



Sources: Walls et al. 2009; Giving USA 2006; US Fish & Wildlife Service 2007.

# Indicators for the Strategy for Resource Mobilization (Decision X/3)

## **Aggregated financial flows, ...:**

- (a) Official Development Assistance;
- (b) Domestic budgets at all levels;
- (c) Private sector;
- (d) Non-governmental organizations, foundations, and academia;
- (e) International financial institutions;
- (f) United Nations organizations, funds and programmes;
- (g) Non-ODA public funding;
- (h) South-South cooperation...;
- (i) Technical cooperation;

Amount of funding provided through the Global Environment Facility and allocated to biodiversity focal area.

Resources mobilized from the removal, reform or phase out of incentives, including subsidies, harmful to biodiversity, which could be used for the promotion of positive incentives, including but not limited to innovative financial mechanisms, ...

**Number** of Parties that integrate considerations on biological diversity and its associated ecosystem services in development plans, strategies and budgets;

Number of South-South cooperation initiatives  
...

Amount and number of South-South and North-South technical cooperation and capacity building initiatives that support biodiversity;

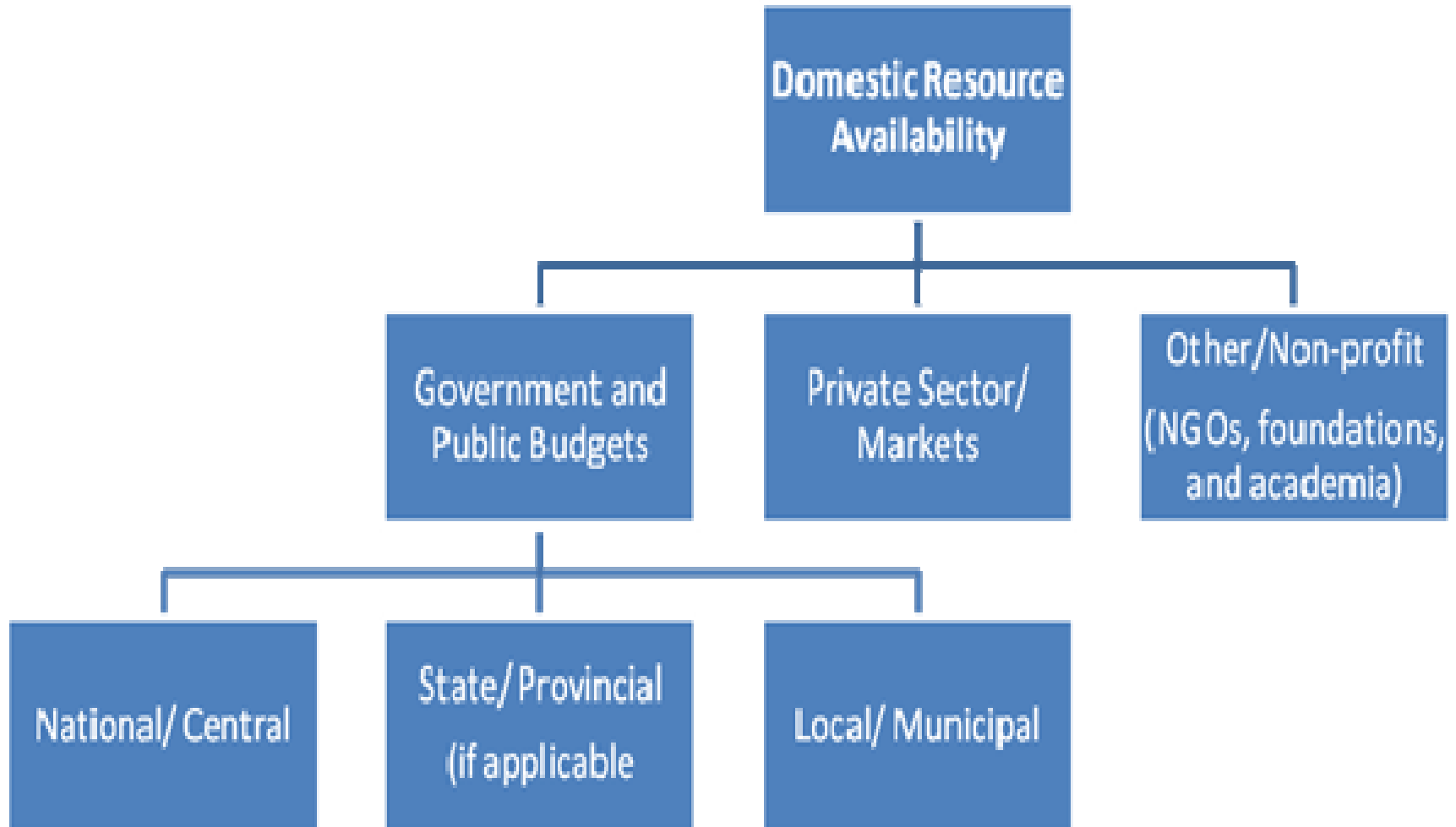
Number of initiatives and respective amounts, ... that engage Parties and relevant organizations on new and innovative financial mechanisms, ...

Number of access and benefit sharing initiatives and mechanisms,...

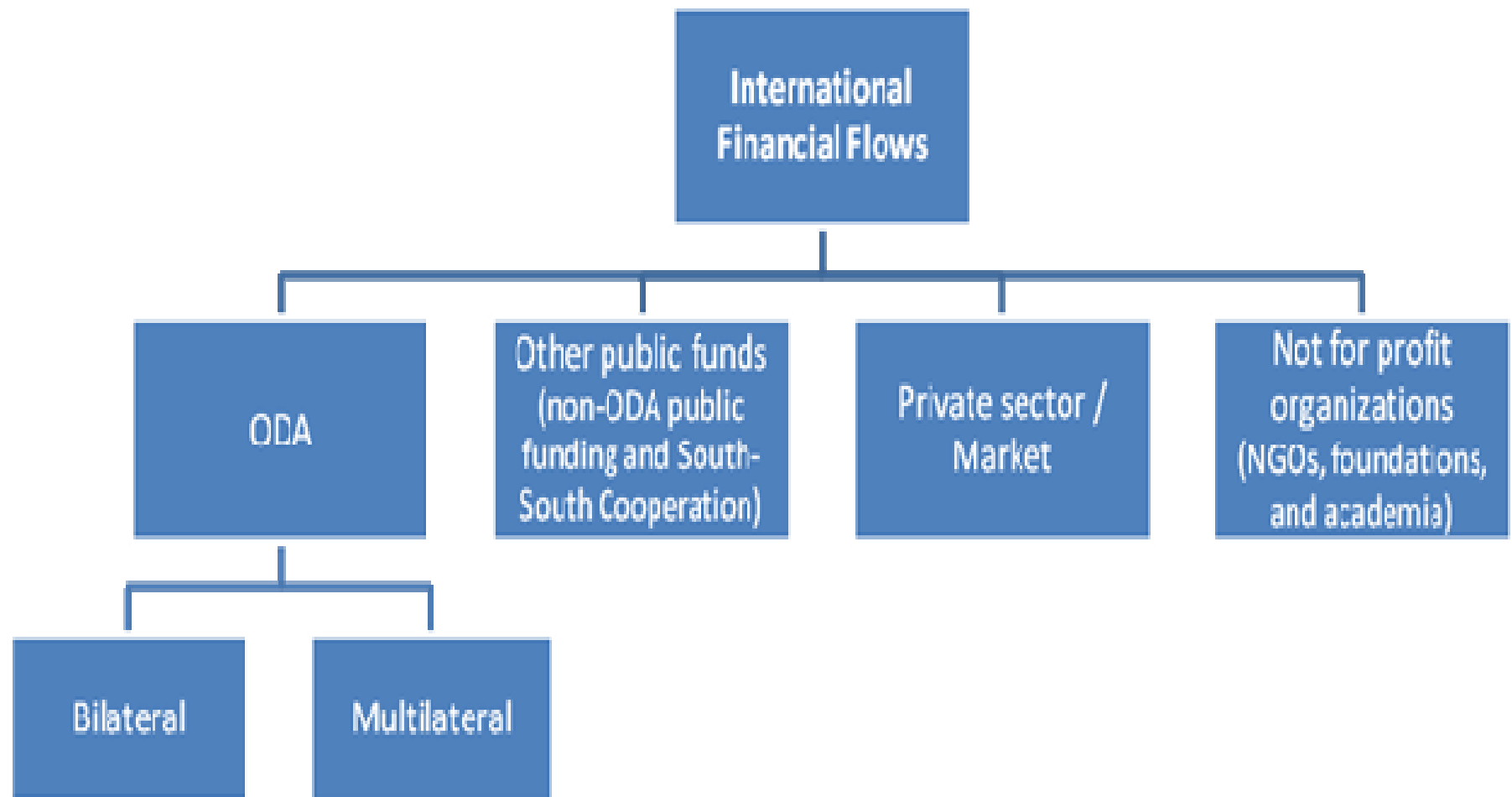
# Implementation Guidelines

- Consideration of all information
- Avoiding double counting
- Efficiency in information collection
- Data quality

# Domestic Resource availability



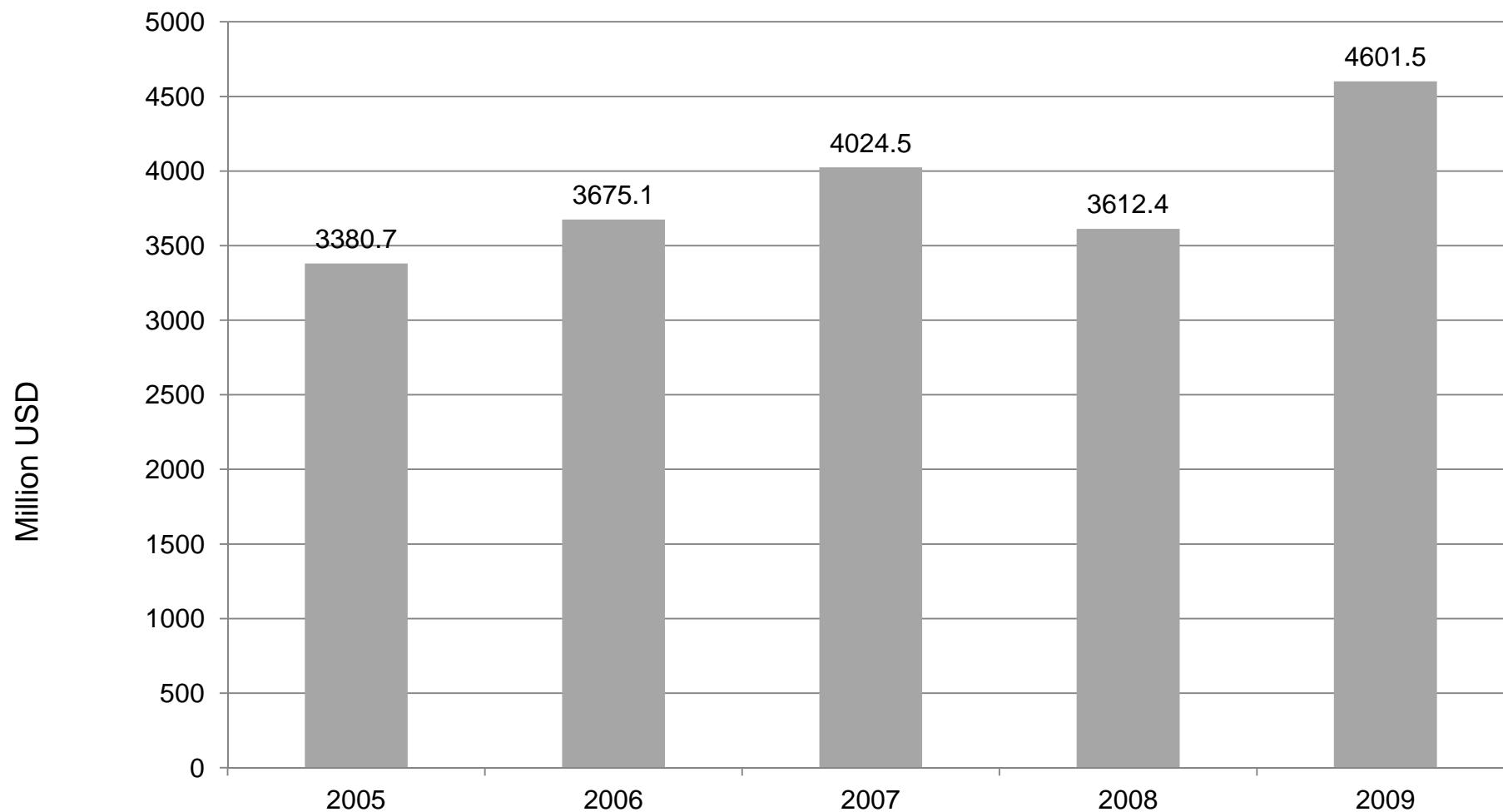
# International Financial Flows



<b>Year:</b>		<b>Currency:</b>									
<b>Type of financial flows</b>		<b>Activity categories</b>								<b>Total</b>	
		<b>Category A: Biodiversity protection</b>		<b>Category B: Policy development and administration</b>		<b>Category C: Sustainable use and management.</b>		<b>Category D: Sustainable production and consumption</b>			
		Amount	Confidence	Amount	Confidence	Amount	Confidence	Amount	Confidence	Amount	Confidence
<b>1.1</b> Official Development Assistance	<b>1.1.1</b> Bilateral										
	<b>1.1.2</b> Multilateral										
<b>1.2</b> Other public funds											
<b>1.3</b> Private/ Market											
<b>1.4</b> Not for profit organizations											
<b>Total:</b>											
<b>Comments:</b>											

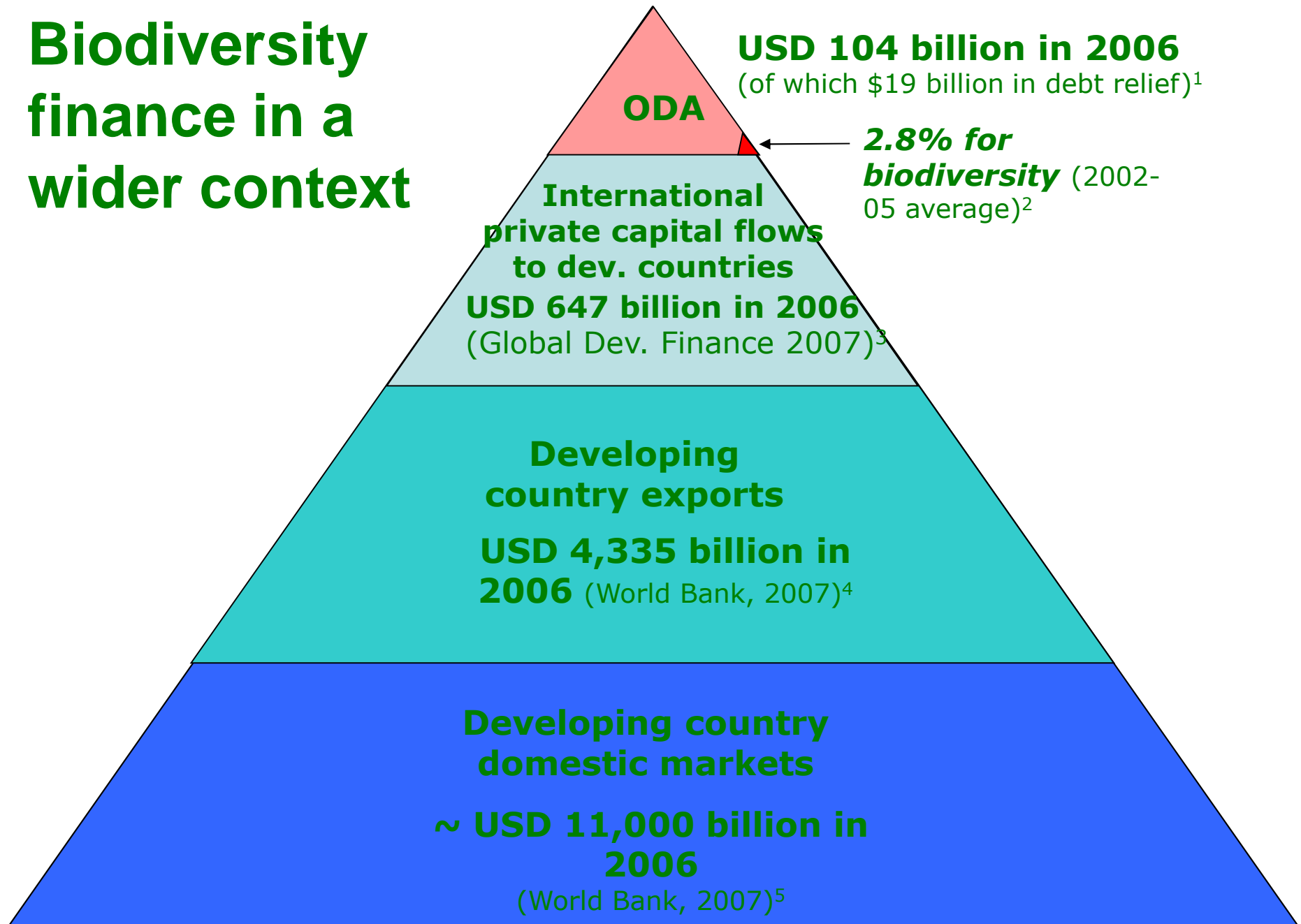
# ODA for Biodiversity

(Estimated from OECD Rio Markers)

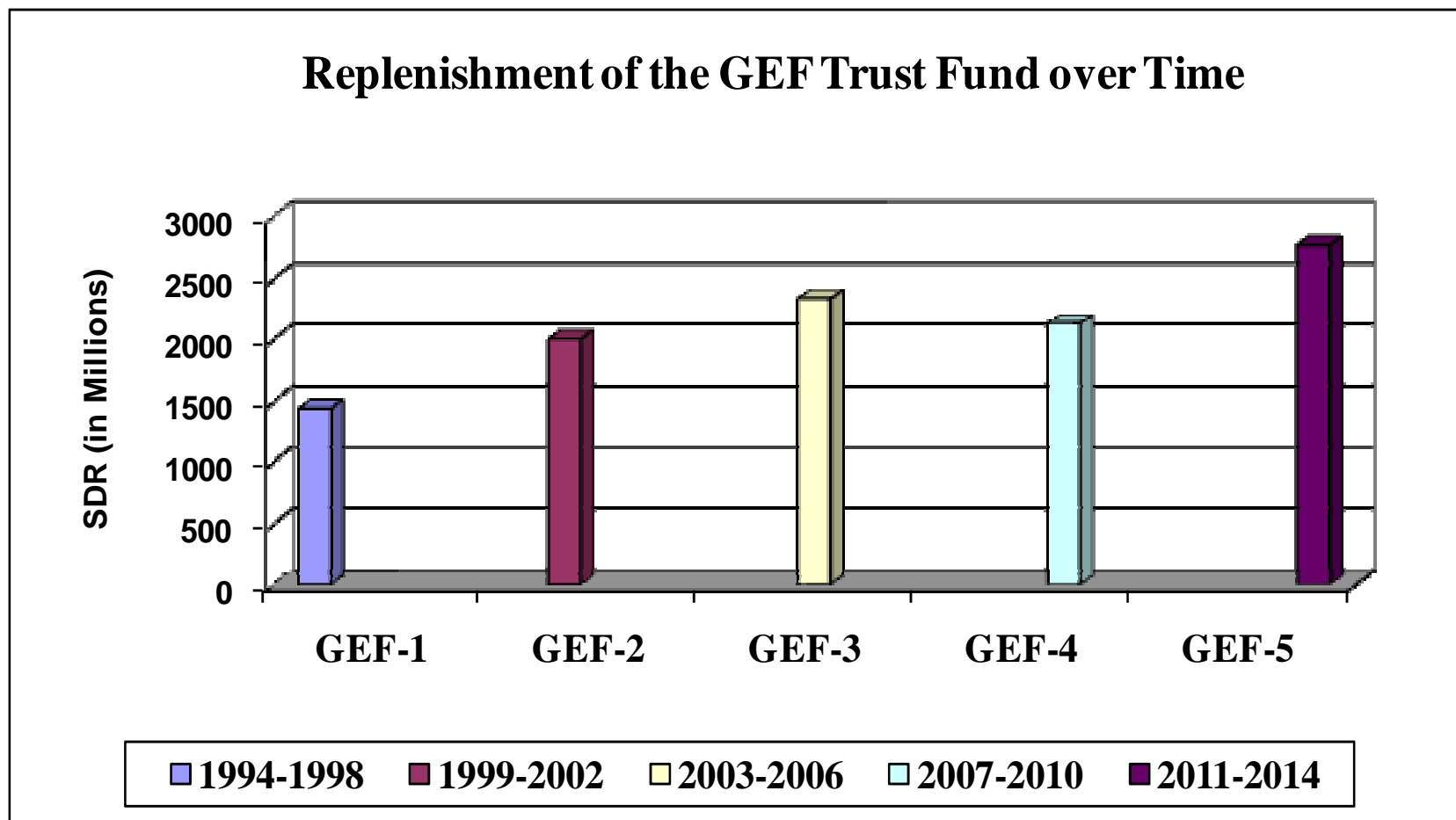




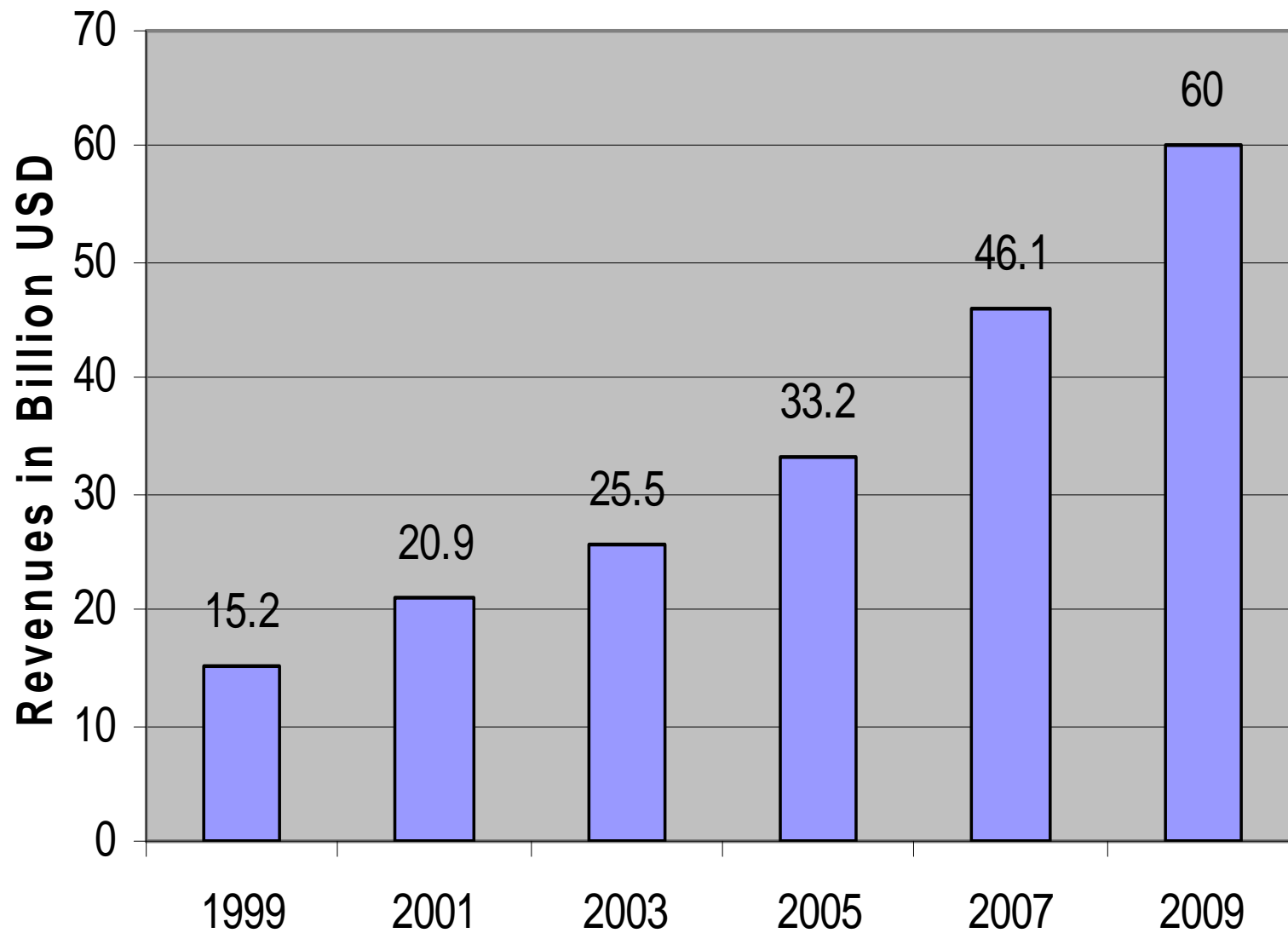
# Biodiversity finance in a wider context



# The Global Environment Facility and its Replenishments



## Growth in Global Organic Market



# Voluntary markets relevant to biodiversity

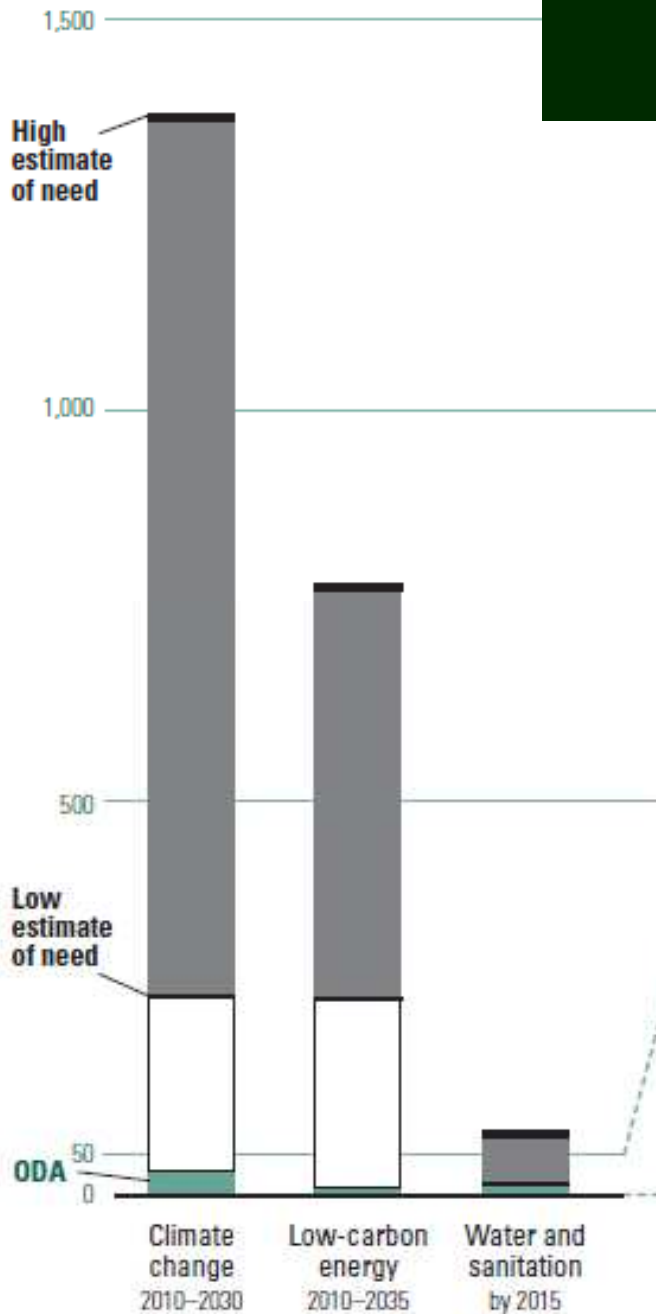
Market opportunities	Market size (US\$ per annum)		
	2008	Est. 2020	Est. 2050
<b>Certified agricultural products</b> (e.g., organic, conservation grade)	\$40 billion (2.5% of global food & beverage market)	\$210 billion	\$900 billion
<b>Certified forest products</b> (e.g., FSC, PEFC)	\$5 billion of FSC-certified products	\$15 billion	\$50 billion
<b>Bio-carbon / forest offsets</b> (e.g., CDM, VCS, REDD+)	\$21 million (2006)	\$10+ billion	\$100+ billion
<b>Payments for water-related ecosystem services</b> (government)	\$5.2 billion	\$6 billion	\$20 billion
<b>Payments for watershed management</b> (voluntary)	\$5 million Various pilots (Costa Rica, Ecuador)	\$2 billion	\$10 billion
<b>Other payments for ecosystem services</b> (government-supported)	\$3 billion	\$7 billion	\$15 billion
<b>Mandatory biodiversity offsets</b> (e.g., US mitigation banking)	\$3.4 billion	\$10 billion	\$20 billion
<b>Voluntary biodiversity offsets</b>	\$17 million	\$100 million	\$400 million
<b>Bio-prospecting contracts</b>	\$30 million	\$100 million	\$500 million
<b>Private land trusts, conservation easements</b> (e.g., North America, Australia)	\$8 billion in U.S. alone	\$20 billion	Difficult to predict

## Recent estimates of current spending on biodiversity

- US\$ 6 billion/year (James et al. 1999)
  - US\$ 6.5 billion/year (James et al. 2001)
  - US\$ 10 billion/year (Pearce 2007)
  - US\$ 4-5 billion/year (Gutman & Davidson 2008)
  - US\$ 36-38 billion/year (Parker & Cranford 2010)
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- Ecosystem-based adaptation and mitigation (300 billion/year)

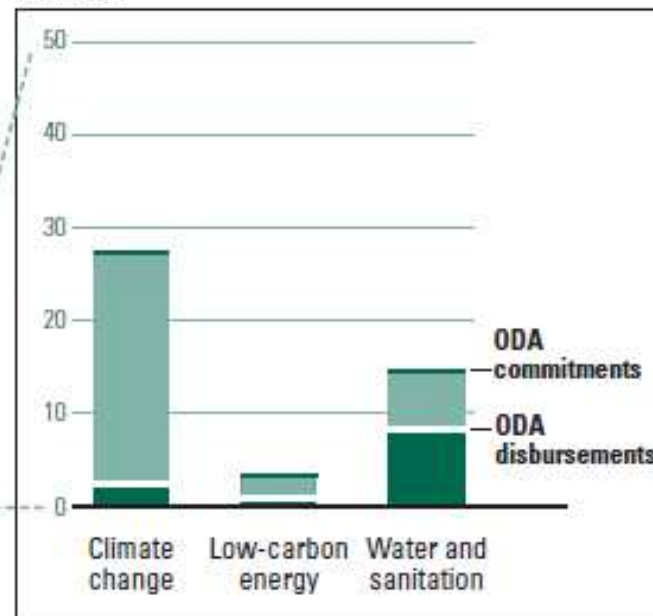
## Estimated future needs and existing official development assistance (ODA)

Annual expenditures (\$ billions)



## Funding Gap ? -- Example of climate change

ODA commitments and disbursements, 2010  
(\$ billions)



# Estimates of the current and future scale of biodiversity finance

## The Little Biodiversity Finance Book

A guide to private investment in natural capital (PINC)



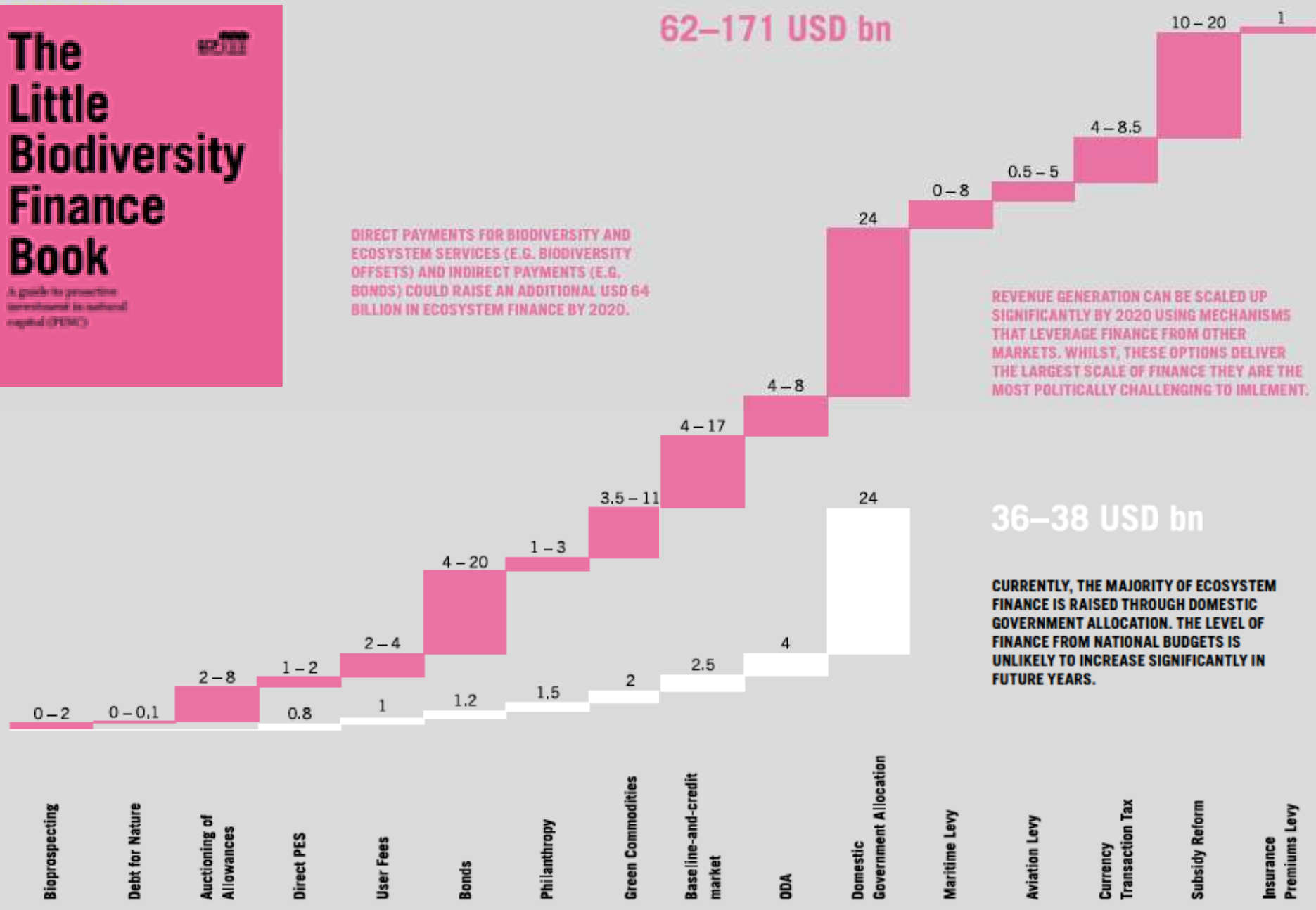
DIRECT PAYMENTS FOR BIODIVERSITY AND ECOSYSTEM SERVICES (E.G. BIODIVERSITY OFFSETS) AND INDIRECT PAYMENTS (E.G. BONDS) COULD RAISE AN ADDITIONAL USD 64 BILLION IN ECOSYSTEM FINANCE BY 2020.

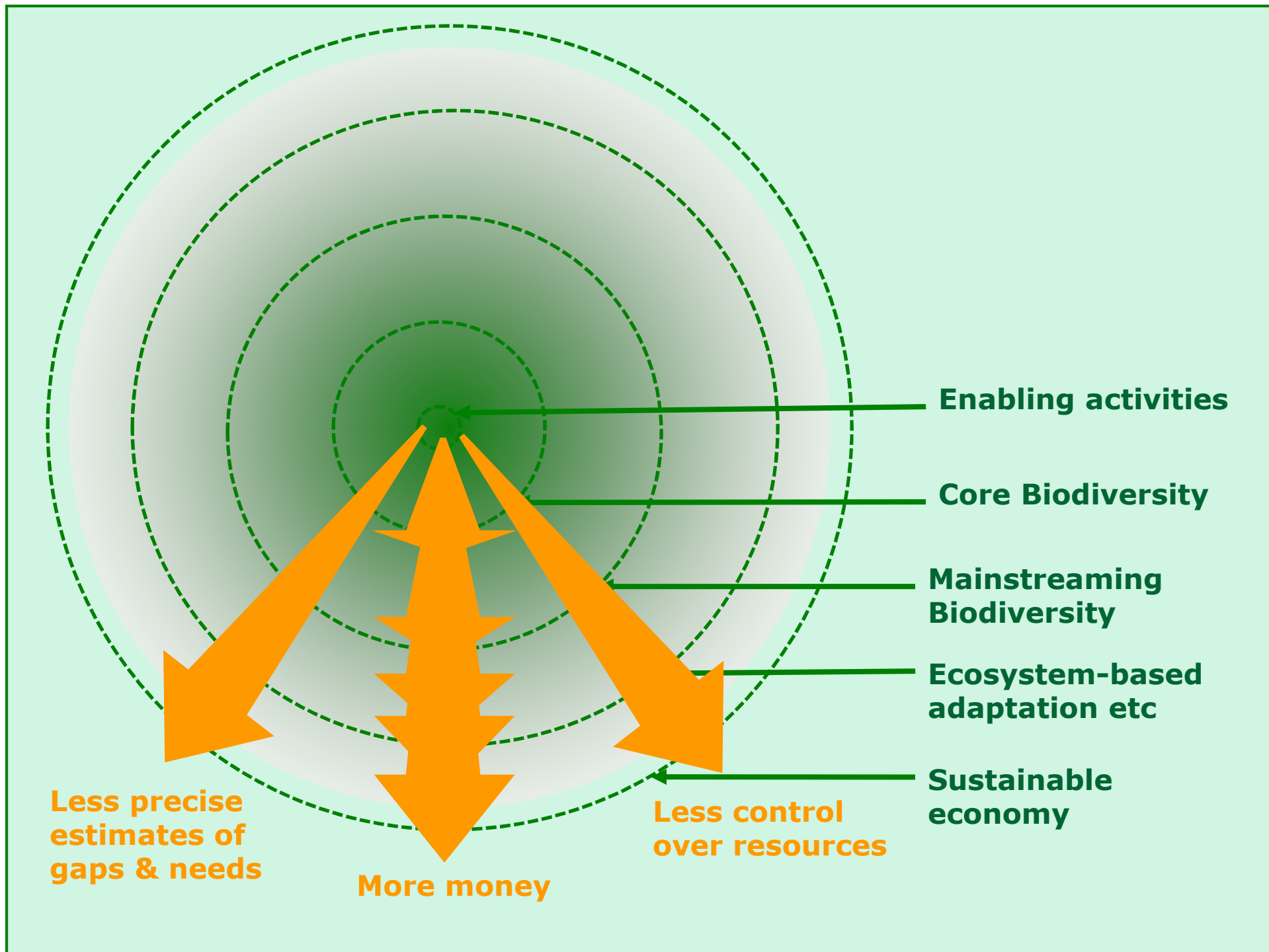
62–171 USD bn

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.







## Size and control of funds vary with their purpose

Purpose	Size	Source and Budget
Facilitating biodiversity planning implementation and monitoring	\$	Domestic budget or ODA Environment Ministry Budget
Core Biodiversity activities: surveys; protected areas; regulation etc	\$\$	Domestic budget, ODA and other sources Environment Ministry Budget
Mainstreaming in agriculture, forestry, fisheries, .... education etc	\$\$\$	Domestic budget, ODA, PES, subsidy reform and other sources Budgets of other ministries and private sector
Adaptation to climate change; C sequestration	\$\$\$\$	Climate-related finance
Green economy (sustainable production and consumption)	\$\$\$\$\$\$	All sources All budgets

## Outputs of the Country-specific resource mobilization strategy

- A. Economic rationale for investment in biodiversity
- B. Analysis of existing mechanisms for the generation and delivery of funds at the national level (including national budget)
- C. Assessment of funding needs for implementation of the NBSAP (achievement of the national and Aichi targets). This may include:
  - precise needs for core biodiversity activities and in the shorter short term
  - more general assessment of broader activities and in the longer term
- D. (Proposals for) Policy and institutional change, eg: establishment of new funds

Aiming at:

- Efficient use of all funds (including existing resources)
- Mobilization of additional resources for biodiversity, including through new mechanisms and reallocation of funds

## Principles for the Country-specific resource mobilization strategy

- Understand: existing sources; budget cycle
- Identify opportunities for new sources
- Mainstream – persuade others to spend or reallocate *their* money
- Involve others; get ownership over biodiversity-friendly activities
- Reform – look for opportunities to save money by ceasing support to activities harmful to biodiversity
- Leverage funds under your control
- Make the economic case
- Innovate
- Move beyond a “shopping list” Look not just for funds for projects, but for strategic/ policy/ institutional changes that will mobilize additional resources



[www.cbd.int/sp](http://www.cbd.int/sp)  
[www.cbd.int/nbsap](http://www.cbd.int/nbsap)

# Exercise in Groups

**Choose one of the “national” targets developed during the workshop**

- **Can this target be achieved with existing available resources?**
- **If not, what activities require additional resources?**
- **What are possible sources of additional resources required?**

To answer this last question, may be useful to address the following:

- Who will benefit from the achievement of the target, and who will bear its costs (including opportunity costs)?
- What are possible ways by which the beneficiaries could contribute to the costs of achieving the target?
- Are there any relevant existing subsidies which could be redirected towards the target?
- What other sources of finance might be used to support achievement of the target?

# Preparation for the Exercise

**Brainstorming:** From the presentations made in the workshop so far, and from your own experience, **identify examples of resource mobilization** under the following categories:

- **Domestic budgets for biodiversity**
- **Domestic budgets for other sectors**
- **International (ODA) including GEF**
- **New Mechanisms**