



Financial Planning for Biodiversity in Eastern Asia

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China

China's first national biodiversity strategy and action plan¹ was developed in 1994, with reference to financing under two headings: scientific research (clarify responsibility allocation and financial budgeting – studies to be undertaken by the Chinese Academy of Science, the Chinese Academy of Social Science, research institutions under various ministries), and identify sources of finance, including:

- Determine central government investment: inclusion in the long-term prospective planning, five-year planning and annual plans of economic and social development, long-term and short-term scientific research programs, and administrative plans of various ministries and agencies
- Determine local government investment: inclusion in socio-economic development plans of local governmental departments and agencies
- Determine social contributions: set aside of revenues from using nature reserves, fines from damages to biodiversity, and donations
- Determine international assistance: fundraising meetings with all relevant international organizations, societies and communities
- Determine required investments: a list of priority projects were proposed, with protection projects requiring immediate one-time investments, and projects requiring longer-term but continued annual financial allocations in publicity, education, training, scientific research, technical extension, international cooperation and management. Annual allocations are expected to increase gradually along with national economy, and individual budgetary components developed by relevant sector agencies.

The action plan also presented: criteria for determining biodiversity significance and conservation priority of areas, and criteria for determining global biodiversity significance and conservation priority of species.

The plan attempted to enforce the policy that "those who develop are responsible for protecting, those who utilize are responsible for restoration, and those who destroy are responsible for compensating." Because of the impacts of development and industrialization on biodiversity, this policy has relevance to the Biodiversity Conservation Action Plan. In this regard, pollution prevention and control, usually including a fee charged for pollutant discharge, should be more uniformly practiced for both urban and rural industries; land restoration should be strictly enforced for mining and road construction projects; and the system of long-term permits and compensated use should be practiced in land and water body development (both terrestrial and sea water bodies). The relevant line agencies should improve their enforcement of this policy.

¹ China (1994). Biodiversity Conservation Action Plan, National Environmental Protection Agency, Beijing, May 1994, 106 pp.

China's second plan², issued in 2010, contained 10 priority areas and 30 priority actions for biodiversity conservation. The first priority action was: to set up, improve and promote a biodiversity-related policy system of prices, tax, credit, trade, land use and government procurement to provide price, credit and tax privileges for biodiversity projects; to improve ecological compensation policy to expand policy coverage and increase resource inputs, and formulate incentive policy to encourage re-use of ecological resources and development of alternative technology. The document listed 39 projects, and sought to increase resource input by:

- Broaden the channels of inputs, increase national and local funding, and guide private, credit, and international capital to participate in the protection of biodiversity, and foster a diversified investment mechanism.
- Integrate existing dispersed funds in biodiversity conservation to improve the use efficiency.
- Increase fiscal support at all levels to biodiversity conservation capacity building, basic scientific research and ecological compensation.

² China (2010). China Strategy and Action Plan for Biodiversity Conservation (2011-2030), Chinese version, 65 pp.

Democratic People's Republic of Korea

DPR Korea³ provided that:

Objective 19. Remove duplication of investment providing linkage between sectors by including biodiversity conservation in national land development programme. National land development plan is a united and comprehensive prospective plan to rationally develop, utilize, consolidate and beautify territory in accordance with promotion of well-being of the people and to build up general economic life of the country in a prospective and planned manner.

Therefore, biodiversity conservation accounts for important proportion in mapping on national, important regions and local land development programme. By mapping out national land development programme well, and on the basis of it, if we build up land in a planned manner and conserve, develop and use biodiversity sustainably, national economy in mapping out plan steps, will be satisfactorily provided and the waste of materials and funds will be eliminated. Particularly, the loss of biodiversity in land construction will be removed by paying special attention to biodiversity conservation.

Objective 22. Strengthen the support to financial mechanisms related to biodiversity conservation and sustainable use.

As sound ecosystem is maintained and foundation for sustainable development in several sectors of national economy including forest, agriculture, fishery is consolidated through protection of natural environment and animals and plant species, the problem of increasing financial investment on biodiversity conservation and its sustainable use, is very important in both viewpoint of immediate and long-term economic profits.

However, for the successive natural disaster and several economic difficulties in recent years, investment of this sector has not been increased. In such a condition, measures to confirm target for fund distribution on priority object to provide biodiversity conservation and its sustainable use, and to assign it for state or local budget, will have to be taken.

In this context, experts for biodiversity conservation and specialists in plan sectors should positively assist Ministry of finance and local administration work, and several additional financial measures required in strengthening biodiversity conservation and its sustainable use in existing budget plan.

4.3. Action and priority projects

³ DPR Korea (1998). National Biodiversity Strategy and Action Plan of the Democratic People's Republic of Korea, 1998, 83 pp.

4.3.1.4.4. Take proper measures to increase investment of biodiversity conservation.

In view of strained financial circumstances as a result of recent successive natural disaster and economic difficulties, take measures in consonance with actual condition.

Accelerate following activities related to this.

- Decide present and prospective state budget needed for biodiversity conservation and its sustainable use.
- Decide local budget on biodiversity conservation
- Concentrate investment on priority object of biodiversity conservation
- Improve quality of export goods by organizing comprehensive analysing evaluation work on all exports of form land products and prevent loss of resources in trade by coordinating exports on the basis of usable quantity of resources and additionally put its profit to biodiversity conservation.
- Regulate export items which can give negative influences to biodiversity conservation in exports of biological resources.
- Eliminate investment waste by having obligation to propose environment impact assessment paper before all development. Strengthen substantial incentives on fine units of biodiversity conservation and sustainable use.

Korea DPR's first strategy and action plan provided the criteria for determining priorities, and classified priority projects into 3 categories based on project size. The document sought to take proper measures to increase investment of biodiversity conservation by:

- Decide present and prospective state budget needed for biodiversity conservation and sustainable use.
- Decide local budget on biodiversity conservation
- Concentrate investment on priority object of biodiversity conservation
- Improve quality of export based on land products and prevent loss of resources in trade by coordinating exports on the basis of usable quantity of resources and return profits to biodiversity conservation.
- Regulate exports that can have negative influences to biodiversity conservation
- Eliminate investment waste by requiring environment impact assessment paper prior to all development
- Strengthen substantial incentives through fines

Korea DPR's second plan⁴ identified 19 projects and the following criteria were used to determine priorities:

- Whether it is of national or international & regional significance for biodiversity conservation;
- Threatened status of ecosystem, species and their habitat;
- Immediate and future benefits from the sustainable use of bio-resource;
- Precedence of conservation over development and their integration;
- Effect of creation and its generalization of the model for the conservation and sustainable use of biodiversity;
- Economic effectiveness of the investment of financial, material and manpower resources etc.

Under Action 22, the country sought to provide necessary financial support to the institutions related to the conservation and sustainable use of biodiversity by asking biodiversity experts, planning and financial experts to actively support the Ministry of Finance and local administrative organizations, while integrating a series of additional financial measures necessary for promoting biodiversity into existing budget plan.

⁴ Korea DPR (2007). National Biodiversity Strategy and Action Plan of DPR Korea, Pyongyang, DPR Korea, 2007, 122 pp.

Japan

Japan's planning document⁵ contained a section on cooperation for developing countries.

The Official Development Assistance (ODA) Charter decided by the Cabinet in August 2003 was set up with "pursuing environmental conservation and development in tandem" as one of its four principles of ODA implementation, while positioning "addressing global issues" as a priority issue. In the "Environmental Conservation Initiative for Sustainable Development (EcoISD)" announced in 2002, "conservation of the natural environment" was positioned as one of its priority areas.

Based on these policies including the Initiative, the government will positively contribute to conserving global biodiversity through the conservation and sustainable use of biodiversity in developing countries.

In practice, the government lends positive support in various aspects of drafting, formulating and implementing plans on the conservation and sustainable use of biodiversity, fostering human resources, and preparing facilities. It also supports the conservation and management of nature reserves, forest conservation, prevention of desertification, research, prevention of the impact of climate change on biodiversity, and natural resources management, in an effort to conserve and sustainably use biodiversity and contribute to worldwide conservation of biodiversity in cooperation with developing countries.

4.1 Cooperation for capacity building for environmental issues

(Current Situation and Challenges)

Because socioeconomic and technical problems including population growth, expanded economic activities and poverty, together with environmental problems are global issues, many countries face difficulties in properly conserving biodiversity by themselves. The capacity building to handle environmental matters must therefore be practiced comprehensively.

(Specific Measures and Policies)

- To enhance the comprehensive capacity of organizations and people to deal with problems concerning the environment, the government will promote the development of human resources in developing countries, including building the capacities of environment-related technologies, as well as extending cooperation for institution-building and providing equipment. (MOFA)
- To help developing countries develop their own capacities, the government will select projects for extending its cooperation from a long-term perspective, promote cooperation with

⁵ Japan (2010). The National Biodiversity Strategy of Japan 2010, Cabinet Decision on March 16, 2010, Ministry of the Environment, 404 pp.

particular importance given to the participation of stakeholders, both in the decision-making process for setting priorities and in implementing target projects, engage in joint efforts to enhance implementation capability, and promote environmental education to raise awareness about environmental problems. (MOFA)

4.2 Considerations for the environment

(Current Situation and Challenges)

Even though developing countries have a substantial need for assistance in the environmental sector, they tend to put higher priority on development projects; consequently, local needs in the environmental sector are not reflected in specific project proposals. Therefore, the government will promote giving incentives for environmental conservation.

(Specific Measures and Policies)

- The government will promote giving incentives for environmental conservation and raising environmental awareness, through a policy dialogue, various forums, and other appropriate cooperation schemes. (MOFA)
- The government will support projects in which appropriate environmental considerations are fully taken into account, in order to promote the integration of economic growth, poverty reduction and environmental conservation by incorporating environmental considerations into all development plans and individual projects, and address the environmental problems in developing countries. (MOFA)

4.3 Promoting cooperation under a comprehensive framework

(Current Situation and Challenges)

Japan's experience in overcoming environmental problems and its valuable know-how on coping with biodiversity issues, and building an administrative system and society in harmony with nature have been accumulated by a broad range of entities, including local governments and enterprises. Based on this standpoint, the government will effectively promote international cooperation by collaborating with these entities and using Japan's scientific technology in monitoring, data analysis and counter-approaches.

(Specific Measures and Policies)

- The government will promote cooperation by positively promoting collaboration with other forms of cooperation in these fields, among international organizations, local authorities, the private sector, NGOs and others. (MOFA)
- In order to solve regional and global environmental problems, the government will cooperate in this field based on broad and comprehensive frameworks that effectively synthesize various

methods of cooperation. One example would be combining cooperation where support measures are provided intensively in one particular place with that provided for wider regions. (MOFA)

- The government will more effectively and efficiently promote international cooperation in environmental fields including biodiversity based on EcoSIJ, in view of the need in developing countries, the trends of international society regarding biodiversity, such global issues as climate change, and thereby more effectively and efficiently promote international cooperation in environmental fields including biodiversity. (MOFA)
- The government will promote, in cooperation with the ODA, international cooperative research aimed at practical measures based on the needs of developing countries, and applicable to global problems in the environment field including the area of biodiversity, in order to acquire new information that will contribute to solving these problems, improve the standards of scientific technology, foster human resources in developing countries, and improve their problem-solving capabilities (MOFA, MEXT)

4.4 Contributions for global environment conservation in the fields of agriculture, forestry and fisheries

(Current Situation and Challenges)

To achieve higher production and income amid population growth and poverty, developing countries were forced to engage in resource-stripping production activities including excessive cultivation or grazing. As a result, land and water resources have been degraded, and environmental problems such as desertification have occurred on a global scale, thereby raising concerns about the deterioration of biodiversity. These global environmental problems are threats to the survival of individual human beings beyond national borders, and international society must therefore cooperatively cope with those problems.

The world's forests are rapidly decreasing and deteriorating due to the conversion of forests into agricultural land, illegal logging, wildfires and excessive grazing, especially in tropical rain forests where a diverse variety of many species on earth live. Each year from 2000 to 2005, about 12.9 million ha (about 7.3 million ha or equivalent to one-fifth of Japan's total land area, excluding increases afforded by afforestation) of F forests were lost. Such a large-scale reduction of forests is one major factor causing a crisis in global biodiversity, and cooperation must be promoted for conserving and creating forests in developing countries.

Marine resources are sustainable, and the proper conservation and management of marine resources are responsibilities imposed on coastal states by the UN Convention on the Law of the Sea. Marine resources are also important from the standpoints of securing for the nation a stable supply of fishery products and conserving biodiversity.

While there are negative international opinions against the bycatch problem involving sharks, sea turtles and even sea birds, and against tuna longline fishing and trawl fishery on the high seas because of fishery's impact on biodiversity in abyssal seas, the Convention on Biological Diversity made moves to establish marine protection areas on the high seas, coupled with efforts to manage living marine resources under international trade controls imposed by the Washington Convention, thereby demonstrating the importance of continued support for developing countries not only from the perspective of conserving biodiversity but also from that of ensuring the conservation and sustainable use of living marine resources on a scientific basis.

(Specific Measures and Policies)

- By using Japan's experience and knowledge at home and abroad, the government will promote international cooperation for sustainable agriculture, forestry and fisheries, and positively contribute to global environmental conservation efforts such as preventing desertification, ensuring the sustainable use of water resources, and measures to address global warming. (MOFA, MAFF)
- As bilateral cooperation, the government will implement technical cooperation via JICA and promote sustainable forest management in developing countries. (MOFA, MAFF)
- As multilateral cooperation, the government will promote projects aimed at promoting sustainable forest management, such as measures against illegal logging in developing countries, by funding the United Nations Food and Agriculture Organization (FAO) and the International Tropical Timber Organization (ITTO) (MOFA, MAFF)
- The government will conduct basic research and technical development to promote sustainable forest management in developing countries, and measures to prevent global warming such as REDD. (MOFA, MAFF)
- As multilateral cooperation in fisheries, the government will promote projects aimed at promoting international resources management and fishing village development for sustainable fisheries, by funding the United Nations Food and Agriculture Organization (FAO) and the Southeast Asian Fisheries Development Center (SEAFDEC). (MAFF)

Mongolia

Mongolia⁶ provided the following:

4.3. Seek finances from all possible sources in order to implement the Biodiversity Conservation Action Plan for Mongolia

(a) Government funds

Conservation of biodiversity is necessary for the sustenance of Mongolia's society. Considerable sums of money will have to be allocated for biodiversity conservation activities in order to achieve the program outlined in this plan. Money invested well in biodiversity conservation will be recouped later. Government has an obligation and a practical need to allocate sufficient funds for biodiversity conservation.

Article 33 of the Law on Environmental Protection requires that environmental and biodiversity conservation be adequately budgeted for by central and local governments. However only a very small percentage of the governments' budget is presently allocated for biodiversity conservation. The budget must be increased as a necessary investment in the future.

Additional funds for conservation should be raised by earmarking at least a percentage of fees, taxes, and fines such as from:

- commercial sales of timber
- grazing licenses
- mining permits
- tourist licenses and permits
- protected area entrance and use permits
- airport taxes
- firearms and ammunition taxes
- hunting and fishing licenses
- fines for pollution, poaching, timber theft, and violations of permits and licenses.

Action 1

Study the means for increasing revenue for biodiversity conservation and make conclusions on the best mechanisms.

Action 2

Establish the necessary legislative and administrative mechanisms, to implement the conclusions.

⁶ Mongolia (1996). Biodiversity Conservation Action Plan for Mongolia, Ulaanbaatar, April 1996, 127 pp.

(b) Non-government funds

Donations from individuals, companies, and organizations can be an important source of funds, labor, goods or property. Some donations are ear-marked or intended for specific conservation activities. Others are available for general environmental or biodiversity conservation. The General Environmental Protection Fund and the Endangered Species Fund are at present administered by the Ministry for Nature and the Environment.

Action 3

Encourage the interest and participation of Mongolia's citizens in biodiversity conservation, promote and facilitate donations' to conservation funds, and make open to the public the details of how the funds are spent.

(c) External sources

Assistance under the Convention on Biological Diversity is available to pay for the "incremental" costs of conserving Mongolia's biodiversity. This means that funds can be applied for to pay for conservation activities over and above those necessary for Mongolia's own sustainable development, which contribute to conservation for the benefit of the global community. Funds from individual donors (people, organizations or nations) and multinational donors have to be applied for with well reasoned proposals. The problem with the form of some donations is that they are not recurring. Mongolia urgently needs long-term secure funding for various key conservation activities. By its very nature, biodiversity conservation is a long-term activity and to be successful requires guaranteed long term funding. A Biodiversity Conservation Trust Fund endowed with sufficient capital to produce an annual income to finance key activities would bear extremely profitable results.

Action 4

Prepare detailed proposals for external funding considering carefully the global benefits of maintaining Mongolia's ecosystems and biodiversity in their relatively unspoiled state.

Action 5

Establish the Mongolia Biodiversity Conservation Trust Fund to fund selected key activities.

Republic of Korea

Korea⁷ suggested the following:

Strategy: Strengthen the financial system

Stable and continuous financial security is important to accomplishing the National Biodiversity Strategy. However, since national investment in biodiversity conservation is so low in priority, various ways of securing financial support should be considered.

- Consider converting part of benefits from biodiversity use into funding.
- Through strengthening environmental impact assessment, positively consider increasing the percentage of current cooperative funding from some biodiversity-related development funding. At the same time, positively consider expanding limits on enterprises.
- Encourage voluntary donations by private enterprises that are related to the non-consumptive use of biological resources, like tourism.

Strategy: Strengthen cooperation with regional countries and developing countries

- Strengthen international cooperation for facilitating biodiversity conservation when forming agreements with foreign governments and NGOs
- Execute a collaborative survey of environmental influences on the biodiversity of the region and of neighboring countries, and establish and promote joint countermeasures for the proper management of hazardous elements.
- Carry out all cooperative, international projects in such a way as to not create negative influences, and reflect influences on recipient countries' biodiversity when setting up and evaluating assistance programs for foreign countries.
- Include foreign aid-projects for underdeveloped and developing countries that consider primarily biodiversity related policy set-up and implementation and development of biodiversity capabilities.
- Facilitate the transfer of advanced biodiversity technology to foreign countries by dispatching experts to developing countries and expanding the supply of business facilities and equipment.

⁷ Republic of Korea (1997). National Biodiversity Strategy, Ministry of Environment, 90 pp.