



## **Financial Planning for Biodiversity in Southern Europe**

### **Contents**

Albania .....	2
Bosnia and Herzegovina.....	4
Croatia.....	5
Italy .....	8
Malta .....	11
Portugal.....	12
Serbia .....	14
Slovenia .....	19
Spain.....	20
The former Yugoslav Republic of Macedonia .....	29

### *Albania*

Albania's planning document<sup>1</sup> used the following criteria for defining the priority issues:

- Critically endangered species and habitats of global, regional, or national importance;
- Habitats / ecosystems distinguished for their high endemism or biodiversity;
- Habitats or species at risk of total extinction;
- Habitats or species for which appropriate protection and management would lead to local or national economic and education benefits;
- Endangered species or habitats because of the use of inappropriate practices, but which could be improved through policy adjustments; and
- Actions/deeds that might lead to appropriate economic, social, and ecological choices.

The document realized the need for cost-benefit analysis of biodiversity. To date, man has not adequately taken into account the environmental costs associated with natural and biological resources exploitation. Only when forced to pay for and/or repair the damages or the loss to the environment and biodiversity has society become aware of their real value. This concept has only recently begun to be implemented in Albania. Cost-benefit analysis for the protection and preservation of biological diversity, and the benefit from its use and preservation, must be used to avoid non-economic and non-sustainable practices and policies. Cost-benefit analysis is an instrument, which should be increasingly used in the future for decision-making in sector policies, as well as for conservation practices.

The document noted that the work to be carried out for BSAP implementation includes: dialogue and co-ordination processes; identification and securing of financial resources; reducing economic barriers to biodiversity preservation; finding and implementation of the proper mechanisms; project support; and monitoring. For poor countries like Albania, investments for nature protection, in comparison with other sectors, receive less attention. Still, it is imperative important that modern states not only exploit these resources, but also, preserve, protect, and rehabilitate them for future generations. It is the duty of the central and local government, scientific and research institutions, NGOs, and other to convince international organizations and donors to invest in Sustainable nature protection and the improved management of landscape and biological diversity in Albania. Some of main financial sources can be: GEF/World Bank; UNESCO; Ramsar Convention; UNEP; European Union; IUCN; WWF; REC for Central and Eastern Europe; and Econet Fund (EUCC, EURONATUR, Euro Sites).

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<sup>1</sup> Albania (1999). Convention on Biological Diversity: National Report, Biodiversity Strategy and Action Plan, sponsored by Global Environmental Facility (GEF), Tirana, November 1999, 101 pp.

Creation of a Biodiversity Special Fund from the State and its administration in the interest of biodiversity protection would be another instrument, which could be established to guarantee financial support of the CBD and BSAP implementation process. Support of identified projects and those to be identified and prepared in the future in the framework of the Implementation of the BSAP is necessary to achieve CBD objectives. The GEF will be contacted together with other donors to make possible preparation and financing of a national project for biodiversity based on the priority actions identified in the BSAP. The general meeting to present the BSAP to the Government and donors will serve as a step to identify and secure support for the BSAP. The BSAP is not the final act. It can change and must change together with the changes in the country. It must adapt to the new conditions created as part of the economic and social development of the country. BSAP preparation is the first important step along the long and challenging road to preservation and sustainable management of the country's biological and landscape diversity — the wealth upon which our common future depends.

### ***Bosnia and Herzegovina***

In its planning document<sup>2</sup>, Bosnia and Herzegovina presented a strategic objective on setting up of financial account as a support to the system for conservation of biodiversity in B&H, including the following programmes of activities:

- Setting up of financial base for the system of conservation and sustainable use of biodiversity in Bosnia and Herzegovina. Tasks: cost-benefit analysis for setting up of nature management sector including economic mechanisms and programmes; setting up of continuous allocation originating in budget means as a support for biodiversity conservation system
- Setting up of strong mechanisms for creation of economic obligations in sector of use of natural resources. Tasks: Review of on-going currents for fund raising by sectors based on use of resources, with proposal for adequate measures; monitoring of on-going means current coming from allocation by sectors on the base of resources use
- Setting up and strengthening of economic incentive measures for nature preservation. Tasks: analysis of effective management modes in the field of nature preservation including proposal for economic discounts; introducing programme for private sector regarding protected areas management
- Utilisation of foreign means. Tasks: identification of investors and corresponding programmes; strengthening of capacities required for application, adequate claim and use of foreign means.

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<sup>2</sup> Bosnia and Herzegovina (2008). The Strategy of Bosnia and Herzegovina and Action Plan for Biodiversity and Landscape's Protection (NBSAP BiH 2008-2015), Sarajevo, January 2008, 61 pp.

### *Croatia*

Croatia's first planning document<sup>3</sup> divided the plans into four groups: priority plans (implementation to start immediately), short-term plans (to start implementation within the following 5 years), medium-term plans (to start implementation within the following 5 to 10 years), and long-term plans (no pressing need). The plans include information on possible sources of finance. For actions related to areas and taxa of international importance it is necessary to solicit cofinancing from international funds earmarked for the protection of biological diversity. However, for the majority of plans the major source of financing will be the state budget, through the Ministry of Environmental Protection and Physical Planning, and partly county budgets. In projects that include research and inventorying it is necessary to involve the Ministry of Science. It is, moreover, necessary to prepare a joint programme of the Ministry of Environmental Protection and Physical Planning and the Ministry of Science in order to identify the studies important for the protection of biological diversity and give those the priority in financing. Some plans may be funded by the business sector sponsors, i.e. the legal entities managing specific components of biological diversity to which the plan relates.

The document contained a section on financing the NSAP implementation. Regarding the heterogeneity of problems and action plans it is impossible to estimate realistically the total funds needed for the NSAP implementation. When considering the financial indicators one should take into account the following: action plans are to be executed in order of priority, depending on the financial and organizational capacities. Execution of the priority action plans should start immediately, i.e. they should be completed in the course of the following two years. Short-term plans should need to be started within the following five years. Medium- and long-term action plans may, depending on the possibilities, be executed even after five years. A large portion of action plans will be executed through regular activities of the competent authorities, and require no additional funding. Exceptionally, work of certain expert commissions will have to be funded, which need not take up too high financial resources. The purpose of including such action plans into the NSAP is to ensure that they are treated as matters of priority and urgency. This particularly applies to enactment of certain new laws and regulations, revision of the existing legislation, introduction of biological and landscape diversity protection measures into various sectors, and ensuring priority in financing a segment of scientific research programmes. Although funding of the most of action plans should be the obligation of the national budget, a large number of projects is also eligible for international funding; however, the likelihood of the realization of this possibility is difficult to determine as it depends on various factors, particularly on the admission of the Republic of Croatia into the PHARE programme. The national budget should contain a special item – Funds for NSAP implementation, to ensure at least minimum finance required for this activity. The annual funding level can be determined as a lump sum (fixed amount) based on a proposal for annual

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<sup>3</sup> Croatia (2000). An Overview of the State of Biological and Landscape Diversity of Croatia: with the Protection Strategy and Action Plans, Ministry of environmental Protection and Physical Planning, Zagreb, December 2000, 158 pp.

work programme, which is to be enacted by the NSAP Implementation Commission, or as a certain percentage of the overall national budget funds. Apart from the earmarked funding, all the NSAP participants should ensure a portion of resources within their respective duties, depending on their shares in respective action plans. Funding will also be partly provided through business sector sponsorships. It is of particular importance to develop action plans of international significance for which international funding will be solicited.

Croatia's second planning document<sup>4</sup> had a section on financial mechanisms for Strategy implementation. Since the adoption of the Strategy in 1999, it is evident that significant improvement has been made towards strengthening the financial mechanisms for nature protection. With regard to the nature protection system as a whole, the state budget continues to be the primary source of financing. With the aim of supporting the nature protection activities and programmes of non-governmental organisations, in 2006, the Ministry started to award funds through the public tender procedure. As such, it is expected that the level of funds allocated for this purpose will increase in the future. A certain proportion of funds are set aside from county, city and municipal budgets for the purpose of management of protected areas (through the activities of the state/county/local public institutions) and for financing of other nature protection projects. Substantial funds for nature protection activities at the national and/or regional level are also secured through various international projects financed by international funds, governments/programmes of individual European countries and the EU pre-accession programmes. Given the importance attached by the EU to the protection of biological and landscape diversity, a significant inflow of funds from these sources is expected. For the purpose of securing additional funds for financing of projects, programmes and similar activities related to conservation, sustainable use, protection and improvement of the environment, the Environmental Protection and Energy Efficiency Fund was established in 2004. Establishment of the Fund represents significant progress in the method of financing nature protection activities, as a proportion of the funds is earmarked for financing projects and programmes for the protection and conservation of biological and landscape diversity. It is expected that the level of funds allocated by the Fund for biological and landscape diversity protection projects will be gradually increased. The Nature Protection Act provides for a system of financial incentives for management that observes and implements measures for the conservation of biological and landscape diversity. As this mechanism is necessary for successful management of the ecological network areas, i.e. the future Croatian part of the EU NATURA 2000 ecological network, a system of incentives should be established through special regulations as soon as possible. The best results in this area are expected from the Agricultural and Environment Protection Programme. Virtually all the public institutions managing national parks and nature parks have their own sources of income through ticket sales, tourism and catering activities, concession authorisations, sale of souvenirs, promotional materials and other services. A considerable proportion of this income is generated by those national parks and nature parks with well-developed tourism and catering activities, and a large number of visitors. The corporate sector is only beginning to get involved in the protection

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<sup>4</sup> Croatia (2008). Strategy and Action Plan for the Protection of Biological and Landscape Diversity of the Republic of Croatia, 28 November 2008, 139 pp.

of biological and landscape diversity. The concept of socially responsible management should, to a large extent, be extended to nature protection through the sponsoring of concrete actions. Those entities that directly use or have a direct impact on natural resources should be obligated to earmark a certain amount of funds for nature protection. The systematic control of financial resources set aside from different sources for nature protection activities is difficult, due to the dispersion and heterogeneity of institutions and stakeholders involved in nature protection projects. In addition to special-purpose funds, all participants in the process of implementation of the Strategy will secure a proportion of funds within the scope of their regular activities, depending on their participation in specific action plans.

The strategic objective was to ensure financial mechanisms for effective implementation of the Strategy, with the following strategic guidelines:

- Ensure financing of the Strategy implementation within the budget of the respective state administration body. Action plans: when planning the state budget for a certain year, ensure financing of the priority action plans under the Strategy for that particular year; strengthen the capacities of the Ministry of Culture for in order to plan financing of nature protection activities; further elaborate the criteria and methodology for allocation of funds through the public tender procedure for nature protection programmes, taking into account the priorities under the Strategy; elaborate the system of financial incentives for management that observes and implements measures for conservation of biological and landscape diversity within the framework of the future Agricultural and Environment Protection Programme.
- Ensure funding of nature protection activities from non-budgetary sources. Action plans: strengthen the capacities at the Ministry of Culture, State Institute for Nature Protection and public institutions for the purpose of preparation and implementation of projects financed by foreign funds, in particular EU funds; increase the share of financing of nature protection projects by the Environmental Protection and Energy Efficiency Fund; promote financing of nature protection projects within the concept of socially responsible management.

Other references to financing were: secure higher allocations from the state budget for biodiversity conservation projects and financing of long-term programmes of non-governmental organisations in accordance with the Strategy; develop financial mechanisms for institutional strengthening (establish the Nature Protection Foundation; establish a financial solidarity system for national parks and nature parks); improve financing mechanisms for the projects of non-governmental organizations that support the promotion and public informing on the theme of biological, landscape and geological diversity; enter into agreements between different sectors stipulating that project financing contests must give priority to those projects that contribute towards implementation of the Strategy, especially in the field of science.

### *Italy*

Italy's planning document<sup>5</sup> had a section on funding mechanisms for the implementation of the Strategy. Since no specific financial instruments for biodiversity exist to date to implement the Strategy, the governance used for various sectoral policies will have to be strengthened, particularly by improving coordination and complementarity between financial instruments at a national and regional level, taking into account biodiversity and environmental costs in the allocation of funds.

Partnerships will also have to be established between the public financial sector and the private sector, thereby improving awareness and participation of the economic players involved.

This process should be followed up by a thorough check on the effectiveness of existing financial instruments in order to optimize resources and properly address future programs.

To that end, the Strategy can serve as a unitary reference framework to coordinate ordinary and additional financial resources and address priority measures.

Annex I provides a brief analysis of the current financial instruments.

Based on the above, the Joint Committee will have to take action in the appropriate venues to increase the financial resources that are needed to implement the Strategy. This activity should primarily focus on the following aspects:

- in a way to ensure that a specific Axis is established in the future direction of the EU regarding the Rural Development Program providing exclusive support to Natura Network; the Axis should include specific measures not only to assist farmers but also territorial efforts to support the conservation and restoration of degraded ecosystems;
- envisaging the development of “payments for ecosystem services” (PES), through regulatory and implementing arrangements, calling for a reform of the current financial instruments and the possible creation of new ones, so that the main ecosystem services provided by biodiversity can be accounted for through a tariff system, thereby providing specific investments aimed at maintaining the efficiency of resources that in this way can be reproduced;
- promoting the creation of a “National Foundation for Biodiversity” that can also collect donations to co-finance the drafting and implementation of Action Plans for Biodiversity as a matter of priority.

Annex. The current funding instruments

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<sup>5</sup> Italy (2011). La Strategia Nazionale per la Biodiversità 2011 – 2020, Ministero dell’Ambiente e della Tutela del Territorio e del Mare, 204 pp.



Currently the main sources for funding of conservation of Biodiversity are available through different instruments related to the ordinary resources of the central government and regional budgets and additional resources, represented by the Structural Funds, Fund for Agricultural Development, Fund for the fishing and the Framework Programme for research. A minor portion is also played by the EU LIFE + as an additional and complementary tool.

In the 2007-2013 perspective, it was decided to not create a specific fund for biodiversity at Community level, since most of the co-financing has been channeled through existing funds, with the aim of improving rural, regional and marine development across the EU. Moreover, the sustainable use of resources and the strengthening of synergies between environmental protection and economic growth are strongly encouraged in the context of the Lisbon Strategy.

In this perspective, therefore, the national and regional development programs, supported by EU funds, have been prepared for the period 2007-2013, which are included among the beneficiaries of finance, including biodiversity, especially with regard to the ERDF (National Strategic Framework and its Regional Operational Programmes) and EAFRD (NDP, RDP and the National Program for the National Rural Network to fund assets).

The accessibility to funds for projects related to biodiversity was also provided in the Operational Programmes concerning additional national resources (FAS Resources for underdeveloped areas). In particular, the Operational/Implementation Programmes for Interregional Cultural, Tourism and Natural Attractions provide a direct role of the MATTM and financing of actions for the conservation and enhancement of biodiversity. In this context it is crucial to highlight the contribution that the National Strategic Framework 2007-2013 can provide to the implementation of the National Biodiversity Strategy, linking the actions under the different Areas of Work of the same strategy with the priorities set by the NSF.

The NSF, the result of the comparison between the different levels of government and the economic and social partners and the subject of Community Decision of 13 July 2007 - the implementation arrangements which were defined by the CIPE resolution n. 166/2007 - directs resources of cohesion policy in the areas of the South and in the Centre-North. In its general approach, but especially in the articulation of its priority themes, great importance is placed - and thus substantial financial resources is provided in - Priority 5 "Enhancement of natural and cultural resources for attractiveness and development" and Priority 3 "Energy and environment: sustainable and efficient use of resources for development ", which in turn identifies actions with a strong positive impact on the quality of the environment, which also produce significant effects on biodiversity.

In addition to these actions explicitly aimed at protecting the environment, further action is then identified and addressed to integrate environmental aspects in the implementation of other priorities.

Another aspect outlined in the NSF, relevant to the protection and enhancement of biodiversity, is about consistency and complementarity between cohesion policy and rural development policy.

Between the lines of action identified by the rural development policy aimed at safeguarding biodiversity, there are in fact measures improving the environment and the countryside, pursuing "the development of an integrated human resources, natural and cultural, including landscape and quality production ", but especially providing a connection for the actions of different relevance" that contribute to the protection of biodiversity (including forests), the conservation of soil and water resources; activation of bioenergy, to safeguard management and planning of landscapes, habitats and cultural identity (in the nature of public goods). "

In this context, the NSF involved valuing the assets that is supported by the EAFRD, and made available, for example by creating supply chains based on the production of bioenergy and economic sectors around the park area.

### ***Malta***

Malta's planning document<sup>6</sup> had a theme (9) on financing biodiversity and the other theme (8) on pro-biodiversity business and a green economy. The following were identified:

- European Community and new funding opportunities for biodiversity, including public and private investment and innovative financing of biodiversity conservation and protected areas, are identified at a national level bearing in mind the findings of "The Economics of Ecosystems and Biodiversity" (TEEB) study, and incorporated in a national biodiversity financial plan by 2014. The purpose of this biodiversity financial plan is to assist resource allocation and uptake of funds towards supporting projects that adopt effective and innovative approaches to advancing biodiversity conservation and sustainable use in the Maltese Islands.
- Market-based instruments (such as economic incentives, fiscal instruments, environmental certification schemes, labelling/branding and green public procurement) that have the potential to support the conservation and sustainable use of biodiversity, as well as improve the sustainability of supply chains, are explored, and where feasible, established and implemented. Moreover, instruments/standards that recognise the value of goods of production systems that sustain biodiversity and the diversification of niche markets at a local level are also identified and fostered, including for those goods and services produced by protected areas.
- Increased cooperation and involvement of the private sector and businesses in biodiversity conservation is encouraged, including the promotion of private sector voluntary initiatives/green business schemes, the support/uptake of pro-biodiversity business projects and by including biodiversity safeguards in corporate plans and programmes, as appropriate following guidance issued by the World Business Council for Sustainable Development and other organisations as well as by learning and sharing experiences and best practices through the EU Business@Biodiversity Platform.
- Eco-efficient facilities, which adopt the cleaner production approach, and use environmentally sound and innovative technologies, are increasingly established.
- The economic valuation of ecosystem services is assessed and integrated into green accounting and reporting systems at a national level by 2020.

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<sup>6</sup> Malta (2012). Malta's National Biodiversity Strategy and Action Plan 2012-2020: working Hand-in-Hand with Nature, Ministry for Tourism, Culture and the Environment, 33 pp.

### *Portugal*

Portugal's planning document<sup>7</sup> contained a strategic option (10) on enhancing international cooperation. The document also provided a section on financial means, exploring the application of the Third Community Support Framework (CSF). The compilation of EU funds to support the sectoral policies can and should be redirected to fund directly or indirectly actions in pursuit of this strategy, since the financial planning of the use of these funds does not include a specific breakdown for nature conservation, which require calculations based on coarse estimates necessarily. The document did not consider certainly mobilized financial resources from the budgets of the various departments of the Ministry of Environment and Spatial Planning, as well as the different ministries that develop sectoral policies relevant to the pursuit of this Strategy, as is the case for example of prevention and combating forest fires. After a certain point, the principle of integration policies force the blurring of boundaries between what a sectoral development policy is and what is inside the implementation of the guidelines emerging from this Strategy or even other environment policies.

The Operational Programme Environment of the CSF III included a considerable sum - totaling 30 million, of which 23 million are EU funds - specifically designed to conservation and enhancement of natural heritage, more specifically as Measure 1, Subprogram 1 ("Sustainable management of natural resources"). The national component of this investment will be secured primarily by the investment budget of the ICN. The same Environment Operational Programme foresees significant investments - 40 million, of which 30 million are EU funds – for the enhancement and protection of natural resources, which include further training courses and coastal defense, which in many cases favor nature conservation and biodiversity whose area of intervention often coincides with areas of Fundamental Network of Nature Conservation, including classified or protected areas. In Suprograma Measure 2 1 ("Valuing and protecting natural resources"), the national component of the investment will be secured primarily by the investment budget of the Office of Water (INAG) or the regional directorates of environment and spatial planning.

In the Rural Development Plan, about 34.3 million will finance agri-environmental measures in protected or classified areas, and in these areas that meet the access conditions set out in "Agricultural Environmental Agreement".

There are already several projects in the area of nature conservation negotiated with Spain, to include in the program INTERREG III. Of these projects, the part referring to Portugal reaches a total amount of 12.8 billion, with 9.6 million from the Community. However, this source of funding cannot yet be accounted for as a financial instrument to support the implementation of this strategy, since the projects concerned and others still under negotiation were not targeted, and required the necessary

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<sup>7</sup> Portugal (2001). Estratdgia Nacional de Conservacao da Natureza e da Biodiversidade (National Strategy for the Conservation of Nature and Biodiversity), Ministerio do Ambiente e do Ordenamento do Territorio, Setembro 2001, 81 pp.

approval. The LIFE program is a financial instrument clearly insufficient to meet the needs and specifically to support the development of EU environmental policies, as is the case of the process of creation of Natura.

With regard to the financial resources for the development of this Strategy from the state budget, national funding is mainly the investment budget ICN. The purpose of strengthening the nature conservation policy has already increased the investment budget of the ICN by 72.2% from 2000 to 2001, rising from just 4.3 million to 7.5 million - which allowed a very significant and widespread increase in budgetary allocation affecting the different protected areas. The distribution of investments over the ICN's 2001 budget already reflects a renewed political orientation, and the budget affects studies and nature conservation actions grow very significantly over the previous year, now representing 63% of the total investment. However, considering the budget PIDDAC ICN only component of national funds, that is to ensure the national component of investments subsidized by EU funds and to address other needs, this ENCNE takes on the political commitment of continued growth in investment in order to raise the current appropriation from approximately 2.9 to 5 million in 2006. Without considering other EU funds, nor direct and indirect investments in nature conservation from other departments of the Ministry of Environment and Spatial Planning and other ministries that pursuing relevant sectoral policies, the enforcement of this ENCNE requires the allocation of about 123 million until 2006.

It should be noted, however, that in addition to public funding, policies for nature conservation and biodiversity are increasingly relying on new tools to support investment, as environment patronage and the different types of economic incentives, including tax incentives. From this point of view, the ongoing tax reform, which elected the environmental component as one of its pillars, should enhance a better use of tax instruments in achieving the objectives of this Strategy.

### *Serbia*

Serbia's planning document<sup>8</sup> had a section on financial framework for biodiversity protection. Environmental financing sources in the Republic of Serbia involve funds from the national budget which are allocated through ministries, institutions and funds, local self-government budgets and funds sourced from many bilateral and multilateral treaties. The most significant international funds are EU pre-accession funds.

Basic competences in this area lie within the Ministry of Environment and Spatial Planning. This institution has passed through many transformations since its foundation in 1991 (it was merged with other sectors, was a directorate etc.), and often found itself marginalized and observed as a "cost" by higher level decision makers and other economically stronger sectors. This also affected funding of this area and it was only when the Environmental Protection Fund was established that activities in this area began being financed in an organized manner, in addition to receiving regular budget allocations for the operation of competent institutions. The majority of sectors still see biodiversity only declaratively as an economic category, thus substantial changes to strategic orientation are still lacking. The Law on Environmental Protection Fund ("Official Gazette of the Republic of Serbia", Issue 72/09) stipulates utilization of earmarked finances.

The Fund's resources are used in compliance with the law, the statute and the Fund's working programme. They are used, inter alia, for the following:

- 1) Protection, conservation and improvement of air quality, water, soil and forest quality, as well as mitigating climate change and protecting the ozone layer;
- 2) Protection and conservation of biodiversity and geodiversity;
- 3) Encouraging sustainable use of protected areas;
- 4) Encouraging sustainable development of rural areas;
- 5) Incentives for education, research and development studies, programmes, projects and other activities, including demonstration activities;
- 6) Financing eco education programmes and public awareness raising related to environmental issues and sustainable development.

Of the Fund's total 2008 budget of 1.5 billion RSD, about 20 million RSD was allocated for the protection and sustainable use of biodiversity, which is only 1.3% of total funds. In 2009 the Fund's total budget for all activities amounted to approximately 2 billion RSD.

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<sup>8</sup> Serbia (2011). Biodiversity Strategy of the Republic of Serbia for the period 2011 – 2018, Ministry of Environment and Spatial Planning, Belgrade, February 2011, 138 pp.

Protected area funding is mostly provided from the budget, utilization of natural resources, revenues gained from tourism, donations and other sources. Most of the budget funds which flow into the protected areas are spent to cover current costs of institutional financing and staff salaries.

The Ministry of Environment and Spatial Planning, as the ministry responsible for protected areas at the national level, finances activities in protected areas through various projects, thus contributing to a higher degree of utilization of funds intended for the protection and development of biodiversity in natural areas. Activities financed through such projects include the marking and maintenance of paths, rehabilitation of degraded areas, development of information systems, the construction of visitor centres, monitoring, reintroduction programmes and general status improvement in protected areas. In order to obtain funds for such activities, protected area managers submit their projects to the Ministry. The Ministry of Environment and Spatial Planning allocated about €2.5 million for protected areas in 2007, about €1 million in 2008, and a total of €1.3 million allocated in 2009.

Average amounts received from the government at the protected areas system level through competent institutions vary by around 25%. In total, protected areas with currently available funds still lack about 50% needed to cover basic functioning costs and about 75% for optimal functioning.

The Ministry of Environment and Spatial Planning also finances the development of applied projects in the area of biodiversity protection, primarily within protected areas, as well as financing the development of individual action plans for the protection of endangered species, development of Red Books and Red Lists of endangered plant and animal species.

It is worth noting that although the country has significant external debt (in 2009 it was estimated at €22.2 billion, with external public sector debt amounting to €7.1 billion), there have been no attempts to introduce a debt conversion mechanism or any bilateral negotiations about such a mechanism.

Certain funds are allocated from the budget of the government of AP Vojvodina to the Provincial Secretariat for Environmental Protection and Sustainable Development. Funds allocated in 2009 for biodiversity and protected area development amounted to approximately 30 million RSD. The Provincial Secretariat financially supports various project activities in protected areas, such as sanitation and revitalization of sensitive, variable ecosystems (saline, steppe, old forests, wet meadows, grasslands and shallow ponds), monitoring of sensitive ecosystems of strictly protected and protected wild species of plants and animals, protection of biodiversity, infrastructure development for ecotourism in protected areas, capacity building and education of protected area managers and rangers.

The Ministry of Agriculture, Forestry and Water Management provides financial support to protected areas for certain activities. The Directorate for forests, which is part of the Ministry, approves and finances projects related to afforestation, improvement of habitat conditions, production of seeds and seedlings, nurseries, construction of forest roads for afforestation and protection against fire, as well as for scientific projects. In 2009 the available budget for these activities amounted to around 450 million RSD.

The Ministry of Agriculture, Forestry and Water Management also finances the work of the Expert Council for Biosafety. This Ministry uses incentives to support the conservation of autochthonic plant sorts and animal breeds. For example, conservation of animal genetic resources is based on the principle of direct payment per domestic animal head and until 2008 it also encouraged the development of farms with autochthonic breeds, the procurement of new breeding heads, preservation and maintenance of the national and reserve seed collections, maintenance of the national database for plant genetic resources, quality control and multiplication of samples in the national seed collection for gene bank needs, maintenance and sustainable use of collection nurseries of fruit and vines, collections of forage, industrial and medicinal and vegetable crops, as well as maintenance of autochthonic plant genetic resources in small husbandries.

The Ministry also provides financial support for organic production development through the introduction of direct payments per head or per hectare.

On the basis of competition procedure, the Ministry of Science finances the development of basic, technological and innovation projects in various scientific areas, thus supporting research related to biodiversity protection and biosafety.

In 2008, financial support from the National Investment Plan (NIP) for environmental projects amounted to 455 million RSD. About 60% of that amount was allocated for six regional landfill projects.

The European Commission introduced a unified financial instrument for pre-accession assistance – IPA – for the budgeting period 2007-2013, which consolidated all previous pre-accession funds. This unique instrument is intended to support EU candidate countries and potential candidate countries. The Republic of Serbia, as a potential candidate for EU membership, currently has access to the first two IPA components: 1) support to transition process and development of institutions and 2) regional and cross-border cooperation. In 2009 the Republic of Serbia gained access to €190 million from IPA funds for development projects. The planned measures contained in the Rural Development Programme relating to the conservation of traditional breeds should be financed through IPARD funds as of 2011, in the amount of €937,500 annually (compared to €600,000 in 2007). This would support 1,000 agricultural husbandries, i.e. between 4,000 and 10,000 endangered autochthonic breeds. A significant contribution to the preservation of plant genetic resources has been achieved through participation of the Republic of Serbia in the Regional Network for Plant Genetic Resources of South East Europe (SEEDNet), funded by SIDA.

In addition to IPA funds, the Republic of Serbia obtains certain funding for environmental projects from donations, loans, international assistance funds, UN funds and instruments, programmes and funds of international organizations, such as the Global Environmental Facility (GEF), the World Bank, the European Bank for Reconstruction and Development (EBRD), the United Nations Development Programme (UNDP), the United States Agency for International Development (USAID), the German Organization for Technical Cooperation (GTZ) and others. The Memorandum of Understanding signed



with the EU in June 2007 enabled the Republic of Serbia to legally participate in the 7th Framework Programme for Research and Technological Development (FP 7).

The level of environmental investments in the Republic of Serbia is currently low (between 2001 and 2005 it was about 0.3% of GDP, while estimates of the revised Memorandum on Budget and Economic and Fiscal Policy were 0.4% of GDP in 2008), while financing from industry and the private sector is insufficient. During their pre-accession period, new EU member states from Central Europe invested between 1.5 and 2.5% of GDP in the environment.

Based on the Sustainable Development Strategy, it is planned that 1.5% of GDP be allocated for environmental investments in 2014, while achieving target allocation of 2.5% of GDP for the environment is foreseen by 2017.

In its strategy on protected area system, Serbia discussed protected area system financing with the objective (2.2) to ensure the availability of sufficient financial resources for maintenance and expansion of the PA system of the Republic of Serbia, while enhancing the long-term financial sustainability of the system. Activities: conduct national level PA financial analysis; develop a sustainable PA system financing plan; prepare guidelines for the development of individual PA financial plans; prepare or update individual PA financial plans; provide and maintain sufficient resources, including trained staff, to implement management plans.

In its strategy on policy, legal, institutional and financial frameworks for biodiversity conservation, Serbia established an objective (4.4) to strengthen and expand financing for biodiversity conservation and provide incentives for biodiversity conservation within all sectors. Activities: research and develop financial and other incentives for biodiversity conservation in all relevant sectors (e.g., tax deductions for conservation easing, biodiversity friendly or organic farming in areas surrounding PAs, combined with promotion of organic products as a value-added approach to increasing income from such strategies; value-added activities in areas surrounding PAs, such as sustainably harvested non-timber forest products); diversify funding for biodiversity conservation at all levels and in all sectors by seeking funding from a range of public and private sources, bilateral and multilateral donors; incorporate expenditure and revenue projections resulting from biodiversity conservation (economic valuation) into the budgets of relevant institutions; strengthen the capacities of MESP (Ministry of Environment and Spatial Planning), PSEPSD (Provincial Secretariat of Environmental Protection and Sustainable Development), INC (Republic Institute for Nature Conservation), PINC (Provincial Institute for Nature Conservation), local authorities and PA managers to find funding for biodiversity conservation activities (e.g., training in the preparation of proposals and implementation of projects financed by bilateral and multilateral donors); increase contributions from the National Environmental Protection Fund for biodiversity conservation projects; promote the financing of biodiversity conservation programmes and activities within the private sector.

Regarding implementation of the Strategy, Serbia discussed financing the Strategy with the objective (11.1) to ensure a diverse portfolio of sources and strategies for the long-term funding of the Strategy,

and ensure that the costs of biological diversity conservation are shared equitably among institutions and stakeholders so that they reflect contributions to degradation and benefits from protection or use.

Activities:

- 1) Develop a strategic financial plan to fund the implementation of the Strategy that identifies a diverse range of funding sources (in-country and international, private and public) and strategies for ensuring long-term implementation, monitoring and refinements of the Strategy and coordination with other relevant strategies and policies. The financial plan should provide a multi-year budget that includes: anticipated costs of priority activities of the Biodiversity Strategy of the Republic of Serbia; amount of funding that can be expected for implementation from the national government's budget; identification of additional fundraising opportunities associated with sustainable activities depending on biodiversity (tourism, sustainable sport fishing and hunting, scientific tourism etc.); mechanisms for collecting revenue from these activities (e.g. annual rent, permit fees, visitor entrance fees, levies for utilities etc.); mechanisms to ensure that revenue collected will be channelled to the correct agency and used to implement the Strategy and its relevant activities.
- 2) Incorporate expenditure and revenue projections resulting from the implementation of the Strategy into the budgets of relevant institutions.

The Action Plan of the Biodiversity Strategy of the Republic of Serbia for the period 2011 - 2018 contains activities, responsible institutions and timeframes, as well as potential source of financial resources for implementation of the Strategy.

### *Slovenia*

Slovenia's planning document<sup>9</sup> indicated that in Slovenia the relevant legislative mechanisms have already been established by the acts and laws but the regulatory framework has not been determined in detail. It should be taken into account that these mechanisms are effective if they are supplemented by the relevant economic mechanisms which contribute to the conservation of biodiversity. These mechanisms are included in the National Environmental Action Programme. If the specific requirements of biodiversity are taken into account, they can contribute to its conservation. According to the foreign experience, in order to set up and enforce the economic mechanisms (including public financing) it is necessary to establish market, introduce clear ownership relations and define the nature conservation interests with regard to the national/municipal property and private property.

The most important incentives for the conservation of biodiversity are public financing and tax reliefs for services that conserve biodiversity, in particular, if support to adverse incentives is lessened. Economic mechanisms must be formulated in such a way that the reallocation of general government expenditure is provided in compliance with the already mentioned principles, and that the market mechanisms concerning the sustainable management of natural resources in parks and protected areas are enforced via concessions for their use (water, gravel, forests).

#### OBJECTIVES

- To enforce biodiversity conservation measures provided for in the Nature Conservation Act.
- To enforce measures for the conservation of biodiversity and sustainable use of its components provided for in the National Environmental Action Plan.

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<sup>9</sup> Slovenia (2001). Biodiversity Conservation Strategy of Slovenia, Ministry of the Environment and Spatial Planning, adopted on 20 December 2001, 79 pp.

## *Spain*

Spain's first planning document<sup>10</sup> contained an annex on the economic basis underlying the Spanish strategy for the conservation and sustainable usage of biological diversity.

The participatory process used to draft this Strategy document has brought to light a basic level of consensus on the fact that the application of the Strategy does not need an ad hoc or specific financial package, particularly from public budgets, in order to achieve its objectives or put into practice the measures it recommends.

The basic financial principle of all sectors invited to implement the Strategy is the need to reorient all public and private budgets towards the ends and objectives of the Strategy. This reorientation must take place immediately, if possible in the next budget. The nation should in fact be the first body to change its focus so that its activities linked to biodiversity conservation and sustainable usage have specific budgetary programmes that replace the types drafted in the past without any overall planning or programming. This commitment, in which the Subdirectorates-General for both Biodiversity Conservation and Forest Policy should take the lead, began to take shape in the draft budget for 1999.

Spain's Autonomous Regions may logically be expected to undertake this reorientation when they begin to apply their own biodiversity strategies. It seems inevitable, however, that they will reorient at least part of their budgets towards the goals of this Strategy, which will ultimately form part of the compulsory framework for the regional strategies. The same may be said for local governments, other public institutions and areas of civil society called on to implement them, particularly the Directorate-General for Research and Development, the State Secretariat for Universities, Research and Development, the main promoter of basic and applied research that can be focused on biodiversity conservation and sustainable usage.

The document clearly suggests the idea that the private sector must join the effort to conserve the nation's biodiversity. In theory, this is one, if not the main, component that environmental management and auditing systems should consider when reviewing the environmental policies of companies that wish to receive environmental certification. However, the fact that this is the parameter regulated by standardisation regulations (e.g., EMAS and ISO 14,000) does not necessarily imply that it receives its deserved attention from auditors and certifiers. For these sectors, the Strategy should become a clear incentive for the leaders of these business processes to shift from a pure payroll approach to the design of effective, operative models for biodiversity conservation in the everyday activities of all companies.

This reorientation of budgets and activities, the basic principle for the financial guarantee of the Strategy's application should not, however, stand alone. Annex XIII highlights the way that the Rural

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<sup>10</sup> Spain (1999). Spanish Strategy for the conservation and sustainable use of biodiversity, Ministry of Environment, marzo de 1999, 160 pp.

Development Regulation, one of the pillars of the EU Agenda 2000, should be largely aimed at funding public policies and private activities in the rural world which encourage the conservation and sustainable usage of biological diversity.

Initially, beneficiaries of activities that are eligible for funding under the Regulation cannot be subjects who currently benefit from Common Agricultural Policy funds, unless the biodiversity conservation parameter is added to their activity along with other parameters which reform their farming structure with the aim of avoiding constant dependency on the price subsidy policy. The Rural Development Regulation should therefore be one of the basic funding items for the measures envisaged for the agricultural and forestry sectors, as well as any other economic activities that generate a new type of income in the rural world.

Naturally, the present Strategy must be taken as a minimum level of commitment, not only for the maintenance of funds currently earmarked for biodiversity conservation and sustainable usage, but also with a view to a substantial increment under both the Environment Ministry and other state bodies as they gradually adapt their policies to the inevitable requirements of a conservation-oriented approach.

The State must therefore ensure that these budget resources are maintained and increased as required, in step with budget growth and freezes or curbs on public debt when demanded by the overall European fiscal policy. Similarly, it is reasonable to expect the same effort from regional governments and the rest of the decentralized public administration bodies when the economic basis for the application of regional strategies and local action on biodiversity conservation is being designed.

Spain's second planning document<sup>11</sup> had a section on resource mobilization.

The fulfillment of the objectives set out in this Strategic Plan, which are responding to the main pressures on biodiversity in Spain and liabilities arising from the implementation of state legislation and international commitments in the field, requires adequate funding. Failure to ensure the provision of minimum financial means can threaten biodiversity in Spain and the provision of environmental goods and services.

Therefore, it is essential to mobilize resources from all sources to achieve the objectives of biodiversity conservation. It is necessary to explore all possible sources, both public and private, to mobilize resources and explore and encourage the development of new financing mechanisms.

In addition, policies and actions for the conservation and sustainable use of biodiversity must optimize the use of available resources through efficient use of resources, consistent and balanced with the results to be achieved.

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<sup>11</sup> Spain (2011). Plan estratégico del patrimonio natural y de la biodiversidad 2011-2017, Ministerio de Medio Ambiente, y Medio rural y Marino, 30 de septiembre de 2011, 210 pp.

It is also necessary to optimize the use of resources, taking into account the mutual benefits between policies of biodiversity conservation and other policies, such as the fight against climate change and adaptation and mitigation measures.

Law 42/2007 establishes the Fund for Natural Heritage and Biodiversity in order to implement measures aimed at the achievement of the objectives thereof. This Fund is statutorily regulated, which is an opportunity to ensure consistency with the Strategic Plan and the funding requirements for the fulfillment of its objectives.

The Natura 2000 network also requires adequate funding to achieve its full implementation, as recognized by the recent EU strategy on biodiversity. In this sense, the European Commission is preparing a Communication on financing Natura 2000 that will provide updated estimates of the costs of Natura 2000, will highlight the benefits of effective management of the network and take into account the experiences generated and lessons learned from the current integration approach in order to identify ways to improve funding of the Network for the forthcoming financial perspective period.

Adequate financing of the Natura 2000 network requires close cooperation between Member States and the European Commission as outlined in Article 8 of the Habitats Directive. This provision recognizes the need for support from the EU for the management of sites through co-financing through the financial instruments of the Community, taking into account a prioritized action framework of measures to be taken and involving co-financing.

Considering the above circumstances, the recent EU strategy on biodiversity expected that Member States are required to develop a multi-year planning for Natura 2000 consistent with the priority frameworks established by the Directive. It is therefore essential and urgent to begin work on a framework for priority action for the Natura 2000 network to identify goals and priorities in relation to the co-financing of the European Union for the conservation of Natura 2000.

Some subsidies have unwanted harmful effects on natural heritage and biodiversity. The Organization for Economic Cooperation and Development (OECD) defines subsidies harmful to the environment as all types of financial supports and regulations that are established to improve the competitiveness of certain products, processes or regions and that, in combination with the current tax system, are unintentionally discriminate against sound environmental practices. The Green Paper on the Use of Market Instruments in Environmental Policy and other related policies of European Commission recognized that the reform or abolition of these subsidies could become the main public fund for the environment if the aid is reinvested in support of practices that have positive effects on employment, on development and on natural heritage and biodiversity.

Furthermore, the conclusions of the Council of Ministers of the Environment of the European Union of 15 March 2010 estimated that the financial means to support biodiversity should be addressed through reform, suppression and redirection of subsidies that are harmful to biodiversity. The elimination or reform of subsidies harmful to biodiversity and the development of positive incentives for the

conservation and sustainable use of biodiversity is also one of the targets set in the Strategic Plan for Biodiversity 2011-2020 of the Convention on Biological Diversity.

Meanwhile, the Law 42/2007 establishes the duties of public authorities, the identification and, if possible, elimination or modification of incentives contrary to the conservation of the natural heritage and biodiversity, and the promotion of fiscal incentive of private initiatives in nature conservation and de-motivation of those with negative impact on biodiversity conservation and sustainable use of natural heritage.

In recent years the green tax reform has become part of the political debate, and environmental criteria have been introduced in some existing taxes, such as the vehicle registration tax. However, it has not yet faced deep fiscal reform that includes measures to encourage or discourage, as appropriate, activities that affect the natural heritage and biodiversity.

The need to promote eco-efficient economy through changes in national income, from taxing workers and businesses and to taxing the use of resources and energy, has been recommended by the Community authorities and the OECD.

In Spain, the market-based instruments for biodiversity conservation have been applied at the margins. There is still a huge potential for development and implementation of these instruments, which can be effective tools for achieving these objectives.

In the Council Conclusions of March 2010, it is recalled that an effective policy for biodiversity conservation will require adequate mobilization of resources from all sources, noting that the public and private financing, and in particular innovative forms of financing should include payments for ecosystem services.

According to the Millennium Ecosystem Assessment, two-thirds of the services provided by ecosystems and high nature value areas in the world are in decline and legal regulations are insufficient to protect against the push of economic interests. Some private economic activities generate positive environmental externalities that are not recognized by the market. By contrast, there are other private activities that benefit natural heritage without charge or negative externalities not computed in the price of their products. Creating markets to internalize environmental costs into the prices of products and services that use biodiversity as "raw material" is being piloted successfully in other countries to maintain sustainable uses of it.

Article 73 of Law 42/2007 recognizes the services provided by ecosystems and urges regulatory incentives to reward positive externalities in natural spaces with custody agreements. But homogeneous compensation payments based on the calculation of lost profits do not always ensure the proper conservation of biodiversity in marginal areas, which rarely meets the principle of "he who provides collects".

The few cost-benefit studies that have been conducted in Spain in protected areas and in its socioeconomic environment demonstrate the generation of net book profits. However, many costs of protected areas are borne locally while benefits are received globally or are perceived by traders other than those who bear the costs. Redistributive mechanisms are lacking among those providing the public good and those who benefit from it. In addition, revenue from environmental services provided by protected areas usually is not reinvested in the management of these areas or local economies.

Payment systems for environmental services can be effective mechanisms for a direct causal relationship is always established between an activity and the amount of natural asset generated. These systems of public intervention may also serve as a tool for conflict prevention in the use of natural resources between regions, and improve social and territorial cohesion between urban and rural areas. Payments for environmental services accompanied by market mechanisms have been effective in creating new business opportunities for those who act in favor of conservation, and receive supplemental income to their normal activities, by giving a monetary value to environmental services provided by their activities. The aim is to promote the mechanisms of supply and demand that operate in line with the interests of conservation and make it a profitable activity.

If the allocation of funds for conservation and maintenance activities depends exclusively on public subsidies and traditional economic activity of the areas hosting biodiversity that run the risks of abandonment and of a continued decline of biodiversity associated with these activities. So environmental services markets should be explored, which could be an effective tool to exploit the potential financial services provided by biodiversity.

#### **Goal 4. Conserve global biodiversity and contribute to poverty alleviation in the world**

Objective 4.1 Assist third countries in the conservation and sustainable use of biodiversity and to reduce the impact of the activities of Spain on biodiversity and natural resources in third countries.

- Conduct the evaluation of international trade of wildlife in Spain.
- Monitor the implementation of the CITES Convention and Community law in the field in Spain.
- Update and revise periodically the common protocol between CITES Management and Scientific Authorities to prepare the required reports on imports, exports or reintroductions of CITES specimens in Spain.
- Establish and maintain a database with information on CITES species and the application of the Convention in Spain.
- Promote the development of a specific legislation sanctioning infringements in the field of CITES and EU rules that allow returning economic sanctions for the conservation of biodiversity.
- Promote education and training mechanisms on CITES.



- Establish mechanisms to monitor all imported wood and forest products in order to meet the requirements of EU legislation.
- Designate the competent authorities in Spain to implement European regulations concerning imports of wood and the obligations of operators who purchase timber and timber products.
- Comply with the obligations of the International Cooperation Programme on Assessment and Monitoring of Air Pollution Effects on Forests (ICP Forests) in Spain.
- Ensure full integration of conservation and sustainable use of biodiversity in programs, projects and activities in international cooperation and planning tools that are developed in the future in Spanish cooperation.
- Promote collaboration between public administrations for the implementation of programs, projects and development cooperation in the conservation of biodiversity, ecosystem services and poverty reduction.
- Ensure that international cooperation activities in the fields related to this Strategic Plan and the fight against climate change are consistent. Ensure synergies and avoid unwanted effects.
- Develop programs and projects of international cooperation and development cooperation for the conservation of biodiversity and ecosystem services. Take into account especially the CBD and the fulfillment of commitments under international environmental conventions signed by Spain.
- Develop programs and projects of international cooperation and development cooperation with regard to sustainable forest management with particular attention to FLEGT and REDD + program.
- Develop training programs in third countries on communication, education and awareness for the conservation and sustainable use of biodiversity and local development.
- Ensure effective compliance with the requirements for companies eligible to receive financial support from the Central Government.

## **Goal 7. Contribute to green growth in Spain**

Objective 7.1 Consider biodiversity and ecosystem services, including its economic value in the public and private activities

- Promote the consideration of biodiversity and ecosystem services, including economic value in the design of policies of the General Administration of the State.
- Encourage consideration of biodiversity and ecosystem services, including economic value, in the activities of Spanish companies.

- Establish the Natural Heritage Accounting under national accounts.
- Develop environmental indicators related to human welfare in addition to GDP indicator for incorporation into the social and political debates.

Objective 7.3 Reduce the impact of Public Procurement on biodiversity.

- Promoting Green Procurement Plan, particularly in relation to forest products.
- Study the advisability of revising the Green Procurement Plan to include specific criteria on biodiversity.

## **Goal 8. Mobilize financial resources from all sources to achieve the objectives of biodiversity conservation**

Objective 8.1 Ensure adequate funding for biodiversity conservation policy.

- Adopt and implement the rules of the Fund for Natural Heritage and Biodiversity, taking into account the objectives of the Strategic Plan.
- Develop incentive systems for positive environmental externalities.
- Establish a working group of the Central Government to study fiscal mechanisms that favor conservation of biodiversity.
- Analyze state subsidies with detrimental effects on biodiversity and its potential for removal or conversion.
- Promote the use of innovative mechanisms for financing biodiversity.
- Consider establishing payment systems for environmental services.
- Study and regulate, if necessary, the implementation of biodiversity banks.
- Include in grant aid to the Ministry of Environment and Rural and Marine specific assessment criteria relating to the conservation of biodiversity.
- Develop a prioritized action framework for Natura 2000 that identifies the objectives and priorities for the co-financing of the EU for the conservation of Natura 2000.

Under the chapter on cooperation, collaboration and coordination, the document had a section on promoting consistency in conservation policies and funding mechanisms.

D.1 Development of strategic planning of biodiversity conservation and development actions at the regional level equivalent to those included in the Strategic Plan. Foster a coherent planning of biodiversity conservation in the different administrations to promote synergies in the area and increase the effectiveness of the measures undertaken. Encourage, in coordination with the Autonomous

Communities, the consideration of the goals of the Strategic Plan at the regional level and the development of equivalent actions for a more consistent and more effective conservation of biodiversity.

## D.2 Co-financing mechanisms for biodiversity conservation.

The Royal Decree of Natural Heritage Fund and Biodiversity will be the financial framework for the implementation of measures to support the achievement of the goals of conservation and sustainable use of biodiversity contained in the Strategic Plan. It will operate as a means of financing and support from the Central Government to the regions for the development of measures for the conservation and sustainable use of biodiversity. Through the signing of cooperation agreements, activities of mutual interest to the General State Administration and the Autonomous Communities may be developed and implemented to achieve the objectives of the Strategic Plan. In this case, the execution shall be the concerned Autonomous Community and a co-financing of between 25% and 75% will be established with the Central Government, according to budget availability. The selection of projects to be co-funded will confirm the priorities established. In addition, procedures will be established for monitoring and evaluating the effectiveness of these actions.

Also, for achieving the determined objectives of the Strategic Plan, activities of general interest, whose execution and financing correspond entirely to the Central Government, can be declared.

The document had a chapter on estimating budget requirements. This chapter includes an estimate of the budget that would be considered necessary for proper development of the actions contained in the Strategic Plan over its six-year life. This estimate is made as provided in Article 12 of Law 42/2007 on Natural Heritage and Biodiversity, of 13 December. The financing of the actions are finally adjusted to annual availability contained in the State Budget for both the Ministry of Environment and Rural and Marine Affairs and other departments of the Central Government. Moreover, to achieve certain objectives of the Strategic Plan, activities of general interest, whose execution and financing shall be the Central Government, may be declared.

### Estimated budget requirements

Objectives	euros
Goal 1. Having the best knowledge for the conservation and sustainable use of biodiversity and ecosystem services	
Objective 1.1 Apply the Spanish Inventory of Natural Heritage and Biodiversity and continue the work of inventory and monitoring of biodiversity	69000000
Objective 1.2 Organize, update and disseminate information on the inventory and monitoring of natural heritage and biodiversity considering international and EU requirements	4000000
Objective 1.3 Promote research and innovation in biodiversity to address the needs of conservation, management and sustainable use	4000000
Goal 2. To protect, conserve and restore nature in Spain and reduce threats	
Objective 2.1 Plan and coherently manage networks of protected areas and promote the orderly use of natural resources	6000000
Objective 2.2 Promote ecological restoration, environmental connectivity planning and landscape protection	7000000
Objective 2.3 Contribute to the conservation and restoration of natural habitats and wild species	29000000
Objective 2.4 Establish mechanisms for the prevention of the entry, detection, eradication and control of invasive alien species	10 million
Objective 2.5 Protect native wildlife species in relation to hunting and inland fisheries	2000000

Objective 2.6 Develop technologies and experiences applied to wildlife management to prevent damage and the risk of communicable diseases, combating alien species and climate change adaptation	4000000
Objective 2.7 Regulate access to genetic resources and sharing of benefits arising from the use thereof	9000000
Objective 2.8 Increase knowledge on geodiversity and geological heritage and enhance their protection	4000000
Objective 2.9 Enhance cooperation and collaboration between government and national and international organizations related to the conservation of geodiversity and geological heritage	1000000
Goal 3. To promote the integration of biodiversity into sectoral policies	
Objective 3.1 Advance the knowledge, consideration and integration of biodiversity into agricultural policies and practices in the context of coordination with the Autonomous Communities, intersectoral cooperation and participation of stakeholders	50000000
Objective 3.2 Promote sustainable forest management	10 million
Objective 3.3 Contribute to the monitoring and improvement of the health of forests and assess their contribution to mitigation and adaptation to climate change	4000000
Objective 3.4 Contribute to the conservation of biodiversity through fire management	372,000,000
Objective 3.5 Contribute to the conservation of biodiversity through protection measures and soil conservation	4000000
Objective 3.6 Increase the integration of biodiversity into planning and water management	7000000
Objective 3.7 Continue the policy of wetland conservation	3000000
Objective 3.8 Know the conservation status of marine biodiversity in Spanish waters	9000000
Objective 3.9 Establish monitoring programs of marine biodiversity	9000000
Objective 3.10 Establish integrated planning of the marine environment so as to reduce the impact on biodiversity of human activities	9000000
Objective 3.11 Establish Marine Protected Areas and areas of the Natura 2000 network in the marine environment, and ensure consistent management	26000000
Objective 3.12 Provide for the protection of marine habitats and species	9000000
Objective 3.13 Protect and preserve the maritime-terrestrial public domain	9000000
Objective 3.14 Achieve a balance between exploitation and conservation of marine natural resources by ensuring a sustainable catch	9000000
Objective 3.15 Apply effective environmental assessment procedures	10 million
Objective 16.3 Promote sustainability of nature tourism	9000000
Objective 17.3 Encourage consistency and the positive synergies between policies of biodiversity conservation and combating climate change	2000000
Goal 4. To conserve global biodiversity and contribute to poverty alleviation in the world	
Objective 4.1 Assist third countries to the conservation and sustainable use of biodiversity and reduce the impact of Spain's activities on biodiversity and natural resources in third countries	26000000
Goal 5. To promote the participation of society in the conservation of biodiversity and promote their awareness and commitment	
Objective 5.1 Promote land stewardship for biodiversity conservation	4000000
Objective 5.2 Promote information, awareness and participation in society for biodiversity conservation	4000000
Goal 6. To improve environmental governance for biodiversity conservation	
Objective 6.1 Promote and implement the conclusions of supranational processes on biodiversity, especially the CBD, a state conservation policy	2000000
Objective 6.2 Establish coordination mechanisms and governance necessary for the implementation of the Strategic Plan of the Natural Heritage and Biodiversity	4000000
Objective 6.3 Increase the effectiveness of environmental criminal prosecution	3000000
Goal 7. To contribute to green growth in Spain	
Objective 7.1 Consider biodiversity and ecosystem services, including economic value in the public and private activities	2000000
Objective 7.2 Promote green jobs and consideration of biodiversity in economic activities	3000000
Objective 7.3 Reduce the impact of Public Procurement on biodiversity	1000000
Goal 8. To mobilize financial resources from all sources to achieve the objectives of biodiversity conservation	
Objective 8.1 Ensure adequate funding policy of biodiversity conservation	1000000
Total	estimated 750 million

### ***The former Yugoslav Republic of Macedonia***

Macedonia's planning document<sup>12</sup> contained a strategic approach on financial resources for implementation of the biodiversity strategy and action plan (BSAP), with the following actions:

- Revision of budgetary financial structure of the republic of Macedonia
  - Establish special paragraph within the State budget regarding biodiversity conservation (estimated amount-20% of the total budget for execution of BSAP). Outputs: Establishment of special paragraph within the State budget
  - Provide direct support from the central budget for activities in protected areas. Outputs: Attainment of support from budget for organisations conducting activities within protected areas
- Other financial resources
  - Obtain tax benefits for measures undertaken in order to finance biodiversity protection within the private sector. Outputs: Adoption of changes within the tax regulations in order to incorporate appropriate incentives
  - Develop programme for applied projects concerning biodiversity. Outputs: Establishment of priority list programme
  - Provide compensation (or changes in tax regulations) for use of biological resources. Outputs: Payment of compensation and adoption of changes to tax regulations
- Development of mechanisms to stimulate external investment in biodiversity conservation
  - Conduct review of potential external donors and programmes. Outputs: Preparation of a list of donors and programmes examined
  - Develop priority list of projects for foreign investment in biodiversity conservation. Outputs: Preparation of list
  - Implement the measure "debt-for-nature". Outputs: Provision of possibilities for accessing secondary debt markets in order to provide for the development of credit compensation funds

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<sup>12</sup> Macedonia (2004). Biodiversity Strategy and Action Plan of the Republic of Macedonia, Ministry of Environment and Physical Planning, Skopje, 2004, 128 pp.