



Southern Africa: Financial Planning for Biodiversity

Contents

Overview	2
Botswana.....	3
Lesotho.....	5
Namibia	6
South Africa.....	9
Swaziland	11

Overview

Overview of financial planning in Southern Africa

Country	Year plan	Get organized	Financial base-lining	Cost estimation	Financial strategy	Financial plan	Reporting/ review
Botswana	2004, 2007	--	--	Activities at \$345 million	Section on financial mechanisms and actions	--	--
Lesotho	2000	--	--	--	Actions	--	--
Namibia	2001	Finance Committee	--	Activities at N\$132 million	Several strategic aims on financing	--	--
South Africa	2005	--	--	--	Outcome on financial resources and activities	--	--
Swaziland	2001	--	--	--	Section on funding	--	--

Botswana

Botswana's first planning document¹² had a section on financial mechanisms and finance in place for biodiversity related activities. Limited funds and access to funding is probably the biggest limiting factor affecting biodiversity related activities. Donor funding for environmental NGOs has been drastically reduced in the last couple of years, and government funding for environmental activities is also limited. Procedures to obtain existing funding from donors and government are also lengthy and complicated. Funding of biodiversity and ecosystem conservation measures should be seen as an investment into the future, as our biological resources are the foundation of many livelihoods. Biodiversity and the environment can also be used to generate funds, i.e. through tourism and recreation activities and through user charges. It is important that there are mechanisms in place to channel these funds back into activities, which support biodiversity, and environmental conservation activities.

The actions to achieve target included: develop funding mechanisms and funding guidelines for biodiversity activities, e.g. reinvest biodiversity charges towards conservation and rehabilitation in line with the proposed Environmental Fund under National Development Plan 9; extend legal requirements to include the "polluter pays principle" and extend to reasonable levels of rehabilitation of destroyed habitats, and combine with adequate enforcement mechanisms; through the national accounts, provide sufficient financial means to ensure good curation and maintenance of invaluable national ex situ and in situ genetic collections. Outputs/products included: biodiversity charges account for deposit of pollution charges, Environmental Impact Assessment charges for biodiversity conservation and research use; biodiversity fund and guidelines for use; legal framework enforcing the polluter pays principle and habitat rehabilitation; funding for appropriate curation of national collections.

The document also had a section on sustainable financial provisions for implementation of the BSAP and biodiversity programmes ensured. Financial resources are needed for the implementation of the BSAP. Each ministry will be responsible for ensuring that BSAP activities are included in the national and development planning processes to secure funding for implementation by government institutions. The BSAP should also be used to guide donor funding. Actions to achieve target included: review existing financing mechanisms and prepare funding strategy for BSAP related project, including donor funding proposals; strengthen existing biodiversity financing mechanisms if necessary, communicate national biodiversity and environment priorities to external donors, and proactively seek funding for BSAP projects; update and revise estimates of required financing; develop guidelines for biodiversity joint ventures including the private sector and NGOs. Outputs/products were: funding strategy; detailed ministerial BSAP budgets; government biodiversity priorities and funding proposals submitted to donors; finance estimate; joint venture guidelines.

¹ Botswana (2004). Botswana Biodiversity Strategy and Action Plan, Ministry of Environment, Wildlife and Tourism, December 2004, 136 pp.

² Botswana (2007). Revised Botswana Biodiversity Strategy and Action Plan, Ministry of Environment, Wildlife and Tourism, February 2007, 136 pp.

The Action Plan is a large scale planning tool providing indications of actors, timeframes and cost implications of the proposed activities. Indicative cost estimates were based on manpower and infrastructure requirements. The total cost was estimated at a total of 331,125,000 Pula (=US\$43.377 million).

Lesotho

Lesotho's planning document³ had an objective to incorporate biodiversity issues into developmental strategies and activities to ensure that the international development assistance process becomes a force for biodiversity conservation. International development assistance has tended to be silent on issues of biodiversity conservation, and indeed there are examples where, because of this omission, destruction has been caused to biological resources and biodiversity. Under its obligations to the Convention on Biological Diversity, biodiversity conservation must be considered as an integral part of sustainable development and a criterion for selecting and evaluating development assistance projects. It is also true that while external interventions such as Structural Adjustment Programmes have been perceived as successful in Lesotho, they have brought about imbalances which have led to chronic poverty in some sectors of society. Communities become overly dependent on resources that are freely available and in this way biological resources come under stress. It is a corollary that developmental strategies must contain sustainable options for rural communities affected by these strategies.

To realize these objectives the Government, collaborating with interested and affected parties, will make the development assistance process a force for biodiversity conservation (Make biodiversity conservation a priority when seeking international assistance for developmental activities; incorporate biodiversity values into the criteria for judging/selecting, designing and evaluation of development assistance projects; minimize the negative impact on biodiversity and biological resource values of economic reform strategies such as structural adjustment programmes by providing suitable alternatives to local communities, and to women in particular; maximize efforts to attract multilateral and bilateral financial resources for implementation and sustainment of biodiversity conservation programmes and projects in the country).

³ Lesotho (2000). National Strategy on Lesotho's Biological Diversity: Conservation and Sustainable Use, National Environment Secretariat 2000, 96 pp.

Namibia

In its planning process⁴, Namibia established a Finance Committee to elaborate the financial aspect of the strategy. One strategic aim was to develop a detailed financial implementation plan for the NBSAP, including:

- Clarify the potential financing role of the Environmental Investment Fund and submit the NBSAP to its Board for review and prioritization. The Environmental Investment Fund, approved by Cabinet in 2000, has biodiversity conservation aims as one of its core portfolio areas. Ability of the EIF to finance certain components of the NBSAP needs clarification as soon as its Board is constituted (Targets: Discuss financing gaps with the EIF Board after it is constituted, by October 2002)
- Proactively seek financing from Government, multilateral, bilateral and private sources, including Government – donor roundtables to establish areas of interest (Targets: First approaches are made by end of 2002, two roundtables by June 2005)
- Update and revise estimates of required financing for the period 2004-2010 as needed (Targets: Revisions of financial requirements annually from Oct 2004, at time of government budgeting process for the subsequent financial year)

The strategic aim (8.2) to wisely use international assistance, while improving national capacity for sustainable environmental management included:

- Ensure effective consultation with and agreement of relevant local stakeholders in all natural resource-related development efforts and international assistance. International assistance will be needed to bring a sharper focus to general national environmental concerns, particularly biodiversity management. It will also underscore the inextricable linkages between environment and development at the national level. It is essential that natural resource-related development efforts and international assistance are planned in full consultation and agreement with the relevant stakeholders in Namibia, especially local communities as the custodians of resources. Targets: An effective consultation and participatory mechanism regarding the negotiation of international assistance in place by June 2003.
- Ensure that international assistance programmes to Namibia do not incur significant adverse impacts on our biological diversity. Many countries, given dire need for financial assistance, accept assistance projects and programmes uncritically. Inappropriate international assistance may have significant adverse impacts on sustainable development and biodiversity. It is therefore imperative that development aid in Namibia be driven by nationally determined needs, goals and decision support procedures, including if necessary strategic environmental

⁴ Namibia (2001). Biodiversity and development in Namibia: Namibia's ten-year strategic plan of action for sustainable development through biodiversity conservation 2001-2010, 137 pp.

assessment. Targets: Collaboration with the National Planning Commission and other relevant stakeholders on improving decision-support procedures is established by June 2003.

- Maximise investment benefits from the currently favourable external funding climate for sustainable development, while investigating strategic and cost-effective ways to reorient the national development budget to sustainable development in the longer term. The external funding situation remains very conducive for sustainable development, and Namibia retains a positive relationship with the donor community. Namibia should seize current opportunities for financial aid where these match national development objectives, especially in terms of capacity building, while also working to reorient the national development budget in strategic and cost-effective ways towards sustainable development investments in the longer term. Targets: The Environmental Investment Fund reaches US\$30 m by 2005; concerted dialogue with the National Planning Commission and Ministry of Finance on national budget reorientation has begun by March 2003.
- Forge and continue effective cooperation with international partners to strengthen human, research and institutional capacity to conserve Namibian biological diversity. The conservation of biodiversity in Namibia will depend on the strength of its human resource, institutional and research capacity. Namibia's technical and scientific community is very small, and effective capacity building needs to make use of creative mechanisms, including mentorships involving both Namibian and international specialists to train young Namibian professionals in the short term. Targets: Mentorship programme is established and functional by December 2003; at least five new collaborative international biodiversity conservation and research projects are established and functional by June 2006.

The strategic aim (10.3) to strengthen the streamlining of biodiversity issues into development planning and budgeting processes, including:

- Identify/initiate effective mechanisms for integration and streamlining. Mechanisms for improved integration include the soon-to-be-established Sustainable Development Commission, the existing National Biodiversity Task Force and other fora. Targets: NBSAP activities are integrated in national planning processes by the 2003-2004 financial year; selected components are reflected in the national budget by 2004-2005.
- Continue NBSAP awareness-raising efforts at senior management and political level to build necessary support for successful implementation. Permanent Secretaries' Roundtables, parliamentary briefings and other mechanisms need to be continued and strengthened. Concrete successes and benefits of the NBSAP need to be clearly demonstrated as efficient development investments. Targets: Budgetary provisions for NBSAP implementation activities are supported by the Ministry of Finance and Members of Parliament by the 2004-2005 financial year.

- Work towards an increasing realignment of the national budget to invest in sustainable development, including through implementation of the NBSAP. As development aid to Namibia decreases, intensive work with the National Planning Commission, Office of the Prime Minister, Ministry of Finance and other parties is needed. This will progressively support efficient investment via the national budget in NBSAP and other sustainable development activities for Namibians. Targets: Seventy-five percent of annual financing requirements for implementation of the NBSAP is met through the national budget by the 2007-2008 financial year

The action plan presented a cost estimate of N\$132 million, based on activities. The financial estimates given in these action plans are summaries of the individual working group logframes or, in certain cases, from related planning documents consulted in the preparation of this document. They are rough estimates at best. In the long run, it will be necessary to elaborate on detailed budgets for the planned actions, and to negotiate the needed funds with the Ministry of Finance and/or external sources, such as development aid budgets. The budget estimates should provide a working estimate for future planning, both among the Government of the Republic of Namibia and the donor community.

Several other strategic aims also advocated funding provisions:

- Implement proposals and secure financing for effective long term management. Additional conservation areas may be formal state areas (e.g. national or transboundary parks), private nature reserves, freehold or communal conservancies, or other approaches. Widespread political, public and technical consultation will be essential in the development of proposals. Namibia's globally recognised biodiversity hotspots, the Sperrgebiet and Namib Escarpment, are top priorities for urgent action, as are previously underprotected vegetation types. Targets: Provisional target (to be modified through systematic area-prioritization): At least 15% representation of all vegetation types, and 30% of the globally-valuable Sperrgebiet and Namib Escarpment, in the protected area network by 2006.
- Solicit financial and training support to improve Namibian biosystematic services. A focused and coordinated training plan, and other proposals for biosystematics capacity building, will be developed in line with the Global Taxonomy Initiative to tap various funding sources. Targets: A first funding proposal is secured by 2003.

South Africa

South Africa's planning document⁵ contained an outcome (2.4) that financial resources for biodiversity management are adequate, and effectively and efficiently used. While there has been a large increase in the amount of funding allocated to the environmental sector over the last ten years, there is a need to co-ordinate and manage these resources more efficiently and effectively. However some provincial conservation agencies, departments and municipalities are not adequately funded. Improving efficiency in some areas should not be used as a reason to reduce overall financial support for conservation, but is rather intended to ensure that funds are adequate and are targeted at areas of greatest need. Improving efficiency and sourcing additional funds does not minimise the important role that government needs to play in ensuring that biodiversity, which is a public good, is conserved and well-managed. The activities included:

- Determine the costs of implementation of the National Biodiversity Framework, for national, provincial and local spheres of government, and develop an affordable, prioritised and phased approach to implementation. In order to ensure that financial resources for biodiversity management are adequate, it is important to quantify the cost of conserving biodiversity at national and provincial levels in the public benefit. The development of the National Biodiversity Framework should include an assessment of the costs of implementing it. This includes an estimate of budgets and an assessment of where the funds might come from. In the longer term this could include financing mechanisms linked to provision of ecosystem services.
- Provide financial support/mechanisms to municipalities to encourage conservation of biodiversity, with a particular focus on priority areas. Property rates are a key source of revenue for municipalities, and developing property is the main opportunity available to local municipalities to increase their rates base. Often this development impacts negatively on biodiversity. Innovative ways must be found to encourage municipalities, developers and landowners to conserve biodiversity, such as through rates rebates and payment schemes for ecosystem services. Direct support to municipalities to afford rate rebates might be important, especially in biodiversity priority areas.
- Allocate and use national and provincial public sector budgets more effectively to ensure and reward good biodiversity management practices. There is a need to investigate ways whereby existing government budgets can be targeted more effectively to support biodiversity conservation. Incentive schemes could be introduced for national and provincial government departments as well as municipalities, based on environmental and biodiversity performance criteria (for example, make some percentage of government appropriations or grants performance related with respect to biodiversity management and conservation). Successful conservation programmes, including community led initiatives, should be rewarded and receive

⁵ South Africa (2005). South Africa's National Biodiversity Strategy and Action Plan, Department of Environmental Affairs and Tourism, 2005, 108 pp.

greater financial support. Appropriate resources and capacity need to be allocated to coordinating biodiversity functions between DEAT, DWAF, DoA and provincial agencies, and for the submission and evaluation of EIPs. Poverty relief funding and expanded public works programmes could be more closely aligned with biodiversity conservation objectives in priority areas. It is especially important that the operations of one government department or organ of state do not impact negatively on those of other departments. There are many such examples, e.g. roads agencies and municipalities planting invasive alien trees that then need to be controlled by environmental departments.

- Increase the pool of non-state resources available for conserving and managing biodiversity. Biodiversity is a public good that benefits society as a whole, regardless of who is covering the costs of management. Given the unequal spread of these benefits and costs, it is important that those who benefit more from biodiversity, or those whose actions lead to loss of biodiversity, should contribute more to management and conservation of biodiversity. Mechanisms for the private sector to contribute money to the biodiversity sector need to be improved (e.g. by requiring significant financial 'bonds' before authorising large developments that will impact on biodiversity, or by exempting donations for biodiversity management from tax). Mechanisms to generate and capture revenue from ecosystem services (e.g. water production) for biodiversity management must be identified and developed. Existing funds (such as the Marine Living Resources Fund and Mining Rehabilitation Fund) and planned funds (such as the Bioprospecting Fund) should be expanded and funds channeled effectively, for example to align with biodiversity priorities (geographic or thematic). Biodiversity priorities need to be presented to donors (international and national), who should be encouraged to fund according to geographic and thematic priorities identified in the National Biodiversity Framework. This would enhance effectiveness and efficiency, particularly through improved co-ordination of government to government donor funding (i.e. overseas development aid, bilateral and multilateral funding). Government can also play an important role in facilitating access to donor funding, for example by providing information on funding opportunities to provinces, municipalities, NGOs and communities, and by building capacity in these organizations to secure and manage donor funds. It is important to note that gaining access to donor funds does not reduce government's fiscal responsibility for environmental management and biodiversity conservation, and should not be seen as 'budget substitution', but rather as additional funds for projects.

Swaziland

Swaziland's planning document⁶ contained several substraegies. The substrategy 5 for conservation was to assure adequate funding for management of protected areas with the following priority actions: amend fees structure according to professional analysis of market value for entrance fees, lodging and guide fees; investigate the possibility of income from tax levy's on certain goods and services; and investigate the possibility of short- to long-term leasing options in protected areas.

Regarding implementation, the document elaborated a section on funding. Appropriate funding will be crucial to the implementation of BSAP. The SEAP document identified three potential sources of funding which are summarised below.

External sources: Funding from foreign donors needs to be explored. The Global Environment Authority (GEF), which funded the development of this BSAP document, funds biodiversity projects of global significance. Since the biodiversity of Swaziland does have global significance, funding from the GEF is a possibility. Other external sources could include bilateral grants from "developed" countries or loans from the World Bank.

National sources: Various potential sources of funding exist from National sources including the Government of Swaziland, the private sector and the NGO community. Indeed, funding from the Government is essential as this would indicate commitment on the part of the government.

National Environment Fund: A National Environment Fund (NEF) for Swaziland has been planned and is envisaged to become operational in due course. The purpose of this fund would be to support environmental protection initiatives in the country. The donor community has indicated its willingness to support this fund on the basis that the Government makes the initial contribution. Most BSAP initiatives would almost certainly be eligible for funding from the NEF.

⁶ Swaziland (2001). Swaziland National Biodiversity Strategy and Action Plan, Ministry of Tourism, Environment and Communications, April 2001, 85 pp.