



**Financial Planning for Biodiversity in Western Europe**

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### *Austria*

Austria's planning document<sup>1</sup> had financial goals for in-situ preservation: appropriate sufficient funds and personnel to implement measures in nature conservation and species protection sector; determine full costs for consumptive uses of nature and landscapes and for nature degradation. Measures: full and effective use of existing funds on the national and EU level, especially by improving interdisciplinary cooperation; motivate the private sector to fund biodiversity-relevant projects (e.g. nature sponsoring); increasingly internalize external costs for the consumptive use of nature; secure funding for measures that preserve biodiversity.

The document had a financial goal for research and monitoring: provide sufficient funds for biodiversity-related research. Measures: research funding agencies must allocate sufficient funds to study biodiversity.

The planning document had a section on development cooperation. The sector Development Cooperation (EZA) in Austria views the preservation of biodiversity as an integral part of its agenda. At the same time, this objective must be seen in the light of the traditional goals of EZA such as fighting poverty, promoting democracy and creating a suitable environment for sustainable economic development. Based on the experience gained by EZA, protecting biodiversity is less a technical or scientific problem than a social one: it is intimately linked with the functioning of subsistence, with land rights, and with human rights (particularly of the local population and very often of women). This explains why the successful special program "National initiative Wald – 3. Welt" (National Initiative Forest - 3rd World) strategically pursued these principles.

"Preserving and promoting the natural habitat" is one of the fundamental objectives expressed in Austrian EZA. Nonetheless, even after ratification of the Convention on Biological Diversity, this goal will not be pursued by introducing a wealth of new sectoral programs. Rather, Austria will continue down the successful route taken to date. EZA has, in fact, for some time been carrying out key measures and individual projects that provide an excellent basis for complying with the Biodiversity Convention. In the agricultural sector, for example, funding is provided exclusively for biological farming. The projects include biological pest control, benign use, alternative energy production and hydroelectric power, waste water treatment, low emission production technologies in the retail business, appropriate forestry practices, the preservation of the traditional uses of medicinal herbs, and efforts to conserve these biological resources themselves.

The main goal, in agreement with the Biodiversity Convention, is therefore to maintain and consolidate the thematic issues; in the future, these are to be concentrated even more on the focal countries of EZA. Introducing a range of new sectoral programs would hurt rather than help the potential overall

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<sup>1</sup> Austria (1998). Austrian Implementation Strategy for the Convention on Biological Diversity, Federal Ministry of Environment, Youth and Family, Vienna, April 1998, 66 pp.

performance of EZA in preserving the biodiversity of focal countries. Additional Federal funding is not forthcoming. Any further reduction of regular funds for the traditional tasks of EZA would do more than merely thwart efforts to concentrate on at least some substantial development schemes; it would also pull funds from the numerous, successful independent projects that address the goals of the Biodiversity Convention.

To date, there has been only a single “globally spread” special sectoral program on biodiversity after undersigning the Convention on Biological Diversity, namely the “National Initiative Forest – 3rd world”. Most items in the program have already been concluded. Certain independent projects of great strategic importance continue to be funded. Whenever co-financing has been arranged, such projects can be extended.

This program encompasses more 30 individual projects and, thanks largely to its support of indigenous habitats, has provided practical protection for the high biodiversity of a huge area (up to 4 times the surface area of Austria).

In the future, at least one independent sectoral program will be initiated for the focal countries. Its goal is to help inject the spirit of the Biodiversity Convention into the general policy and agenda of Austrian EZA. Thus, a separate sectoral policy will be formulated in the framework of rural development: its task will be to guarantee food security under the perspective of preserving biodiversity. More precisely, this program is designed to preserve the wide range of germinable varieties of local and regional cultivated plants. This effort must be seen in the light of maintaining and preserving a functioning subsistence economy in rural areas as a basis for satisfying the most elementary human needs and as a nucleus for further economic development. It will address the question whether these varieties are, in fact, optimally adapted to the climatic and biological rigors under subsistence farming conditions. This will help ensure the survival of those subsistence farmers living under the most difficult climatic conditions.

#### Specific measures

- Support the relevant NGO activities and NGO networks
- Promote gene banks for seed stocks
- Collect the necessary data and conduct the necessary analyses
- Reactivate traditional knowledge about local south/south activities and disseminate information between tribal women
- A separate branch in the sector education and training should be entrusted with improving capacities; this should be done through education facilities and designed to ensure a subsequent, autonomous south/south training program at the postgraduate level.
- Plans are underway to introduce a large-scale incentive program for local activities that preserve the diversity of cultivated plants – analogous to the tree planting activities of the Green Belt

Movement (Kenya). The operative component of this program, which will be carried out under the auspices of the agriculture sector, is strongly oriented toward women. This aspect can also learn from the Green Belt Movement. This planned subprogram (sector “agricultural development”) to preserve the biodiversity of traditional varieties of cultivated plants was stimulated by the Convention on Biological Diversity.

The current budget situation prohibits medium- and long-range funding plans for more extensive efforts involving a range of directed sectoral programs. Nonetheless, projects that tackle this issue should continue to be developed based on the specific needs in the respective countries. This should intensify efforts in the education and training sector and lead to concrete activity in the operative sector. The merit and workability of such issues and potential projects must be reviewed.

Long “development times” are necessary before a program can actually begin: any serious EZA requires that the program fulfill the minimum criteria of ownership by the focal country and fulfill all other economic and socio-ecological demands – a time consuming process. In addition to undertaking the effort required to develop such a new program, EZA in Austria is willing to enter into the medium-term commitments that all such projects entail in order to guarantee the program’s success in preserving traditional field varieties.

EZA principally incorporates biodiversity issues from three perspectives:

- by setting activities with immediate ecological objectives
- by initiating measures with other primary goals, but that are directly useful for the environment and biodiversity
- by reviewing the ecological impacts of every projects at all program levels (Provincial and Provincial sectoral programs)

On the project level, environmental impact assessments are now mandatory. Austria has not restricted itself to formally defining the assessment processes; rather, it submits the plausibility of all environmental impact statements to scrutiny by an independent and competent Austrian firm. Formalized procedures for assessing strategic environmental consequences at the level of policies and programs are currently still missing due to insufficient experience. The assessments themselves, however, are being conducted.

#### Goals

- Finalize a policy governing the preservation of traditional field varieties
- Formulate a clear, implementible strategy design for such a program
- collect and file additional experience gained during strategic assessments of the impacts of individual policies and programs on biodiversity

## Measures

- An intensive technical dialogue with scientists and farmers must be initiated under the direction of the agriculture bureau of the Federal Ministry of Foreign Affairs, in cooperation with all other relevant bureaus at the various Federal ministries; it must have adequate input from outside experts. Draft outlines of policies and strategies should be confronted with concrete experience; this approach will yield practical, viable tools within acceptable time frames.
- Greater efforts should be devoted to drafting strategic “assessments” on the program and policy level.

## ***Belgium***

Belgium's planning document<sup>2</sup> set out several strategic objectives that have direct bearings on financing for biodiversity.

### **Objective 4: Ensure and promote sustainable use of components of biodiversity.**

An operational objective was to adopt biodiversity criteria in public procurement policies to prevent biodiversity loss. Public authorities are major consumers. In Europe, for example, they spend 16% of the EU's gross domestic product. By using their purchasing power to purchase goods and services that also respect the environment and biodiversity, they can make an important contribution towards sustainable development. Public authorities can also show citizens, enterprises and organizations how they can really change their attitudes by making the right consumer choices. Green public procurement can have a positive direct or indirect impact on biodiversity. It covers areas such as transport and construction, office equipment, recyclable paper, organic food in canteens and activities in developing countries with support from Belgian authorities. Initiatives have already been taken in Belgium to use green procurement policies in order to promote goods that are less harmful to the environment (for instance, promotion of the use of wood products originating from sustainable forests or inclusion of environmental - including biodiversity - criteria in the procurement procedure for Clean Development Mechanism and Joint Implementation). Belgium is preparing a national action plan on green public procurement for 2006. In 2006, the Belgian Parliament passed a new law on public procurement that provides some opportunities to integrate sustainable (biodiversity) criteria in public procurement procedures.

Another operational objective was to promote the conservation of forest biodiversity through independent credible forest certification systems that provide a guarantee for sustainable forest management. This operational objective supports the use of sustainable (certified) timber products and the promotion of credible certification systems. This can be achieved, for example, by actions in several fields such as public procurements policy or public and forest owner's awareness activities.

### **Objective 5: Improve the integration of biodiversity concerns into all social and economic sectoral policies.**

An operational objective was to encourage the development of economic, fiscal and financial instruments for biodiversity (including instruments for the private sector). In addition to normative instruments and processes (regulations, access and market restrictions, management plans, etc.), market-based instruments can usefully be combined in order to achieve biodiversity objectives (for example frameworks for access agreements that facilitate market-based exchanges of biodiversity-

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<sup>2</sup> Belgium (2006). Belgium's National Biodiversity Strategy 2006-2016, Environment Directorate-General of the Federal Public Service of Health, Food Chain Safety and Environment, November 2006, 97 pp.

related resources). Such instruments are core elements for the application of the 'polluter pays' principle through the establishment of environmental liability regimes.

There is a need to make greater and more consistent use of domestic economic instruments with respect to biodiversity protection.

The adoption of socially and economically sound measures (like subsidies, state aid, grants-in-aid, and measures prescribed in the tax system) that act as incentives for biodiversity is of central importance to the realization of the three objectives of the CBD.

Public authorities should promote companies that have a responsible investments policy that take biodiversity into account.

State aids should take a more holistic approach to promote environment. In particular, state aids to operators must be better used to promote and avoid any negative effects on biodiversity.

Internalization (the incorporation of external costs and benefits) should be considered to be one of the guiding principles for selecting appropriate incentive measures to prevent, stop or reverse the loss of biodiversity.

Some Regional initiatives, co-financed by the EU, have already been taken in Belgium: subsidies are granted for activities which take biodiversity into account such as private sustainable management of nature reserves, environmental measures in farming (for example enlargement and maintenance of natural borders, and use of manual or mechanized systems instead of chemicals), sustainable forestry (forest owners receiving subsidies for the development and implementation of forest-management plans that are based on sustainable forest management, for example conservation of indigenous tree species, and use of endemic species in re-afforestation projects), exemption from succession rights for private forests and exemption from succession rights and a levy for real property for land in the Flemish Ecological Network, exemption from death duties and real-estate deductions for land property situated in Natura 2000 Walloon sites, exemption of succession rights for nonprofit associations that make natural area accessible for the public, etc.

Economic incentives measures must be further promoted to encourage the protection of biodiversity in Belgium. For example, imposing a higher cost on products using virgin resources, promoting products obtained from sustainable managed resources (like wood products certified as being harvested in sustainable conditions), creating positive financial incentive for biodiversity friendly products, or providing payment to farmers who maintain biodiversity on their land, could be used as incentives to make sustainable use of biodiversity more attractive than unsustainable activities.

Alongside the introduction of incentives to support conservation and sustainable use of biodiversity, consideration must be given to removing or redirecting perverse economic incentives that accelerate the loss of biodiversity (these range from public subsidies that support unsustainable farming and fisheries to projects that erode or destroy biodiversity).

As single measures will often not suffice to address the complexities involved in decisions on biodiversity protection or sustainable use, a mix of measures may be needed. It is also important that the different instruments (at the different levels) are linked, that they are efficiently used and that shortcomings are followed up.

Furthermore, the 'value' of biodiversity needs to be addressed (link with Objective 7.5. 'Improve our knowledge of the socio-economic benefits of biodiversity') in order to integrate market and non-market aspects of biodiversity into economic and social decisions. Indeed, the pressures to reduce biodiversity are so great that to demonstrate the value of biodiversity, we need to encourage the introduction of incentives.

Another operational objective was to implement biodiversity concern into account in national export credit policy. Export Credit Agencies provide financial support (loans, guarantees, insurance) for projects in Southern and Eastern Europe. They aim to help national industries abroad. Export credit policies may have very significant impacts on environment and biodiversity in particular (for example by supporting construction projects of dams, pipelines, etc.).

The impact on biodiversity needs to be fully incorporated in the procedures for evaluation of projects applying for support by export credit agencies. It is important to examine the environmental criteria used to assess investments by Export Credit Agencies and other publicly funded financial institutions and to ensure that these criteria take biodiversity into consideration. Project screening procedures must ensure that activities that lead to irreversible damage to biodiversity are not promoted.

Export Credit Agencies need to be more transparent in the eligibility criteria used and indicate which international obligation and engagements subscribed by Belgium they take into account. The following actions could also help credit export agencies to take biodiversity concern into account in national export credit policy:

- Implement a harmonized procedure to check whether a project respond to the international biodiversity related obligations and engagements subscribed by Belgium.
- Organize training for credit export agencies staff Belgium's international obligations and engagements related to biodiversity. Another measure to promote integration of biodiversity in credit export policies is to ask companies to sign a declaration of intent setting out the commitments of the companies to meet the objectives of the national biodiversity strategy.

**Objective 10: Ensure a coherent implementation of/and between biodiversity-related commitments and agreements.**

An operational objective was that all climate change, biodiversity and desertification cooperation projects funded by Belgium should be assessed to ensure that they are mutually supportive of the objectives of the three Rio conventions. The three Rio conventions address a number of common substantive and procedural issues. For example, measures to reduce negative impacts from



deforestation are relevant to the implementation of the three conventions. Each of these conventions calls for capacity-building, scientific and technical cooperation, the development of specific national plans and strategies, periodic reporting, etc.

The rising impact of climate change on biodiversity as well as the effects of some actions to combat climate change may be relevant to the objectives of the CBD. On the other hand, protection of biodiversity can contribute to climate change mitigation (healthy forests, peat lands and other habitats can limit atmospheric greenhouse gas concentrations by storing carbon) and can protect against natural hazards aggravated by climate change.

Desertification has significant impacts on biodiversity. It leads to decreasing soil productivity, has an impact on the hydrological cycle, has the potential to cause local extinction of wild species, etc.

It is important to check that projects initiated by Belgium are in line with the objectives and recommendations of the three Rio conventions. Indeed, numerous climate change, biodiversity or desertification projects face challenges beyond those of a single sector project.

For example, initiatives such as reforestation, adaptation and Clean Development Mechanism projects, as foreseen in the Kyoto Protocol in the framework of the United Nations Framework Convention on Climate Change, may have significant impacts on biodiversity and should be designed to enhance biodiversity or, at least, avoid negative impacts on biodiversity (for example by planting multiple species of native trees rather than monospecific plantations of exotic species). Supporting biodiversity to adapt to climate change is fundamental as well as enhancing positive effects of climate change mitigation measures to strengthen biodiversity's resilience. But preventing and minimizing potential negative impacts from certain climate change mitigation measures are as important, such as promotion and development of bio fuels and other forms of renewable energy sources. The external dimension of the relation between climate change and biodiversity should therefore be emphasized.

Therefore, Belgium will develop mechanisms to assess that projects initiated in the framework of one of the Rio conventions are in line with the requirements of the other two.

**Objective 11: Ensure continued and effective international cooperation for the protection of biodiversity.**

The protection of biodiversity is a global issue and is best tackled through multilateral cooperation. This is underlined by the CBD stressing the need for countries to cooperate in order to ensure the protection of Earth's biodiversity.

The Millennium Development Goals provide the framework for the entire United Nations system to combat poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women. Biodiversity plays an important role in ensuring that the targets of the Millennium Development Goals (and in goal 1 "Combating poverty and hunger", Goal 6 "Combating HIV/AIDS, malaria and other

diseases", and goal 7 "Ensuring environmental sustainability") for sustainable development are successfully achieved.

The Clearing-House Mechanism is an important tool for the exchange of information and for promoting and facilitating scientific and technical cooperation.

Belgium has developed interregional and bilateral cooperation with countries in its immediate vicinity for an integrated management of transboundary ecosystems.

Also through its development cooperation, Belgium promotes the sustainability of the environment as a crosscutting issue, in which biodiversity is considered.

Biodiversity loss has direct effects on economic development and especially on the livelihood of people in developing countries. The Millennium Ecosystem Assessment Report (2006) has shown that negative impacts of biodiversity loss and diminution of the benefits arising out of ecosystem services will mainly harm the world's poorest people, who are the least able to adjust to these changes. Intact ecosystems in protected areas provide clean water, food security, and medicine and help prevent natural disasters.

Tackling the loss of biodiversity in those countries will be essential to achieving poverty reduction and sustainable development. Furthermore most developing countries play a crucial role in the conservation of global biodiversity, as they still possess areas with a natural environment and a high biodiversity. All partner countries of Belgian Development Cooperation have also signed the Convention on Biological Diversity as well as many other biodiversity-related agreements. Belgium needs to continue supporting their efforts to respect and implement their commitments under these conventions.

Belgium has already taken some initiatives through its development cooperation policy to improve synergies between MEAs in general and for their synergetic implementation in partner countries.

Operational objectives

#### **11.1 Gain a comprehensive view of all cooperation and interregional projects supported by Belgium**

Belgium is cooperating with developing countries in a broad range of activities and is also involved in several interregional projects. For the moment, no instrument can give an overview of all the projects supported by Belgium. As some of these projects can and will have an impact on biodiversity, it would be helpful to develop a mechanism where information about these initiatives is collected. This would enable the various authorities to have an overview of all the initiatives supported by the different authorities in Belgium and their potential impact on biodiversity. Furthermore, there is need to evaluate whether environment criteria have effectively been taken into account in cooperation projects.

#### **11.2 All programmes and projects funded in partner countries have an ex ante environmental assessment procedure, ranging, as appropriate, from environmental screening to full environmental impact assessment\* or strategic environmental assessment\***

All Belgium's development cooperation projects will be more systematically assessed prior to the decision to allocate funds so that potential negative impacts on the biodiversity of recipient countries can be identified at an early stage and be avoided or mitigated. A screening procedure should be systematically applied and, when it proves necessary, a full Environmental Impact Assessment\* (EIA) carried out.

Broader strategic approaches, such as "Indicative Cooperation Programmes, "Country Strategic Papers" or "Sector-Wide Approaches" (SWAP), etc., should be subject to a Strategic Environmental Assessment\* (SEA) that includes biodiversity considerations.

Both EIAs and SEAs should be performed by using the existing assessment systems of the recipient country as much as possible. Joint EIAs or SEAs by several donors will be encouraged whenever possible.

Furthermore, ex post evaluations of development cooperation programmes or projects should also integrate biodiversity considerations, even in projects/programmes that are not related to natural resources.

### **11.3 Contribute to creating an enabling environment for biodiversity in partner countries**

Belgium, through its development cooperation policy, will promote and support participatory income-generating activities that are based on the sustainable use of biodiversity and that benefit local populations. In particular the role of farmers as actors for biodiversity protection through implementation of good farming practices and technologies should be encouraged and supported by Belgian development cooperation.

The Belgian DC will also support, on a sustainable way, other biodiversity-based income-generating activities or mechanisms with a potential of local benefits, such as ecotourism, community-managed hunting, fishing and gathering, and maintenance of ecosystem services with collective benefits.

Biosafety capacity building projects, aimed at helping in various ways developing countries to avoid potential negative impacts of GMOs on biodiversity and health, will also be undertaken by Belgian development cooperation policy. Through policy dialogues with partner countries and other donors, Belgium will also seek to enhance the promotion of access rights, property rights and shared responsibility of indigenous and local communities on biodiversity assets. Specific attention needs also to be given in development cooperation policy to the establishment of a worldwide representative network of protected areas. This policy dialogue will be carried out in accordance with existing international agreements and processes.

### **11.4 Promote integration of biodiversity and biosafety into the development plans of partner countries**

The loss of biodiversity threatens the livelihood of the poorest people in the world, as they depend the most on biodiversity for their subsistence. It has previously been the case that there has been little interest in the integration of biodiversity screening mechanisms into partner countries' own

development plans. Such plans tend to set out broad goals and include projects and activities to improve the direct economic development of the country.

However, in order to achieve lasting poverty reduction and sustainable development, the environmental dimension and biodiversity in particular should be fully taken into account in these plans. Therefore, Belgium (for example, through the EU or other multi-donor partnerships) will encourage partner countries to integrate biodiversity and biosafety into their Poverty Reduction Strategies and/or National Strategies for Sustainable Development, as well as in their Health programmes and any other of their development initiatives they undertake.

Direct budget support, whether general or sectoral, is an emerging trend in development cooperation. Attention will be focused on this new form of aid, so that policy dialogues leading to budget support decisions are used as opportunities to promote such integration. Awareness of the concept of the ecological footprint\* should also be raised.

#### **11.5 Enhance international coordination and effective exchange of information between ex situ conservation centers (zoos, botanic gardens)**

Gene banks, zoos, plant nurseries, botanic gardens, aquariums, etc. contribute to the ex situ conservation of wild plant and animal species of foreign origin by securing the long-term conservation of species outside their natural habitat (ex situ).

For species and varieties of crops and for domesticated animal races, ex situ conservation centers allow a broad genetic pool to be maintained to ensure the viability and the improvement of quality in the future. On the basis of scientific knowledge, ex situ conservation centers will be encouraged to keep species, varieties and domesticated animal races in a manner that guarantees their conservation. Due to the wide diversity of collections, there is a need to reinforce coordination between ex situ conservation centers, for instance through information-sharing and facilitated access to data of foreign origin for the countries of origin, in order to ensure long-term conservation and facilitated access to information and collections.

#### **Objective 12: Influence the international agenda within biodiversity-related conventions**

The protection of biodiversity is a common task that cannot be tackled by one country. In the international and European forums where Belgium is represented, Belgium will actively emphasize the paramount role of biodiversity and promote international involvement.

Belgium can also enhance its contribution to the protection of global biodiversity through the promotion of better coherence and cooperation between biodiversity-related conventions. The promotion of synergies must not result in diluting the content of biodiversity-related conventions.

On the contrary, it will ensure their mutual supportiveness while respecting their different characters. Strengthening of synergies and cooperation will make it possible to use the existing resources in a more efficient way and will make the pressures of implementation and reporting more manageable.

## Operational objectives

### **12.1 Enhance Belgium's contribution to the protection of global biodiversity**

Through active participation in international meetings and, when relevant, in the various bureaus and task forces, Belgium will strive for ambitious multilateral goals, targets and actions. Belgium will also contribute better to financial and technical support for their implementation.

### **12.2 Keep up our leading role in different international and EU forums to ensure coherence between biodiversity related conventions**

When participating in international agreements, Belgium will continue its efforts to ensure the coherence of the provisions of biodiversity-related conventions in order to promote policy consistency, enhance synergies and increase the efficiency of implementing measures. In particular, Belgium will support the establishment of a global partnership on biodiversity in order to enhance implementation through improved cooperation between all the conventions, organizations and bodies, and continue to cooperate in the process of harmonization and streamlining of reporting on biodiversity.

### **12.3 Enhance synergies between CBD and the bodies of the Antarctic Treaty System and UNCLOS**

Biodiversity is a key issue in the Antarctic region. The Antarctic's biodiversity is of unique value due to its relatively pristine state, with its high rate of endemic species with a highly adapted character. The Antarctic Treaty area is of particular interest due to the high level of scientific cooperation between countries.

Biodiversity in the high seas and Antarctica needs to be protected through the establishment of marine protected areas beyond national jurisdiction, which should become key elements of a global representative network of MPAs. Furthermore, climate change, increased tourism and unregulated bioprospection activities in the marine and terrestrial parts of Antarctica are creating rising concern.

Those issues need to be addressed in a coherent and coordinated way within the CBD, UNCLOS and the bodies of the Antarctic Treaty System (Committee for Environmental Protection, Commission for the Conservation of Antarctic Marine Living Resources - CCAMLR), in particular regarding marine protected areas and ABS. Particular attention will also be devoted to human impacts on cetacean populations in the Antarctic region and to, in this regard, the work of the International Whaling Commission

### **Objective 13: Enhance Belgium's effort to integrate biodiversity concerns into relevant international organizations and programmes**

Specific CBD issues are undoubtedly linked with discussions within other organizations and programmes such as FAO, UNDP, WTO, WHO, WIPO, ITTO, etc. whose mandates cover issues relevant to the implementation of the CBD. However, links between agreements directly relevant to biodiversity and the other relevant international organizations remain weak. It is therefore important to enhance

synergies and coherence both at national and international level given the positive impacts that the protection of biodiversity can have on the implementation of several of those programmes.

An interesting tool to achieve this objective is the Green Diplomacy Network (GDN), an initiative aimed at promoting the integration of environment into external relations of EU-25 through the creation of an informal network of experts as an information exchange mechanism between the designated environmental focal points of the Member State Ministries of Foreign Affairs.

Special efforts should for example ensure greater coherence and consistency between trade and economic agreements and the objectives of the Convention on Biological Diversity. This is of the utmost importance given the major impact that other institutions and programmes can have on the implementation of the CBD.

Operational objective

### **13.1 Integrate biodiversity concerns into all international organizations and programmes that potentially affect biodiversity**

Belgium will continue and strengthen its participation in international and European conventions, agreements and programmes relevant to biodiversity, and will ensure that positions taken are in line with and supportive of the three objectives of the CBD. This will promote compatibility and mutual supportiveness between institutions and programmes. This implies improved coordination and sharing of information at national level to ensure that Belgian delegations to meetings of different but related bodies present consistent and mutually reinforcing positions.

### **Objective 14: Promote sustainable forest management in other countries**

Biodiversity in forests is the richest of all terrestrial ecosystems. Along with the protection of forest areas of high conservation value, Sustainable Forest Management (SFM) will play a crucial role in stopping the loss of biodiversity by 2010. There is an urgent need to enhance the conservation of forest biodiversity by improving forest management and planning practices that incorporate socio- economic and cultural values.

Many wood-producing countries need financial, technical and legislative assistance to prepare and implement national forest programmes for the management, conservation and sustainable development of forests, develop good governance practices, review and implement forest related regulations, tenure and planning systems, promote transparency, combat corruption and strengthen civil society involvement, to provide a basis for sustainable use of forest biodiversity.

Operational objectives

### **14.1 Support efforts of developing countries to combat illegal logging and associated illegal trade**

A first step in contributing to SFM is to help developing countries restrict and impede illegal logging activities. Illegal logging and its associated trade not only threaten biodiversity in timber-producing

countries (through overexploitation, depletion of scarce natural resources, destruction of ecosystems, etc.) but also have serious economic and social consequences (loss of revenue for local governments, corruption, impoverishment of rural communities that depend on forest products, etc.).

Belgium will consider support for regional intergovernmental initiatives to combat illegal logging, such as the Africa Forest Law Enforcement and Governance (AFLEG) or the Europe and North Asia Forest Law Enforcement and Governance (ENAFLEG).

In 2003, the EU adopted an Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) to combat illegal logging and associated illegal trade. This plan emphasises governance reform and capacity-building in producer countries to control illegal logging. The plan also underlines demand-side measures to reduce the consumption of illegal timber within the EU.

Belgium will actively support the implementation of the FLEGT action plan. This can be done for example through the development of public procurement policies to promote legally produced timber products, the inclusion of the issue of illegal logging in bilateral aid for forestry projects, the analysis of possibilities to apply national legislation (such as money-laundering) to prosecute crimes related to illegal logging, the promotion of private-sector initiatives that encourage companies to use voluntary codes of conducts for the legal harvesting and purchasing of timber, etc.

The FLEGT Action Plan also provides the development of Voluntary Partnership Agreements between the EU and timber-producing countries. The aim of these agreements is to set up a licensing scheme in partner countries in order to ensure that only legally produced timber (identified by means of licenses issued in producer countries) is exported to the EU. Work is actually currently ongoing to develop a regulation to enable EU customs authorities to exclude illegal timber.

Belgium should support this initiative on the ground by initiating projects in timber-producing countries to prepare for the establishment of voluntary partnership agreements. Furthermore, Belgium should support efforts at EU level to complement the voluntary approach by exploring options to develop legislation to control imports of illegally harvested timber into the EU.

#### **14.2 Support the development of National Forest Programmes and their integration with other relevant policy instruments**

National Forest Programmes (NFPs) for the management, conservation and sustainable development of forests are understood as country-led, broadly participative processes to formulate and implement policies and instruments that effectively promote the development of the sector in the context of broader policies and strategies for sustainable development. The goal of NFPs is to promote the conservation and sustainable use of forest resources to meet local, national and global needs, through fostering national and international partnerships to manage, protect and restore forest resources and land, for the benefit of present and future generations. The main objectives are to:

- introduce intersectoral planning approaches involving all relevant partners, in order to resolve conflicts and generate effective policies and programmes to address problems;
- raise awareness and mobilize commitments at all levels in order to address the issues related to sustainable forestry development;
- increase the efficiency and effectiveness of both public and private actions for sustainable forestry development;
- foster local, national, regional and international partnerships;
- mobilize and organize national and (if necessary) international resources and catalyst action to implement programmes/plans in a coordinated manner;
- plan and implement how forests and the forestry sector could contribute to national and global initiatives, for example the Environmental Action Plans and the actions agreed upon to implement the Forest Principles, Chapter 11 of Agenda 21, the Conventions on Biodiversity, on Climate Change and on Desertification.

In its bilateral and multilateral efforts, Belgium will actively promote the development of national forestry programmes and the integration of different policy instruments to enhance coordination and coherence of policies aimed at the promotion of sustainable forest management and the conservation and sustainable use of forest biological diversity.

### **Objective 15: Ensure the provision of adequate resources for biodiversity**

To carry out the present National Biodiversity Strategy, there is a need to carry out further actions in key areas. Investments in coherent and integrated biodiversity activities should be substantially increased. Financing will be supported by Regional and Federal environmental administrations, other relevant administrations and funding bodies, including the private sector.

#### **Operational objectives**

##### **15.1 Investigate national financing possibilities for biodiversity**

Belgium needs to ensure, through its' own resources, adequate financing of biodiversity. Therefore it is important to investigate financing possibilities at national level such as the establishment of specific funds for biodiversity, the integration of biodiversity in sectoral budgets and programmes (in particular in Research and Development plans and programs), the establishment of partnerships with the finance and business sectors, etc. Other innovative financial mechanisms should be investigated, such as partnerships with the private sector.

In Flanders, a specific funds (Minafonds) has been established to deal with financial aspects of investments in the field of environment. The federal level should investigate possibilities to use the Raw Material Funds for biodiversity.



## **15.2 Fully use existing EU financing instruments to promote biodiversity**

Co-financing opportunities through European financing programmes will be promoted, for instance through specific programmes of the forthcoming EU Financial Perspectives 2007-2013 including LIFE+, the European Fisheries Fund (EFF), the Cohesion and Structural Funds and the European Agricultural Fund for Rural Development (EAFRD).

Belgium will support financing biodiversity in European Financing Funds (such as EAFRD and Life+).

## ***France***

One of the aims of French Foreign Assistance Programme is to help developing countries to include the environment issue in their development process, through the formulation of adapted public policies, or by setting up showcase projects where the principles of sustainable development and of those of the Convention on Biodiversity (CBD) are raised to the status of a code of conduct. Beyond its action of cooperation, France considers biodiversity as an asset to the world heritage. France contributes generously to multilateral funds: Global Environmental Fund (GEF), European Development Fund (FED), etc. It tries to promote, on an international level, the idea of global management, and is active in seeking to transform the United Nation's Environment Program into the United Nations Environment Organization.

### **A. International and national governance**

- to reinforce capacities of South partners and bilateral and multilateral financing instruments

Actions:

- contributing systematically to the elaboration of strategies of GEF and European Development Fund as well as review and evaluation of their programs and projects;
- maximizing impacts of bilateral financing instruments by pursuing strategic complementarities with GEF and European Development Fund; and
- exploring possibilities of new financing (debt reduction contracts, biodiversity foundations, conclusions of Landau report etc.).

### **B. Cooperation action**

- Priority Solidarity Fund that finances, on grant terms, support to the priority solidarity zone
- French Global Environment Fund that contributes finances to development projects having impact on biodiversity, climate change, international water, land degradation and desertification in developing countries
- Social Development Fund, implemented by ambassadors in each country, which provides direct support to local actors (NGOs and associations) for small projects
- Funding of French Development Agency

Since the recurrent expenses of managing a global protected areas network can not be met by developing countries or official development assistance in the long run, economic and financial mechanisms need to be developed to generate sustainable funding sources. The Action Plan envisaged:

- To encourage projects that allows conservation self-financing through mechanisms ensuring their integration into economic and local social development (eco-tourism development, valuation of local practices, payment for environmental services, etc.)
- To develop sustainable financing instruments for protected areas networks, in particular in Africa (debt reduction and development contract, biodiversity foundations etc..)
- To promote development of compensation mechanisms for environmental services provided by natural ecosystems, in particular in the field of water resource management.

The Action plan also seeks to systematize the practice of environmental impact assessments in all cooperation projects by developing a systematic procedure for environmental impact assessment in cooperation projects respecting the best international standards; generalizing economic analysis and integration of environmental costs in cooperation action budgets; and generalizing integration of environmental criteria in the conditionality of accessing to financial resources of French Development Agency.

France's first planning document<sup>3</sup> had a section on financing the policy for natural heritage and landscape.

The natural and landscape heritage policy is very important because it addresses directly the objectives of the strategy. An action plan for renewal is still in the planning stage, and aims at facilitating the approaches suggested by the strategy, in particular a new structure of responsibility sharing between the government and the communities on one hand, and between the public Sector and civil society on the other hand. The central government, who is custodian rather than manager, is responsible for its international or European commitments and the protector of fundamental liberties and public safety. It has a strong responsibility for the protection of the natural heritage and landscapes. The local entities, however, should be made more responsible for the valorization of this heritage.

An important issue of this policy is how to finance it., which comes back to the acknowledgement of the value of living things.

The French Strategy for Biodiversity identified:

- All avenues for the creation of new resources and for making more efficient use of the existing sources of financing will have to be explored.
- The natural heritage and its biodiversity can create wealth, through the goods and service they provide, through new development they make possible - such as tourism or exploitation of certain natural resources (hunting, fishing, mushroom and wild fruit collecting...). They attract

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<sup>3</sup> France (2004). Stratégie française pour la biodiversité, enjeux, finalités, orientations [French strategy for biodiversity: issues, aims and approaches], February 2004.

more and more people looking for recreation. That is why it is time to look for ways people can participate in the cost of access to nature in its various expressions (sports and leisure, business venture), either through a specific device, or by making use of existing tools (for instance a local tax for the endangered areas...) and improving them or broadening their application.

- The possibility of shared financing between the public and private sectors will need to be investigated, as well as the role that can be played by philanthropy and foundations. Investment by the private sector could also be sought, based on the economic use, direct or indirect, of the natural heritage.
- On a fiscal level, tax incentive can be devised to reward those whose behavior is in line with the policy on management of natural heritage. An inter-ministerial study group, organized by the National Strategy for Sustainable Development and other public bodies, is working on the subject. It will offer suggestions to the project of the 2005 finance law.
- The government will continue its effort with the European Commission and its members States to encourage them to attribute a greater part of the community's resources (LIFE) to Natura 2000. France will support all the studies undertaken by the European Commission concerning the financing of the other policies (regional, agricultural, fishing etc....). Putting a stop to biodiversity losses by 2010 is part of the dynamics of territorial development.

France's new planning document<sup>4</sup> set out a strategic goal (C) to invest in a common good: our ecological capital.

Biodiversity is our common heritage and one of the pillars of the functioning of the biosphere. The resources which the living world provides for us enrich us and contribute to the well-being of humanity. Safeguarding this heritage and viewing it as a common asset involves a commitment to new approaches so that this richness fosters our sustainable and equitable development for the future.

Biodiversity is a legacy from the past which requires us to devise very long-term economic strategies. Advances in science and technology mean that we can begin to understand biodiversity and its role and to benefit from this. However our economic rationale should not end with the immediate benefits conferred by exploiting it. It must also set out to protect and enhance biodiversity, which is our common heritage.

Investing in the physical and human resources required to protect and enhance this heritage simply constitutes good management of our relationships with life on Earth. It entails demonstrating a conviction that our natural heritage is of key importance, our "ecological capital" and a source of benefit to humanity today and for the future.

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<sup>4</sup> France (2011). National Biodiversity Strategy 2011-2020, Ministère de l'Écologie, du Développement durable, des Transports et du Logement, 43 pp.

Within the framework of the NBS, stakeholders make a commitment to use over the long term the ability to adapt and evolve which forms the basis of the biological story of our planet and the resources and services which nature provides for us, without jeopardizing them.

#### **Target 7: Include preservation of biodiversity in economic decisions**

Biodiversity and natural resources are affected by the current economic growth mode for which they also partially form the basis. In fact, business and economic activities more broadly, play a major role in biodiversity, either by the impacts (negative or sometimes positive) of their activities on species and natural environments, or by the benefits which they derive from the goods and services delivered by biodiversity. These costs and benefits are scarcely addressed in economic decision-making.

It is necessary to integrate biodiversity more fully into the economic sphere in order to reconcile public and private interests, ensure mainstreaming in the long term, raise awareness among businesses of their dependence on biodiversity and encourage economic stakeholders to invest in ecological capital and thus to play a role in developing this common asset.

In order to achieve this integration successfully, it is necessary first of all to reduce then withdraw incentives which harm biodiversity, to reform the tax system, develop new positive incentives, integrate the impacts on biodiversity into eco labeling, or even extend the “polluter pays” principle and enforce it more rigorously. In particular, public subsidies must be redirected in several areas to avoid contributing to the loss of biodiversity and must be subject to bioconditionality measures.

#### **Target 8: Develop innovations for and through biodiversity**

Innovation in the field of valuing biodiversity as a source of natural technologies and as a basis for sustainable development activities must be increased. Furthermore, it is important to increase mainstreaming of biodiversity in areas in which innovation occurs, either in terms of direct or indirect impacts or through equitable sharing of the biosphere’s resources. A whole new area of research and practice (for instance ecological engineering) should be promoted and structured around this concept.

Transfer of knowledge to organizations supporting innovation (companies, local authorities, non-profit associations, and various excellence clusters, etc.) must be ensured by drawing on international best practice. This will facilitate the development of new projects capable of reconciling economic and social development with respect for the environment and biodiversity.

The NBS offers a permanent framework for priority development of new concepts and projects of all types, with particular emphasis on their value-added component for overseas territories and new promotion methods.

#### **Target 9: Develop and perpetuate resources for biodiversity**

Preserving, restoring and developing ecological capital constitute a major national policy which must develop in a coherent manner for the long term. In this respect, it must have access to increased

financial, human and technical resources enabling it, on the one hand, to support initiatives throughout French territories and, on the other hand, to support France's international commitments, in particularly those made in Nagoya (an increase in state funding for development focusing on biodiversity).

In order to respond to these challenges, financial contributions will need to be substantially increased, firstly on the part of public stakeholders (the state, local authorities) but also from the private sector (company biodiversity budgets, environmental sponsorship, etc.) in order to invest in the preservation of biodiversity.

Moreover, examples of major environmental policies such as water, waste and energy saving demonstrate the benefits and effectiveness of the implementation of targeted resources managed within the framework of a multi-year plan drawn up jointly by the stakeholders. In addition to ensuring consistency between activities, such resources will create synergy with initiatives implemented by various private and public operators to preserve and develop our ecological capital. It is therefore appropriate to establish a mechanism of this type for biodiversity.

A growing number of professionals are working to protect biodiversity in all spheres of activity and in a variety of organizations: businesses, researchers, teachers, non-profit associations, managers of protected areas, local authorities, organizations for social and professional integration, etc. Recent studies carried out within the framework of the green economy plan for jobs and employment identify some forty different professions and over 30,000 jobs. Significant resources must be made available to reinforce the skills of active professionals (training, tools, methods, etc..) and develop these vocational areas.

#### **Target 10: Turn biodiversity into a driver for development and for regional cooperation in the overseas entities**

Insularity, or in the case of Guyana, its geographical location, mean that overseas territories are structurally extremely dependent on imports (energy, foodstuffs, equipment, etc.) which push up the cost of living as well as creating a large carbon footprint. Overseas territories are committed to a development goal which is focused more clearly on their own potential. This is the "endogenous development" goal defined by the Interministerial Council for Overseas Territories (CIOM) on 6 November 2009.

The promotion of natural resources, in particular, is a crucial asset for endogenous economic development in overseas territories. On the one hand, biodiversity is a source of innovation and research, hence the growth of specialist research companies developing and marketing products linked to biodiversity. On the other hand, the protection and promotion of the ecological assets of overseas territories is a growth factor for tourism, especially eco-tourism, although the impacts of tourism must be kept to a minimum.

Lastly, the protection and promotion of biodiversity provides a focus for regional cooperation between overseas territories and neighboring countries. This involves reinforcing cooperation and coordinating

action between overseas collectivities, between overseas collectivities and neighboring countries, or with the rest of Europe. There is therefore scope to increase sharing of information and know-how for the conservation and enhancement of biodiversity within the framework of regional cooperation by broad geographic zone (Caribbean, Indian Ocean, Pacific, South America). In addition, islands are developing original strategies and models which could be shared with or even transferred to mainland situations to positive effect: adaptation to climate change, and reduction in anthropic pressures, conservation and integrated sustainable management of biodiversity in the ecosystems exploited, etc.

## *Germany*

Germany's planning document<sup>5</sup> contained a section on the government as role model (B 2.2).

Our vision for the future: Public institutions at all levels in Germany (Federal, Länder, local authorities) are transparently committed to the concrete conservation and sustainable use of biological diversity, and act as role models in every facet of their conduct. This also serves to streamline bureaucracy.

Our aims:

When drafting and amending statutory regulations, proper consideration is given to the conservation of biological diversity.

Suitable areas of public land permanently exhibit a high diversity of near-natural habitats and species which are typical of the region.

The Federal Government's property policy is aimed at reducing land use to 30 ha per day by the year 2020. In the long term, Federal Government should manage to largely replace the actual use of new land by reusing existing areas.

By the year 2020, we aspire towards an exemplary procurement and construction system based on high biodiversity-conserving standards with regard to nature and environmental friendliness. To this end, the existing environmental quality seals will be further developed, while valid procurement principles will be reviewed and, where necessary, further developed.

Reasons: The Government is one of the largest land owners in Germany. 1.7 % of Germany's natural territory alone (excluding land used for human settlements) is owned by the Federal Government. 53 % of Germany's forests are publicly owned (Federal Government: 4 %, Länder: 29 %, local authorities: 20 %, trusteeships: 4 %). According to estimates by the Städte- und Gemeindebund (German Association of Towns and Municipalities), public institutions place orders worth € 256 billion per annum. By tailoring their procurement systems accordingly, they could support the conservation of biological diversity by giving priority to sustainably sourced products. Experiences in other areas have shown that competitions are an effective tool for motivating players to ambitious achievements.

We aspire to the following:

- To tailor taxation and subsidy policies more closely to the conservation of biological diversity
- To develop a strategy for the exemplary consideration of biodiversity requirements for all publicly-owned land by 2010

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<sup>5</sup> Germany (2007). National Strategy on Biological Diversity, adopted by the Cabinet on 7 November, 2007, 177 pp.



- To ensure that the Federal Government makes an exemplary contribution towards achieving the aim of reducing land use to 30 ha per day by 2020 in the form of a continuous reduction in new land use
- To ensure natural development on 10 % of publicly-owned forest land by 2020.

The document also contained a concrete vision on effects of German activities on biological diversity worldwide (B 2.3). Our vision for the future: Germany gives careful consideration to the impacts of all its activities, including those which extend beyond its national borders, and accepts greater responsibility for the global conservation of biological diversity.

Our aims:

In the year 2020, 25 % of imported natural materials and products (such as agricultural, forestry, fishing products, medicinal, aromatic and collector's plants, collector's breeds of animal) originate from environmentally and socially compatible sources.

Foreign investments by German companies are based on the international environmental standards of the World Bank and the OECD guidelines for multinational companies, with due regard for German environmental standards and minimum social standards.

German banks also give ever greater weighting to positive scores in environmental impact assessments when granting foreign investment loans within the context of their business practices.

The proportion of tourist offerings which observe the CBD guidelines on biological diversity and tourism development will increase continuously.

By 2020, eco-balance sheets prepared by German industry will list all environmental impacts, from the use of raw materials through to waste management. A product's impacts on biodiversity abroad will also be outlined.

The German Government will continue to pursue its target of spending 0.51 % of gross national income on public development cooperation by 2010, and meeting the UN target of 0.7 % by 2015. To this end, as well as earmarking budget funds and providing further debt relief, a role will also be played by innovative financing mechanisms. German development cooperation gives due regard to the protection and conservation of biological diversity in all relevant areas.

Reasons: Worldwide, on average, the people in industrialized countries use four times as many natural resources as people in developing countries. Responsible conduct by German industry and consumers can make a significant contribution towards conserving biological diversity worldwide, and thus counteracting the risks associated with globalization for biodiversity worldwide. In the countries of origin of key natural materials and products, knowledge of the effects of plants and the conservation of biodiversity is often held by women. For this reason, a special effort must be made to involve women in the development of utilization concepts.

We aspire to the following:

- To develop an EU action programme to increase the proportion of imported products that are certified according to ecological criteria by the year 2010, and to implement this program by 2020
- To support the five principal countries of origin of the five most important natural materials and products (agricultural, forestry, fishing products, medicinal and collector's plants, collector's breeds of animal) when establishing and reviewing best practice mechanisms for sustainable use, which will have been established by 2015 at the latest
- To prohibit the import of illegally felled wood, or timber products made from such wood, to Germany, with due regard for WTO requirements, from 2010 at the latest
- To give greater consideration to environmental concerns and social standards in the WTO regulations
- To make allowance for the requirements of biological diversity in the investment strategies of private investors
- To review the European Commission's proposed directive to include international air traffic in EU emissions trading, which is currently excluded from climate protection policy, with due regard for competitive effects
- To incorporate biodiversity aspects, particularly in the countries of origin, into national and international standardization policies
- To achieve a 50 % increase in the proportion of funding from Germany's total development aid which is earmarked for development projects aimed at the protection and sustainable use of biological diversity and the equitable distribution of benefits by 2015.

The document further presented several pertinent indicators:

Indicator: Agro-environmental subsidy (subsidized area)

This indicator provides information on land development within the context of agroenvironmental subsidies in Germany. It indicates the financial support given to land management techniques with an emphasis on sustainable production. In 2004, 29 % of agricultural land was eligible for such subsidies.

Indicator: Organic farmland as a proportion of total agricultural land

This indicator represents the proportion of organically farmed land as a percentage of total farmland in Germany. Because of the special production methods used in organic farming, the indicator represents nature-compatibility in food production.

Indicator: Proportion of certified forest land in Germany

This indicator measures the certified forest land currently in use in Germany. Certified land represents the proportion of forestry land in which silviculture makes a particular contribution towards conserving biological diversity. Forest land certified under the PEFC, FSC and Naturland schemes are currently included in this indicator.

### *Luxembourg*

Luxembourg's planning document<sup>6</sup> had a section on budgetary implications. Precise estimates of the budgetary impact on the full implementation of all the measures proposed by the PNPN are difficult to achieve due to lack of precision regarding the modalities of implementation of the proposed measures. The cost figures amounted to 52.241 million euros, and are therefore only indicative to enable projections of budgetary developments required to implement in the future. It is clear that the policy guidelines set through the PNPN targets must be met within the budgetary procedures to come, with a focus on the implementation of priority and concrete supported by improved data management, inventories and targeted research projects. In addition, the integration of the principles of nature conservation in other sectors also involves cross-sectoral budgetary integration as well as budgets allocated specifically to the conservation of nature. This fiscal integration is also consistent with the approach of inclusion and integration of environmental prerogatives in all EU financial instruments recommended by the European Commission. There are potential for integration that can be applied concretely in many areas, particularly in the field of agriculture. Reviewing the arrangements for the allocation of the premium landscape maintenance, with currently over 7 million euros per year, represents the most important potential for integrating in this area for future. The importance of close collaboration between the various state administrations involved in the renaturation of water courses and the reduction of water pollution seems obvious in view of considerable budgetary resources provided for this purpose in the Fund for the Management of Water.

The Community financial instruments should also be applied to Luxembourg, in particular through the European Fund for Regional Development (ERDF) and the European Agricultural Fund for Rural Development (EAFRD). Concrete proposals in this regard are made in the PNPN. With regard to the new EU financial instrument for the environment, LIFE +, half of the available funds is to provide for the funding of projects for the protection of nature.

A proposed study in the PNPN on the implementation of a system of compensation for environmental values Ecobonus, will allow assessing the environmental and budgetary impact. The basic idea of the principle of Ecobonus is to financially reward environmental actors, while, conversely, the actors whose activities have a significant impact on the landscape and biodiversity must pay a proportional tax for impacts caused. In return, the income of the "eco-supplement" is paid as a lump sum as Ecobonus to be reinvested in projects specific to protection or restoration of natural habitats.

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<sup>6</sup> Luxembourg (2007). Plan National Protection Nature (PNPN 2007-2011), Ministère de l'Environnement, Mai 2007, 113 pp.

### *Netherlands*

The Netherlands' first planning document<sup>7</sup> had a section on international cooperation.

In its second planning document<sup>8</sup>, the Netherlands provided the five visions, including first vision on international. By 2020, the Netherlands' contribution to international nature policy will be substantial. It will have considerable influence in this field. First and foremost through effective nature management within our borders. But the often worrying state of nature and genetic resources will also require us to take action on a global scale. The Netherlands will actively participate in international nature policy processes and work with other countries to realize joint nature goals. In 2010 the situation will be as follows.

- With internationally accepted criteria for biodiversity and agreements on targets and monitoring programmes in place, there will be no more room for a noncommittal attitude with respect to international biodiversity policy. Collateral agreements have been made about the size and quality of what constitutes nature of international significance such as forests, wetlands, sea and shores.
- The integration of biodiversity in economic sectors and instruments will have been strengthened. We will have become more aware of our impact on nature and the environment, both at home and abroad (our ecological footprint).
- The Netherlands will have earned a reputation in honoring its obligations. Our extra efforts with respect to wet landscapes and wetlands (see the vision on Water) will have increased the biodiversity within our borders and strengthened the identity of our landscapes.
- Thanks to the efforts of the Member States, the Netherlands included, nature and biodiversity will be important themes of European policy. Nature and biodiversity will also be integrated in sector policy and rural policy.
- Much effort will be put into the realization of a European Ecological Network. The enlargement of the European Union will have increased multi-lateral cooperation and the total area of nature in the EU.

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<sup>7</sup> The Netherlands (1995). Strategic Action Plan for Biodiversity" (Strategisch plan van aanpak biologische diversiteit), 43 pp.

<sup>8</sup> The Netherlands (2000). Nature for people, people for nature: policy document for nature, forest and landscape in the 21st century (Natuur voor mensen, mensen voor natuur: nota natuur, bos en landschap in de 21e eeuw), July 2000, 87 pp.

- The Netherlands will be a leading exporter of expertise in the area of nature and water management for sustainable development.

The document had a section on financial consequences (5.2) under strategic outlines.

Most of the budget for nature is spent on the realization of the National Ecological Network. Part of the extra incentive set aside for nature four years ago, when the present Government came into office, was for meeting the costs of rising land prices, the creation of wet landscapes and the funding of agri-environment schemes. On top of that the Government invested in the restructuring of the sandy soil areas in the south and east of the Netherlands, which will also improve the overall quality of nature and landscape. An amount of three thousand million was earmarked for nature to cover the period to 2010 (in addition to the two thousand million from the Ministry of Transport for infrastructural adaptations).

The problem of rising land prices continues to be a point of concern. In the autumn of 1999 an extra 50 million was budgeted for land acquisition and, as of 2000, a structural 80 million is added to the budget for land acquisition. The average land prices of 1999 now serve as a basis for the budget for land acquisition for the realization of the National Ecological Network.

Policy will be intensified in the following areas:

- The realization of a number of robust nature links to connect large nature areas. Funding will be released for the acquisition and development of the first segment of 13,000 hectares, as set out elsewhere in this document. The Government will first concentrate on the Water Link and the Veluwe-Utrechtse Heuvelrug.
- The planned quality input (the interlacing network of green and blue) for areas with high landscape, cultural historical and nature values. Where possible the landscape management in these areas will be combined with water management (water retention and storage). Funding will be released for the development of the first segment of 20,000 hectares, including the acquisition of 5,000 ha as set out elsewhere in this document. A total of 200,000 hectares of agrarian countryside can be improved in this way.
- The encouragement of good landscape development plans and landscape design in the context of more design and development driven planning approach.

The Government has given the assurance that funds will be made available to manage the robust nature links and the interlacing networks of green and blue. To enhance the quality of the National Ecological Network areas need to be linked up and expanded, and the quality of landscape and nature in the adjacent agrarian countryside must be improved. To stop the further deterioration of the landscape, areas outside the National Ecological Network should also benefit from the exercise. The creation of an interlacing network of green and blue and better landscape development plans and landscape design will help here.

The creation of robust nature links and an interlacing network of green and blue will not just benefit ecosystems and landscapes. Recreation and our cultural heritage will also profit. Where possible, links will be made with water management, infrastructural improvements and developments in farming. In 2001 an additional 50 million guilders will be available for these components, an amount which will be doubled from 2002. The extra money will help implementers make a start with strengthening the National Ecological Network and the Dutch landscape in a broader context. The funding required for the realization of the National Ecological Network is of course covered by existing policy.

A budget of incentives has been reserved to realize the objectives laid down in this policy document. The first segment of 13,000 hectares, out of a total of 27,000 hectares needed for the robust nature links, will be designated in the context of the Fifth Memorandum on Spatial Planning and the Second Structure Plan for the Rural Areas. Decisions on the 200,000 hectares of landscape that will be improved (i.e. the 20,000 hectares qualifying for new development and 5,000 hectares for acquisition) will also be taken then. A temporary incentive programme will make 50 million available for the period 2001-2006 to encourage a design oriented landscape approach. An approximate amount of 2 thousand million has been reserved for the period up to 2020 to realize these components.

In addition to this intensified approach investments in housing and business locations will be combined with the creation of new green space in the direct vicinity of towns and cities, and in the construction of a network of walking and cycling paths from the built-up areas to the new nature areas. The new green areas will be created by changing land use on an envisaged 10,000 hectares of land over the period 2010-2020 (i.e. on top of the targets laid down in the Fifth Memorandum on Spatial Planning and the Second Structure Plan for the Rural Areas).

For the Fifth Memorandum on Spatial Planning and the Second Structure Plan for the Rural Areas a study will be made into the possibilities of combining red and green development and the extent to which green can be financed by red. This ties in with the current debate on land policy. The Government will announce its relevant views with the publication of part 1 of the Fifth Memorandum on Spatial Planning.

For new infrastructure the Government will opt for careful planning and high quality landscape design. In the context of the National Traffic and Transport Plan ways will be sought to adopt a more area-specific and total design approach. Where infrastructure cuts through green links good solutions must be found. This is also in line with the third memorandum on architecture. Where infrastructural investments coincide with investments in nature (robust nature links and the extra landscape quality input) a joint approach should be adopted to achieve maximum results. A more integrated approach will be worked out for some grey-green junctions in pilot projects. These projects will show whether current budgets are adequate for a good landscape design and what the advantages are of a combined realization of grey and green (win-win situation).

The debate about creating space for water will take place in the context of the Fifth Memorandum on Spatial Planning and the recommendations given by the Committee for Water Management in the 21<sup>st</sup>

Century. Links with the envisaged water management will be made where possible. As for the wet landscapes and safety aspects in the river areas we would refer to the agreements made recently (Letter to the Lower House (session 1999-2000, 25 017, no 25). The Government will continue to strive for a joint development of water and nature in line with a high quality spatial planning policy.

These are all long-term aims. Many ambitions need to be worked out further in the planned policy documents, the Fifth Memorandum on Spatial Planning and the Second Structure Plan for the Rural Areas, and in the context of the ICES debate.

Initially, efforts with respect to the robust nature links and the interlacing network of green and blue will be concentrated on a substantial interim target. Unless the Government decides otherwise in the future, the other spatial ambitions will probably not be realized until after 2018 given the funding available at present.

In the section on policy programme, the document discussed target-oriented cooperation (1.2):

In implementing nature policy the Government will take a three-pronged approach to investment in target-oriented cooperation: clear agreements; area-specific approach; broader funding of nature policy implementation

#### Clear agreements

Target-oriented cooperation requires clear agreements to be made, to which the parties can hold each other responsible. These must be verifiable and accountable.

- The Government and Provinces will enter into management agreements on the implementation of nature policy. These agreements will form the basis of contracts with other authorities, managers and relevant parties. The policy contained in this Memorandum will be incorporated into the next amendment to the management agreements, which will be directed at the implementation programme for 2002.
- The Government will develop procedures for establishing covenants with the private sector on its contribution to policy implementation. The covenants will be outline agreements, allowing scope for area-specific objectives and targets. The Government would like to establish covenants with agriculture, fisheries, mining, construction and recreation and tourism.
- The Government will intensify its consultations with other levels of government and stakeholders. It will look into the extent to which the inter-governmental consultation “Vitalisering Platteland” (regeneration of rural areas) can play a role in aiding policy implementation. The Government will also study which points in the Landelijk Overleg Groene Ruimte (national consultation on rural areas) can be strengthened.

#### Area-specific approach



A regional integral approach will strengthen nature and landscape policy considerably. The Government would like to stimulate area-specific cooperation by combining or integrating implementation schemes. In addition, the Government would like to stimulate design and development driven landscape strategies that integrate red (building), green (nature), blue (water) and grey (transportation infrastructure) functions. This will often have to be carried out on the basis of integral area-specific planning. The provincial authorities would be the most obvious choice to direct the process of area-specific development.

- The Government expects provincial and municipal authorities to draw up targets for nature and landscape, and use these to gauge further developments. They should also integrate nature and landscape policy into their environmental, water and spatial planning policies.
- In order to encourage an area-specific approach, the Government is merging a number of existing area-specific subsidy schemes into a new *Subsidieregeling Gebiedsgericht Beleid en Reconstructie (SGB2000)* (subsidy scheme for area-specific policy and reconstruction). The creation of an interlacing network of green and blue (to improve the quality of the agrarian countryside) will largely be realized through this scheme.
- The Government encourages integrated, area-specific landscape development plans and landscape designs.

Stewardship cooperatives: a successful example of regional collaboration

Farmer-led stewardship cooperatives and, more generally, regional collaborations are important pioneers of area-specific initiatives in the rural areas. Stewardship cooperatives have successfully focused on area-specific nature and landscape management for several years. The new subsidy schemes under the regulation *Programma Beheer* (management programme) are also open to cooperatives for nature and landscape management. The role and function of regional collaborations can be strengthened and extended by

- utilizing opportunities to broaden the scope of agricultural activity.
- promoting the development of an area-specific approach to rural areas.
- participating in area-specific projects, for example in the framework of the development of an interlacing network of green and blue.

This will also create opportunities for broadening support among individuals and organizations.

Broader funding for nature policy

Our ambitions for nature and landscape demand initiatives and funding from across the board. The Government does not want to have to carry the whole financial burden. This would not accurately reflect the view that nature and landscape are a collective good to which all parties in society have a responsibility. The Government will therefore encourage private investment in nature development and

management, and lighten the financial burden of site management. The tax system has been adapted to accommodate 'green' investment.

- The Government would like to make agreements with private investors which link housing and business investment (red) on the one hand with investment in nature (green) on the other.
- In addition the Government will encourage nature managers to obtain supplementary income from providing nature products and services (for example from CO2 fixing, water extraction, water storage, sponsoring).

The document contained the International Programme (2.1)

The International Programme (Programma Internationaal Natuurlijk) prescribes the Netherlands' contribution to international nature conservation. The impact of nature-related activities within our borders is only discussed in general terms in this programme. Concrete policy measures which arise from international commitments are not discussed here, but in the following Programmes.

The main points of the programme are given below. On the basis of this memorandum and the Fourth National Environmental Policy Plan, the Government will publish a detailed programme of Dutch international biodiversity policy at the end of 2000. This will be the sequel to International Nature Management Programme (PIN) 1996-2000. In drafting the new programme the Government will take into consideration the evaluation of PIN 1996-2000 and current development cooperation policy. It will also lay down new policy objectives and details of how we will use the available instruments and funding, both in collaboration with other nations, to realize our commitment to international agreements and multi-lateral organizations. In addition, in a separate memorandum in 2001, we will indicate how development cooperation policy can further contribute to maintaining biodiversity.

#### 2.1.1 Purpose

The Netherlands aims to help achieve a structural reversal of the worldwide loss of biodiversity through international cooperation.

#### Objectives

1. To protect ecosystems and landscapes of international significance, and to ensure a viable size and quality; in particular with respect to forests, wetlands, sea and coasts.
2. To bring about sustainable utilization of natural resources in sectors such as farming, fisheries, tourism, trade and in development cooperation.

#### 2.1.2 Why do we need an International Nature Programme?

- The Netherlands is not an isolated speck on the map, but part of a larger international system. This is a unique and prosperous, urban country, but also one that has unique problems. Because of its location the country stands wide open to outside influences, so that in many cases it would

benefit from a cross-border approach (for example for rivers, sea, wetlands, catchment areas, bird migration routes, landscape and forests).

- Internationally, sustainable development and the conservation of biodiversity form the basis of nature policy. The actual developments are unfortunately far removed from this policy. Nature throughout the world is under siege and global diversity is declining at an ever-greater rate. The Global Biodiversity Assessment (UNEP), the Global Environmental Outlook (UNEP) and the Global Forest Resource Assessment (FAO), carried out regularly, confirm this.
- As a prosperous country the Netherlands feels a responsibility to help protect nature areas of outstanding international significance in other countries. This applies particularly to nature in regions where people's attention is fully taken up with the daily struggle to survive. The Netherlands helps the cause of nature conservation here through targeted funding and the use of our own specialist knowledge and expertise.
- Our efforts to protect nature and the environment on a global scale are only credible when we propagate a similar approach at home (for example, sustainable utilization of timber, fisheries, international tourism, but also the realization of the National Ecological Network).
- The Netherlands also feels responsible for the effects of Dutch economic activity (production, consumption, trade) on nature and landscape in other countries.

#### 2.1.3 Main points of the Programme

- The Netherlands continues to contribute actively to the development and implementation of international treaties on nature and landscape and to the implementation programmes of multilateral organizations. Before entering into international agreements their consequences for Dutch policy must be assessed.
- The Netherlands' current international commitments regarding biodiversity and some important ecosystems (forests, wetlands, rivers, sea and coast) will be continued. The Netherlands will press for operational definitions of the guiding principles of international treaties, such as ecosystem approach, criteria for sustainable use and the precautionary principle. The Netherlands is also committed to the development of unambiguous indicators to substantiate the aims for preserving biodiversity internationally. Biodiversity should be integrated in policy for other sectors, such as agriculture, fisheries, forestry and tourism.
- The Netherlands will promote further integration of biodiversity in development aid policy. The destruction of biodiversity can result in extreme poverty and lead to disasters such as flooding and landslides.
- In addition to the existing emphasis on biodiversity the Netherlands will commit itself, within the framework of the Pan-European countryside treaty, to the development of an international landscape policy aimed at conservation and development of characteristic landscapes, which is

also compatible with the Dutch situation as a dynamic and urbanized delta area. This means that landscape policy must not only be conservationist, but also include scope for development.

- The Netherlands strongly supports European cooperation in the development and implementation of nature and landscape policy, and its integration in the European Union's sector policy for agriculture and fisheries. In particular the Netherlands will contribute actively to the realization of a Pan-European ecological network and in this way promote cross-border cooperation. In addition, as a Member State of the EU, the Netherlands will give specific support in nature and landscape matters to acceding countries.
- Internationally, the Netherlands will focus on cooperation with countries that operate from a similar position as itself and with countries that also have a responsibility to protect sea, coasts, rivers, wetlands, forests and migratory birds.
- The Netherlands will meet its international commitments and concentrate more specifically on nature and landscapes that are characteristic of our country (see the Water Programme). This will further enhance our country's identity and biodiversity.

#### 2.1.4 The Programme

The Government aims to achieve its objectives by the following action.

Objectives	Targets
To protect ecosystems and landscapes of international significance, and to ensure a viable size and quality; in particular with respect to forests, wetlands, sea and coasts.	<p>By 2020, there will be a Pan-European ecological network which incorporates the Dutch National Ecological Network.</p> <p>2. By 2010, globally binding agreements on protection and sustainable use of forests will be worked out in detail.</p> <p>3. More international recognition for sustainable water management and for the necessity of wetland management</p>
To bring about sustainable utilisation by integration of biodiversity in sectors such as farming, fisheries, tourism, trade and in development cooperation.	<p>4. By 2010, operational verifiable criteria will be developed for biodiversity policy and will be monitored globally from that moment.</p> <p>5. Integration of biodiversity in (economic) sector policy.</p> <p>6. By 2010, there will be concrete global and Pan-European agreements on the promotion of 'good agricultural practice'.</p> <p>7. Integration of biodiversity in development cooperation policy, as part of the main objective to combat poverty.</p> <p>8. Dutch international policy is directed at sustainable preservation and wise use of species.</p> <p>9. The Netherlands aims for a sustainable and wise use and a fair division of the benefits arising from the utilisation of genetic</p>

The following Programme shows which policy measures and actions the Government will carry out.

1. By 2020 there will be a Pan-European ecological network, incorporating the Dutch National Ecological Network.

- The Netherlands will support work to ensure that by 2003 the contours of a Pan-European ecological network, on the basis of Natura 2000 (EU and pre-accession countries), and the Emerald Green Network (central and eastern Europe) are clear.
- The Netherlands will give specific support in nature and biodiversity matters to countries acceding to the EU.
- The Netherlands is a dynamic urban delta area. From this position it will participate in consultations concerning a Pan-European landscape treaty, aimed at conservation and strengthening of internationally characteristic landscapes. The Netherlands' standpoint will be that conservation of existing landscape values can and should go hand in hand with the development of new qualities, as laid down in the Rural Area Programme in this document.
- The realization of the National Ecological Network, including links with nature areas abroad (see the Grand Plan for Nature and the Water Programme), and with special attention to cross-border nature development and management.
- Priority protection will be given to wet landscapes within the National Ecological Network, because of the international importance and characteristic nature of this aspect of Dutch nature (see the Water Programme).

2. By 2010, globally binding agreements on protection and sustainable use of forests will be worked out in detail.

- The Netherlands will support work to ensure that by 2010 globally binding agreements with criteria and indicators for sustainable forestry will be in effect. In this context, the Netherlands will support the designation of at least 25% of the present total global forest area as nature reserves.
- The Netherlands will support work to ensure the implementation of the EU forestry strategy.
- Within the Netherlands policy will be geared to sustainable timber production (see the Grand Plan for Nature).
- The Government will continue to provide development aid for forestry, and will pay more attention to the important role forests play in the regulation of the climate.

3. More international recognition for sustainable water management and for the necessity of wetland management.

- The Netherlands will give priority to the development of wet landscapes (see the Water Programme).
- We will actively fulfill our commitments under the EU framework directive on water (see the Water Programme).
- The Netherlands actively supports further development and strengthening of international wetland policy, including the designation of areas to be protected under the Ramsar Convention.
- The Netherlands, as an important link in the Western Palearctic Waterfowl Agreement, actively supports international cooperation for the protection of migratory waterfowl in line with the African-Eurasian Water bird Agreement (AEWA).
- The Netherlands actively supports the integration of biodiversity into regulations for sea and coastal management in both the European and the global context. We will include biodiversity in our reaction to the advice of the Commission for Water Management in the 21st Century.

4. By 2010, operational verifiable criteria will be developed for biodiversity policy and will be monitored globally from that moment.

With a view to proper implementation of the Biodiversity Convention the Netherlands will actively support:

- the operationalization, in a global context, of the guiding principles expressed in international treaties, such as the ecosystem approach (in 2000), criteria for sustainable use and the precautionary principle (in 2005 in a general sense and in 2010 for the sectors).
- international agreements regarding concrete targets for the conservation of important ecosystem types.
- international agreements on monitoring the implementation of biodiversity policy on the basis of a clear set of international biodiversity indicators.

5. Integration of biodiversity in economic sector policy

- By 2003, concrete agreements will have been made with the agriculture, fisheries and tourism sectors in the Netherlands regarding the protection and sustainable utilization of biodiversity.
- The Netherlands will promote the integration of biodiversity in the revised EU policy for fisheries and agriculture. This means that we work to remove policy incentives for non-sustainable production and promote sustainable alternatives.

- The Netherlands will promote the realization of biodiversity policy in programmes of organizations such as the UN, the World Bank, FAO and the World Tourism Organization.
- In the World Trade Organization the Netherlands will promote the creation of international trading standards (consumer concerns) which guarantee the realization of internationally accepted objectives for the protection of biodiversity.
- The Netherlands will actively support the involvement of social partners in the implementation of biodiversity policy and the integration of that policy in sector policy.
- In the Fourth National Environment Policy Plan (NMP4), the Government will indicate which measures it will take to prevent negative consequences of Dutch economic activity on biodiversity in countries abroad.

6. By 2010, there will be concrete global and Pan-European agreements on the promotion of 'good agricultural practice'.

- The Netherlands promotes the realization of a global working programme for Agro-biodiversity in cooperation with the Convention on Biological Diversity, FAO, UNEP, IUCN and the World Bank.
- The Netherlands will promote the creation and proper implementation of the EU Action plan for Agro-Biodiversity and Sustainable Agriculture and its integration in EU policy and in development programmes for eastern and central Europe.
- In the Netherlands, agreements will be made with the agricultural sector about the criteria for good agriculture practice and about cross-compliance (for the period up to 2010 and beyond). Agreements must also be made about the contribution agriculture will make to the protection and sustainable utilization of biodiversity.

7. Integration of biodiversity in development cooperation policy, as part of the main objective to combat poverty.

- The integration of biodiversity in development aid policy will be continued as part of the main objective of combating poverty. The accent will be placed on
- promoting real opportunities to combine sustainable use of biodiversity with reducing poverty;
- measures which contribute to a fair north-south distribution of the benefits of the utilization of biodiversity;
- paying specific attention to the effects of policy measures on biodiversity in strategic effect reports and environmental effect reports.

- At international level the Netherlands will promote practical realization of the objectives of the Biodiversity Convention in order to achieve fair north-south distribution of the benefits of the utilization of biodiversity. Further study into how this can be realized is required, after which policy will be drafted taking the following relationships into account:
- revision of agreements on genetic crop resources used for agriculture in the framework of the Biodiversity Convention and the FAO;
- creating a better cohesion with the implementation of existing agreements on intellectual property in the framework of the WTO.
- biotechnology policy (including EU regulation and Biosafety Protocol)
- Making maximum use of opportunities for the integration of biodiversity by
- paying special attention to the relationship between declining biodiversity and disasters such as floods and landslides.
- continuing efforts for conservation and sustainable use of forests, with special attention to integrating the role of trees in rural area policy;
- integration of agro-biodiversity into development aid policy;
- paying attention to sustainable utilization of natural ecosystems in dry areas, in order to strengthen the relationship between preservation of biodiversity and combating desertification.
- Working out the theme of the World Water Conference 2000, 'water and nature', with special attention to wetlands and watershed management.
- The Government will publish a separate memorandum in 2001, detailing how development cooperation policy can also contribute to the preservation of biodiversity, thus helping to implement the Biodiversity Convention. The aim is to better interweave the Biodiversity Convention into the action programmes of the Ministry of Development Cooperation.
- The Government aims for better co-ordination of the Dutch contribution to the implementation of the Biodiversity Convention and the Convention on World Heritage.

8. Dutch international policy is directed at sustainable preservation and wise use of species.

- In addition to area-specific nature policy (including the realization of the National Ecological Network) the Netherlands will work to further strengthen international efforts for both the long-term protection and utilization of species (for example the Bonn Convention, the Bern Convention, CITES, AEWA, the Wild Birds and Habitats Directives). In particular, we will strive to increase collaborations between nature conservation and animal welfare organizations.



- At home the Netherlands will implement and enforce international agreements carefully and effectively, including the Bern and Bonn Conventions, CITES, AEWA, Bird and Habitat Directives.

9. The Netherlands aims for sustainable and wise use and fair distribution of the benefits of genetic resources and biotechnology.

- Existing international agreements on biodiversity (Biodiversity Convention), use of genetic resources (such as that of the FAO) and protection of intellectual property (including World Trade Organization) should be better dovetailed.

Under the chapter on policy instruments, the document had a section on tax incentives and broader funding.

Those carrying out nature management qualify for a number of tax incentives.

- Woods and nature areas with public access and listed in the Estates Act get dispensation from inheritance tax.
- Tax incentive for investors in approved environmental projects.
- Dispensation from income tax for income from forestry and nature management.
- Dispensation from property taxes for forests and nature areas owned by legal bodies.

These measures will continue.

Tax incentives for environmental projects are an effective method of stimulating nature management by private parties. The Government recently announced several new “green” tax measures and will review the possibilities for even more measures.

1. The following steps are scheduled between now and 2002.

- Amendment to the Estates Act to include other nature areas in addition to woodland.
- Eligibility for the farmers’ tax reduction for sustainable entrepreneurship will be broadened.
- Inclusion of a fiscal construction for CO2 certificates in the energy tax scheme.
- Review of the feasibility of a tax on surface extraction of natural resources, with revenues being channeled back to the sector.
- Eligibility for dispensation from property taxes broadened to include nature areas owned by private persons.

2. The following measures will be considered between now and 2005.

- A tax on wood not produced in a sustainable manner.

- A tax incentive for farmers who give walkers access on their land.
- The positive and negative effects of nature areas on water management discounted in water duties.
- Introduction of a “green tax” according to the user-pays principle, being charged to those who have an interest in the preservation of nature and landscape. Similar to the water duties system.
- The use of tax measures to realize nature and landscape goals connected with land policy.

3. Between now and 2005, new possibilities for funding of nature and landscape by market parties will be explored.

- The water sector may be able to contribute to nature conservation in the form of financial investment or actual management, as this sector benefits, economically, from nature.
- Entrepreneurs in the tourist and recreation sector may be able to contribute to nature conservation in the form of investment or actual management, as this sector benefits economically from nature. To some extent, this is already the case in and around the Veluwe.
- Income from forestry may be increased by financially supporting projects proposed by the Luteijn Commission.

In its third planning document<sup>9</sup>, the Netherlands had a section on financial framework (4.2). The policy programme will be financed by the existing biodiversity-related funding. The estimated budget for the activities of the inter-ministerial programme team, the secretariat of the ‘Biodiversity and natural resources’ task force and its platforms is 2.3 million Euro a year. This budget will be managed by the inter-ministerial programme team and projects will be carried out by an implementing organisation. The ministries most closely involved will share the costs equally. Initiatives arising from inter-ministerial cooperation, the task force and platforms (both multilateral and bilateral) will be financed from the regular ministerial budgets. For each proposal, a decision will be taken on the most appropriate policy framework for financing. An annual sum of approximately 230 million euro has been included in the Ministry of Agriculture, Nature and Food Quality’s budget for measures partly aimed at the preservation and sustainable use of biodiversity. These concern measures such as environmental conditions in nature areas, the habitat approach, management, international biodiversity, sustainable enterprise and knowledge and research. Initiatives related to Dutch biodiversity in particular will have to be financed from this budget. Of the funds set aside for environmental policy, approximately 1.5 million euro is available each year for the transition needed to promote sustainable biodiversity. Under the budget available for development cooperation, expenditure relating directly to biodiversity totalled approximately 90 million euro in 2007. The level of spending is expected to remain static in the coming

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<sup>9</sup> Netherlands (2008). Biodiversity works for nature, for people forever: the Biodiversity Policy Programme of the Netherlands 2008-2011, Ministry of Agriculture, Nature and Food Quality, Administration Nature, 68 pp.

four years. The budget has enough leeway to cover any new initiatives that may arise from the policy programme, provided they meet the criteria for development cooperation. Besides the budget for development cooperation, the Ministry of Foreign Affairs' budget for the Matra programme is also relevant, since nature protection is one of the programme themes eligible for financing in this programme's pan-European regions.

The document also presented a priority on trade chains and biodiversity.

The government of the Netherlands wishes sustainability to be a factor in Dutch trade with other countries. This means that social, economic and ecological aspects will also be considered in the policy decisions of government bodies, companies and non-governmental organisations. What happens in the Netherlands has an impact far beyond our country's national borders. We leave a large 'ecological footprint' in other countries. Mining, energy production, tourism, the financial sector, wood, agricultural raw materials (soya, palm oil, fish meal and biomass) and peat production are particularly important in this respect.

The Dutch government's aim is to cease shifting our burden on biodiversity to other countries in a manner that is unsustainable. In the long term, all raw materials from natural resources or from nature that we use in the Netherlands – whether we obtain them in the Netherlands or abroad – must be produced sustainably. The ecological factor is one of the elements of sustainability. By treating biodiversity and ecosystems as important factors in the process of making trade chains sustainable, the policy programme 'Biodiversity works: for nature, for people, forever' adds value to this sustainable development. The impact on biodiversity of other activities, such as tourism, investment and mining, must also be made more sustainable. Voluntary agreements, the formulation of criteria, and payment for ecosystem services will play a major role in these sectors. These aspects are discussed under 'Payment for Biodiversity'. This section concentrates on wood, agricultural chains and peat, since these chains have a direct impact on biodiversity and because they make use of biodiversity.

To ensure progress towards achieving the long-term objective of sustainable market and product chains over the next four years, the government of the Netherlands will work towards the following results with respect to wood, soya, palm oil, biomass and peat during the following period:

- No later than 2011, the government will conclude agreements with the business community on the transition required to manage biodiversity sustainably in the wood, palm oil, soya and peat production economic chains. These agreements will be based on recommendations to be made by the 'Biodiversity and natural resources' task force.
- From 2010 on, the central government will purchase only wood that has been produced sustainably. The Dutch government will also strive to ensure that at least 50% of the wood on the Dutch market is produced sustainably by 2011. This target is based on the current share of sustainable wood on the Dutch market and the potential to promote the use of sustainable wood with the business community's own instruments and initiatives.

- The production of biomass and biofuels will be more sustainable, both in the Netherlands and abroad. The government of the Netherlands has already entered into a commitment stating that biofuels will account for at least 10% of Dutch energy consumption by 2020 (in line with the European target). We intend to be on course to meet that target in 2011. The use of biomass and biofuels can help reduce CO2 emissions, but it is also important that their production has no negative social, economic and ecological consequences. The Dutch government will specifically explore opportunities for developing countries in the rapidly growing international markets for sustainably-produced biomass and biofuels. Furthermore, the latest scientific insights will be reflected in the biomass policy, with a critical review of sustainability criteria in light of the related European debate.
- The import of palm oil and soya as food, animal feed and biomass crops will be sustainable.
- Small producers outside the European Union will be integrated into sustainable chains, including the soya, palm oil, wood and biomass chains.
- Sustainability criteria will be developed and embedded in an international context, particularly in the WTO and the EU (Common Agricultural Policy). Proposals will be made to introduce certification of sustainably produced palm oil and soya as food, animal feed and biomass crops with the aim of promoting sustainable production.

The process of creating more sustainable chains requires the government to collaborate with actors in civil society: the business community, non-governmental organisations and the knowledge community. In implementing the policy programme, the transition approach will play a key role in making economic chains more sustainable. This approach focuses on the longer-term aspects and process-driven support of those chains. Chains are multidimensional; they connect local and international levels and cannot be seen separately from each other. The synergy required to bring about change can only be achieved by addressing the problem of how to increase sustainability systematically and from various perspectives. The process of creating more sustainable chains requires the government to collaborate with actors in civil society: the business community, non-governmental organisations and the knowledge community. The international character of the selected chains poses the additional challenge of integrating the local perspective and local responsibility of the producing partners elsewhere into the programmes. One example of such cooperation is the Initiative for Sustainable Trade (IDH; an inter-ministerial initiative under the auspices of the Ministry for Development Cooperation).

The IDH is expected to be operational in 2008. It is a multi-stakeholder venture in which the participants (companies, non-governmental organisations, trade unions and the Dutch government) will work together to make international trade chains more sustainable, with people, plant and profit in developing countries being a key concern. The focus will be on programmes to improve conditions at the start of the chain in the developing countries.

The policy programme 'Biodiversity works: for nature, for people, forever' will follow up on existing initiatives and platforms in order to help them achieve a balanced approach. The point of departure is

the ecological and biodiversity component in relation to social and economic aspects. Examples include the round tables and partnerships for soya, wood, palm oil and fish meal, and the platform on green raw materials for the energy transition. Many of these are private initiatives (RSPO, the round table on palm oil, RTRS, The Round Table on Responsible Soy, the FSC21 label for wood, CC-GAP22 for peat substrate), and the policy programme will provide information and facilitate projects relating to biodiversity in consultation with the other actors. Besides the input in specific chains, the policy programme will establish links between them; after all, there are interactions on both the user and the production sides in the various chains. The multiple uses of the same product (for food, animal feed or energy) not only increase demand and the number of actors involved, but also give rise to new policy choices, raise different aspects of sustainability criteria and labels and affect different social interests. Producers face a growing demand and hence pressure on land and other resources. This means choosing between agricultural production for food or energy, export or national consumption, preservation of ecosystem functions and nature conservation. The challenge is to find an integrated approach that helps making choices which ensure that ecosystem functions are preserved and nature and biodiversity are spared as much as possible. The relationship with the priorities 'ecological networks' and 'payment for biodiversity' is obvious.

Although the emphasis in the priority area 'trade chains and biodiversity' will be on international cooperation, certain steps must also be taken in the Netherlands itself, principally in relation to the government's purchasing policy and the promotion of corporate social responsibility.

What are the Dutch government's priorities in the Netherlands?

Agreements on the necessary transition

- Agreeing with the business community on changes in biodiversity management, at least in the wood, palm oil, soya and peat production economic chains.

Sustainable procurement by the government

- Developing a public tendering policy for wood.

Promoting Corporate Social Responsibility

- Supporting and joining in initiatives by the business community related to corporate social responsibility, and promoting agreements (covenants) with businesses on the preservation and sustainable Management of biodiversity.

What are the Dutch government's priorities in international cooperation?

Sustainability of specific chains.

- Supporting implementation of the EU Action Plan Forest Law Enforcement Governance & Trade (FLEGT), e.g. in Malaysia/South-East Asia and Ghana, in cooperation with other international initiatives.

- Improving mutual relations, cohesion and cooperation between trade chains and encouraging mutual learning.
- Boosting efforts to include Biodiversity as an element in improving the sustainability of the palm oil, soya and biomass chains (embedding in national and international sustainability criteria, coordination of strategy and approach between the trade chains, exploring possibilities in procurement policy and incentive policy, cooperation with producing countries).

#### Improving cohesion and cooperation between chains

- Promoting the formulation of a coherent set of instruments (criteria, labels).
- Aspects relating to synergy and competition between and within chains for production and inclusion of use in decisions throughout the chains.

#### Instruments for promoting sustainability

- Exploring legal and socially acceptable possibilities /instruments such as certification to promote sustainable production.
- Embedding sustainability criteria at international level (EU,WTO).

On what themes and activities will the Dutch government seek cooperation with partners in civil society?

#### Sustainability in a broad sense

- Contributing to the Sustainable Trade Initiative; submit proposals for selection of sectors to which the initiative can initially apply.

#### Sustainability in specific chains

- Together with relevant actors (business, large customers of wood and NGOs), drawing up an action plan to meet the 50% target for wood
- Developing a system for verifying the sustainable production of soya, palm oil.
- Applying the criteria for sustainable palm oil and soya (fleshed out in round tables).
- Evaluating the public-private partnership for sustainable palm oil with Indonesia, Malaysia, the Netherlands
- Implementing pilot projects (partnerships) for sustainable biomass production.
- Searching for alternatives for peat substrate in collaboration with producers, users and Researchers.

#### Sharing knowledge and capacity building

- Contributing to capacity building and knowledge sharing on sustainable forestry, aimed at sustainable wood production, strengthening good governance and management, and contributing to poverty targets (MDGs).
- Sharing of experiences and broadening of horizon beyond the sector itself.

The document contained a section on payment for biodiversity (3.3.2).

One of the underlying reasons for the loss of biodiversity is that biodiversity is a public good. It is frequently accessible to everyone and it is free. As a result, there is a widespread failure to recognise the significance and value of ecosystem services and a lack of adequate financing mechanisms for them. The social costs are not passed on in the price of goods produced at the expense of biodiversity.

This frequently leads to excessive use of resources and a failure to invest in sustaining the capacity of ecosystems to continue providing goods and services ('Tragedy of the Commons'). An additional factor in developing countries is that the very poorest tend to be most dependent on natural resources but lack the capacity to invest in sustainable management of those resources. Making biodiversity a more explicit consideration in economic and monetary decisions is a way of combating poverty directly.

There are various approaches that can help eliminate the economic mechanisms leading to biodiversity loss:

- Better regulation of the fair distribution of biodiversity benefits and of access to natural resources while safeguarding property and user rights.
- Clear pricing of products and services provided by ecosystems. Markets for biodiversity and related goods and services will create opportunities for more sustainable management. The opportunities are considerable, for example in relation to international agreements on measures to mitigate the effects of climate change by preventing deforestation and degradation of moorlands.
- The prescription of requirements for (any remaining) unsustainable use of biodiversity, for example through compensation.

The government of the Netherlands will develop activities along these lines. However, it cannot do this alone and depends on international collaboration and cooperation with non-governmental organisations. Together with its partners, the Dutch government will investigate what organisational and governance structure, as well as formal and informal agreements are needed at national and international level to successfully implement forms of payment for biodiversity and how they can be put in place. The government will make greater use of market-driven instruments for the preservation and sustainable use of biodiversity. The coalition agreement states that the government wishes to achieve its ambitious targets in pillar three, a sustainable living environment, largely through financial incentives and disincentives to encourage environmentally friendly behaviour. The policy programme 'Working together, living together' also states that unsustainable use of biodiversity must be compensated. For

this reason, specific attention will be devoted to developing and implementing instruments to compensate for the loss of biodiversity.

The Dutch government's targets for 2011 are:

- No later than 2011, to agree with the business community on specific measures involving payment and/or compensation for the use of biodiversity (in the Netherlands and elsewhere) on the basis of an advisory report by the 'Biodiversity and natural resources' task force.
- To help anchor the value of biodiversity in an international context, particularly by highlighting non-trade related aspects ('non-trade concerns') in the WTO and in the further development and implementation of the Common Agricultural Policy of the EU.
- To quickly reach international agreements on economic instruments addressing deforestation and degradation of moorlands, as a part of the climate change mitigation and adaptation strategies. The Netherlands' contribution to this effort will include participating in a pilot programme organised by the World Bank to reduce CO2 emissions by avoiding deforestation (Reduced Emissions from Deforestation and Degradation, REDD).
- To help formulate international agreements on access to genetic resources and a fair distribution of the benefits derived from them (Access and Benefit Sharing, ABS).
- To continue the shift towards environmental taxes and, where necessary, to design or redesign and constantly update incentives, such as the Green Investment scheme and the VAMIL23 and MIA24 subsidy schemes for investments by companies in environmental improvements.
- To support initiatives aimed at developing markets for both goods derived from biodiversity and for ecosystem services. Where the government operates in the market, it will encourage the market by employing sustainable procurement practices.
- Together with international partners and civil society organisations, to explore and promote international mechanisms and instruments involving payment for biodiversity products and services and compensation for unsustainable use of biodiversity.
- To research possibilities for linking sustainability criteria to subsidies.

The Netherlands supports the aims set out by the European Commission in the EU Green Paper on market-based instruments for environment and energy. In the Green Paper, the Commission observes that, with a proper regulatory framework, such instruments (levies, subsidies and tradable emission rights) can contribute to efforts to conserve important ecosystems and ecosystem services, and compensate for inevitable loss of biodiversity .

Measures that will integrate biodiversity into production processes and the price of products include supporting the development of sustainability criteria, assessing these criteria in practice, developing market incentives and pressing international bodies for a level playing field and scope for sustainable



practices. In this policy programme, these efforts are clustered in the priority area 'trade chains and biodiversity'.

What are the Dutch government's priorities in the Netherlands?

Agreements on the transition that is required

- Agree with the business community on specific measures to pay for and/or compensate for the use of biodiversity (in the Netherlands and elsewhere).

Greening measures

- Make the tax regime 'greener' and where necessary develop, re-develop and continuously update incentive policies, such as the Green Investment scheme and the VAMIL and MIA subsidy schemes.

Climate

- Promote the use of organic substances in agricultural areas as water and CO2 buffer through pilot projects and policy.
- Actively encourage and support sequestration of CO2 in forests and moorlands.

What are the Dutch government's priorities in international cooperation?

Anchoring in international frameworks

- Make international agreements on a fair ABS regime (no later than 2010).
- Strengthening the ties between institutions engaged in international processes aimed at financing sustainable conservation of ecosystems (UNFCCC, CBD, UNFF).
- Explore and promote a system of payment for biodiversity in international forums such as the EU's Common Agricultural Policy (CAP) and the WTO.
- Achieve the balanced anchoring of the three pillars of agrobiodiversity (genetic sources, ecosystem services and nature) in the CBD working programme relating to 'Payments for Ecosystem Services'.

Compensating for unsustainable burden on biodiversity elsewhere

- Continue developing and implementing the Ecobalance (part of the Future Environment Agenda).

Best practices and pilot projects

- Collect best practices and recommendations for establishing markets for ecosystem services, where possible in collaboration with UNEP, OECD, UNFF, CBD and other international organisations.
- Carry out a pilot programme in collaboration with the World Bank for projects to prevent deforestation and loss of moorland with the aim of including these activities (aimed at preventing CO2 emission as a result of changes in land use) in the market-based instruments in international climate agreements after 2012.
- Reach agreement in the UN Forest Forum on wider and more effective use of financial instruments resources for preserving forests worldwide.
- For ecosystem service carbon sequestration, investigate whether and how a pilot project can be set up in a developing country to test identify what which what international rules are needed for payment of emission reduction by reducing deforestation.

On what themes and activities will the Dutch government seek to cooperate with partners in civil society?

- Set up scalable pilot projects with Dutch companies.
- Develop and implement sustainability indicators and benchmarks for corporate performance on biodiversity.
- Carry out pilot projects in 'payment for sustainable tourism'.
- Develop and implement additional financial instruments for specific areas and ecosystem services.
- Capacity building, to be specified in programmes.
- With the pension funds PGGM and ABP and the Association of Investors in Sustainable Development (VBDO), set up a working group to flesh out proposals for private financing of the conservation and sustainable use of biodiversity.
- Set up pilot projects for reducing emissions due to deforestation in the developing countries.

### *Switzerland*

Switzerland's planning document<sup>10</sup> had a strategic goal to evaluate financial incentives. It stated that in addition to incentives that promote biodiversity, today's tax and funding system (subsidies in the broad sense) contains some incentives that have a negative impact on biodiversity. Around one third of all federal subsidies have a potentially degrading effect on biodiversity and the landscape. Its goal was:

By 2020, the negative impacts of existing financial incentives on biodiversity are identified and avoided, if possible. Where appropriate, new positive incentives are created.

The action fields include: Existing incentives in the tax and funding system must be optimized in such a way that they do not run counter to planning requirements but support them. In many cases, corresponding studies are already under way (e.g. agricultural policy, forest policy). The aim is to demonstrate by 2015 the areas in which further need for improved incentives exists. Hence, possible reports for the revision of the legislation must be compiled by 2020.

For example, the redistribution of animal-related payments in the context of the further development of the direct payments system provides a model for the examination of existing mechanisms. These were used previously to provide an incentive for keeping of more animals per unit of area than would have been appropriate. Existing mechanisms in other areas should also be optimized.

In areas in which market failure is particularly prominent, new incentive mechanisms shall also be examined. Urban sprawl and the associated fragmentation of habitats is an example of a market failure in which the public good of biodiversity is degraded through the use of private goods. The coordinated and careful development of such financial mechanisms is required.

Important action fields exist at cantonal and international levels in addition to national level. Positive experience has already been gained in individual cantons with incentive and funding mechanisms for the promotion of the ecosystem services that are not directly marketable. Examples of market-based instruments have also been developed at international level in recent times. What is lacking is a systematic application-oriented exchange at cantonal and communal levels. For the combining of forces, existing successful models at cantonal, national and international level should be availed of for Switzerland or for different cantons.

Under the goal to strengthen international commitment, Switzerland's stated: "By 2020, Switzerland's commitment to the conservation of global biodiversity at international level is strengthened." The action fields included the following elaboration: The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization shall be ratified in Switzerland as soon as possible. This shall create a legal basis that will guarantee compliance with national regulations

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<sup>10</sup> Switzerland (2012). *Stratégie Biodiversité Suisse*, 25 avril 2012, 89 pp.

on the access to genetic resources. This will enable the guaranteeing of fair and equitable benefit sharing. In the context of the Biodiversity Convention, the implementation of the Strategic Plan must be measured and supported and the concrete funding requirement for its implementation at global level, and particularly in countries of the South, must be solidly clarified. Switzerland shall be able to provide the necessary finance to cover this funding requirement. Moreover, Switzerland shall support the allocation to the Global Environment Fund (GEF) of the necessary re-sources in the area of biodiversity and the increased effectiveness of the fund. Within the funding mechanisms and development programmes supported by Switzerland (e. g. World Bank, UNDP, REDD+ etc.), Switzerland shall continue to support sufficient attention being paid to the conservation of biodiversity and its sustainable use. The protection and conservation of biodiversity are also promoted through Switzerland's bilateral development cooperation. In the area of economic development cooperation, Switzerland promotes projects that benefit biodiversity, and projects with negative impacts on biodiversity may not be supported. In addition, the development of and compliance with sustainability standards is also promoted within the economic development cooperation; this also includes the consideration of the impacts of projects on global biodiversity.

The planning document explored financial and human resources, and indicated that the implementation of the strategy will require additional financial and human re-sources. The detailed ascertainment of the actual requirements for all participating partners and the definition of the nature of the financing will only be possible in the context of the development of the action plan and any necessary legislative amendments.

### ***European Union***

EU Biodiversity Action Plan<sup>11</sup> had a section (4.3) on biodiversity in EU external policy.

International governance. The EU plays an active role in international biodiversity governance. The Commission and Member States believe however that implementation of the CBD needs to be substantially reinforced. The EU also actively implements a range of other biodiversity–related international agreements and promotes synergies between these.

External assistance. Member States are important donors to the Global Environment Facility which supports biodiversity projects. However, these funds amount to less than 1/100th of Community and Member States' total annual development aid budgets. Progress in mainstreaming biodiversity in these budgets has been disappointing, largely due to the low priority often given to biodiversity in the face of other compelling needs. However, the Commission's Communication on Policy Coherence for Development specifies: "The EU should enhance funding earmarked for biodiversity and strengthen measures to mainstream biodiversity in development assistance." This ambition is carried forward in the new EU Development Policy (the European Consensus on Development Cooperation) and Neighbourhood Policy .

International trade. A start has been made on efforts to address the impact of the timber trade on tropical forests , but little has been done to tackle other trade–related causes of deforestation. Some progress has been achieved on wildlife trade through active engagement in the Convention on International Trade in Endangered Species. More generally, the EU has promoted the integration of the environmental dimension into international trade (for instance through its work on trade–related sustainability impact assessments) and in global efforts to curb unsustainable production and consumption patterns — but with few concrete results for biodiversity to date.

The document set out a policy area (2) on the EU and global biodiversity with the following objectives:

- To substantially strengthen effectiveness of international governance for biodiversity and ecosystem services.
- To substantially strengthen support for biodiversity and ecosystem services in EU external assistance.
- To substantially reduce the impact of international trade on global biodiversity and ecosystem services.

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<sup>11</sup> European Union (2006). EU Biodiversity Action Plan, communication from the Commission, Halting the Loss of Biodiversity by 2010 – and Beyond: Sustaining Ecosystem Services for Human Well-Being, Brussels, 22 May 2006, 29 pp.

New impetus in Community and Member State action is required if the commitment to significantly reduce the rate of biodiversity loss globally by 2010 is to be met. A more coherent EU approach is required, which ensures synergy between actions for governance, trade (including bilateral agreements) and development cooperation. Regarding governance, the EU should focus on more effective implementation of the CBD and related agreements. Regarding external assistance, the EU should enhance 'earmarked' funds for biodiversity and strengthen mainstreaming of biodiversity into sector and geographical programmes. Regarding trade, measures to address tropical deforestation, including trade in commodities which drive deforestation, are particularly urgent. Rapid implementation of the programme of Forest Law Enforcement Governance and Trade can make an important contribution in this regard. Effective action in the biodiversity-rich overseas countries and territories of Member States is vital to the EU's credibility in this international arena.

One of the four key supporting measures was on ensuring adequate financing. Adequate financing, both for Natura 2000 and for biodiversity outside Natura 2000, is essential. The new Financial Perspectives for 2007–13 open opportunities for co-financing of biodiversity and Natura 2000 under the Fund for Rural Development, the Cohesion and Structural Funds, Life+ and FP7. However, the budget reduction foreseen by the December European Council would certainly influence funding options for biodiversity under these instruments. Consequently, national implementation choices will be crucial. The Community and Member States will need to ensure, through Community co-financing and Member States' own resources, adequate financing of the Action Plan, notably in relation to Natura 2000, high-nature-value farmland and forests, marine biodiversity, global biodiversity, biodiversity research, monitoring and inventory. In any case the allocation of Community financial resources should take into account the budgetary constraints and be within the limits of the new Financial Perspectives.

A range of actions were related to financing:

- Ensure adequate financing provided to Natura 2000 implementation from Community sources (notably Rural Development funds, Cohesion and Structural Funds, Pre-Accession Instrument, Life-III, Life+) and MS sources, accessible to those who manage Natura 2000 sites, with focus on optimising long-term conservation benefits as well as priority awareness raising and networking initiatives [2006 onwards]. At community level, to establish Community priorities for co-financing under each instrument; provide guidance on co-financing to MS and potential beneficiaries; evaluate MS cofinancing programme proposals; disburse funds; monitor effectiveness (in terms of biodiversity outcomes); audit expenditure. Member states to commit adequate national co-financing; identify national priorities for co-financing; develop national programmes for allocation of financing; disburse funds (national and Community) to beneficiaries; monitor cost-effectiveness of actions financed (in terms of biodiversity outcomes); audit expenditure
- Ensure full and timely application of the Environmental Liability Directive (ELD) as it applies to protected species and natural habitats (as defined under the directive), including preventive measures and remedial actions, as appropriate [2006 onwards]. At community level, to develop

guidance, including on compensation required under ELD in respect of damages to Natura 2000 sites. Member states to apply Directive in line with guidance.

- Allocate, at MS initiative, within each national/regional Rural Development (RD) Programme, adequate Community and MS cofinancing to measures available under all three axes of the RD Regulation which are directly or indirectly supportive of nature and biodiversity. At community level, to assess MS RD Programmes and seek amendments where appropriate. Member states to ensure adequate MS funds to make up any shortfall in funds provided by EC co-financing
- Apply new European Fisheries Fund and Member State funds for actions beneficial to marine biodiversity [2007 onwards]. At Community level, to negotiate Operational Plans with Member States Council: adopt proposal for the European Fisheries Fund. Member States level: Draw out National Strategic Programmes and Operational Programmes containing enhanced expenditure in environmental action.
- Allocate, at MS initiative, cohesion and structural funds for projects directly or indirectly benefiting biodiversity in appropriate operational programmes [2006 onwards]. At Community level, encourage MS to provide for such projects, provide technical support for programming (consistent with Financing Natura 2000 proposal); evaluate national programmes submitted. Member States: Propose and implement projects
- ESF contributing to biodiversity objectives through awareness-raising, capacity building, employment of the young, long-term jobless and elderly, etc. [2007 onwards]. At Community level, encourage MS to provide for such projects, provide technical support for programming; evaluate national programmes submitted. Member States: propose and implement projects.
- Ensure National Strategic Reference Frameworks (NSRFs) and Operational Programmes 2007-2013 fully respect environmental acquis [2006 onwards]. Community level: check conformity of NSRFs and Operational Programmes with environmental acquis. Member States: Ensure conformity of NSRFs and Operational Programmes with environmental acquis
- Ensure strategic environmental assessment (SEA) of Operational Programmes [2006 onwards] gives adequate treatment to biodiversity concerns and that the final programmes take full account of the SEA findings in order to prevent, minimise and mitigate impacts on biodiversity and provide where possible benefits to biodiversity. Community: Check SEA Directive is applied. Member States: Apply SEA Directive.
- Ensure environmental impact assessment (EIA) of projects co-financed by Cohesion Fund and European Regional Development Fund (ERDF) , where such EIA is required, gives adequate treatment to biodiversity concerns and that final projects take full account of EIA findings in order to prevent, minimise and mitigate impacts on biodiversity and provide where possible benefits to biodiversity [2006 onwards]. Community: Assess all proposals over Euro 50m (25m for environmental projects) for potential biodiversity impacts. Address any complaints relating

to projects. Check EIA Directive is correctly applied. Member States: Ensure project applications submitted to Commission are complete.

- Ensure full participation of civil society in development of NSRF and national Operational Programmes and in SEA/EIA and ensure biodiversity interests fully represented [2006 onwards]. Community: Address complaints relating to inadequate participation. Member States: Ensure such participation
- Allocate adequate financial resources to European and national biodiversity research and to dissemination of its results, including under the Seventh Framework Programme [2006 onwards]. Community: Accommodate in FP7 workprogrammes - notably under the Specific Programmes for Cooperation and for Capacities (including research infrastructures). Member States: Accommodate in national research programmes and take forward initiative(s) under the European Strategy for Research Infrastructures (ESFRI)
- Develop partnership between financing sector and biodiversity [2006 onwards]. Community: Facilitate such partnerships at Community level, including involving EBRD and EIB. Member States: Facilitate such partnerships within MS.

TARGET: Financial resources flowing annually to projects directly benefiting biodiversity has substantially increased in real terms (for period 2006-2010 compared with period 2000-2005; and again for period 2011-2013). The following actions were included:

- Ensure adequate community funds earmarked for biodiversity in development cooperation (in line with European Consensus on Development Cooperation) in EC Thematic Programme for Environment and Natural Resources and ensure the use of these funds is targeted at biodiversity priorities [2007-2013]; decide [in 2006] on an adequately funded EC Thematic Programme for Environment and Natural Resources (ENRTP) in the European Neighbourhood and Partnership Instrument (ENPI) and the Development Cooperation and Economic Cooperation Instrument (DCECI) and ensure that biodiversity priorities receive an appropriate share of the total ENRTP and DCECI resources [2007-2013]. Community: Include an adequate multiannual indicative resource framework and robust programming priorities for biodiversity in the ENRTP Article of both the DCECI and ENPI which should be adopted as early as possible in 2006. Further elaborate the biodiversity priorities in the Thematic Strategy Paper for the ENRTP and ensure its adoption well before the end of 2006. Seek coverage for biodiversity actions in financing strategy papers and indicative programmes under ENPI instrument.
- Allocate adequate resources in Country and Regional Strategy Programmes wherever biodiversity identified as a key issue in country/regional environmental profiles [2006 onwards]. Community: Check and ensure that resources are available to implement the recommendations in the R/CEP through biodiversity projects or mainstreaming biodiversity concerns in to other relevant projects.



- Enhance MS funds earmarked for biodiversity (in line with European Consensus on Development Cooperation) in MS bilateral development cooperation programmes in support of implementation of the CBD, Millenium Development Goals and other programmes relevant for biodiversity in developing countries [2006 onwards]. Member States: Check and ensure that resources are available to implement the recommendations in the R/CEP through biodiversity projects or mainstreaming biodiversity concerns in to other relevant projects.
- Enhance the overall contribution of EU MS for biodiversity through a substantial 4th replenishment of the GEF based on the agreed policy priorities [2006/07]. Community: Use EU high level meetings to press for a substantial replenishment based on fair burden-sharing. Member States: Continue to press in GEF replenishment negotiations and through bilateral contacts for a substantial replenishment based on the agreed policy priorities.
- Enhance funds for biodiversity related actions under the national and regional components of the Instrument for Pre-Accession (IPA) and the European Neighbourhood and Partnership Instrument (ENPI). Community: Seek coverage for biodiversity actions in financing strategy papers and indicative programmes under the European Neighbourhood and Partnership Instrument (ENPI) and Instrument for Pre-Accession (IPA).
- Enhance economic and development assistance funds available for biodiversity-related actions in the MS' Overseas Countries and Territories [2006 onwards]. Community: Check and ensure that biodiversity is addressed through specific programmes and projects or through intergration in other sectors covered by economic development assistance. Member States: Check and ensure that biodiversity is addressed through specific programmes and projects or through intergration in other sectors covered by economic development assistance.

TARGET: EU 'mainstream' external development assistance delivering enhanced biodiversity and related livelihoods benefits, and negative impacts on biodiversity prevented or minimised, from 2006 onwards. The following actions were included:

- Prepare country and regional environmental profiles with specific attention to the maintenance of biodiversity and ecosystem services (in particular in relation to livelihood concerns), and take these needs fully into account in preparation of Country Strategy Papers (CSPs) and Regional Strategy Papers (RSPs) and in equivalent MS country and regional aid programming [2006 onwards]. Community: Check and ensure that appropriate action in response to the recommendations in the Regional and Country Environmental Profiles is undertaken as specific biodiversity projects or mainstreamed in to other relevant projects.
- Systematically carry out ex-ante strategic environmental assessment (SEA) of relevant strategies and programmes and environmental impact assessment (EIA) of relevant projects funded by EU in partner countries and ensure actions are identified and implemented to prevent and mitigate negative impacts on biodiversity in a timely manner [2006 onwards]. Community: Check and ensure that SEAs and EIAs are systematically carried out on relevant development strategies,

programmes and projects. Member States: Check and ensure that SEAs and EIAs are systematically carried out on relevant development strategies, programmes and projects

- Substantially strengthen capacities in recipient countries and in Commission and MS cooperation programming for these purposes, including integrating implementation of the CBD into national development strategies including Poverty Reduction Strategies [2006 onwards].
- Ensure that projects financed by EU under the Development Cooperation and Economic Cooperation Instrument (DCECI), European Development Fund (EDF), pre-accession, neighbourhood and partnership instruments delivering enhanced biodiversity benefits, and negative impacts on biodiversity prevented or minimised [2006 onwards]. Commission to ensure that safeguards are included in procedures to ensure that these considerations are taken into account before funding can be released.
- Ensure that projects financed by EU economic and development assistance do not cause significant negative impacts on biodiversity in the MS Overseas Countries and Territories [2006 onwards]. Community: Check and ensure that SEAs and/or EIAs are systematically carried out on development strategies, programmes and projects. Member States: Check and ensure that SEAs and/or EIAs are systematically carried out on development strategies, programmes and projects.

TARGET: Adequate funding provided for Natura 2000, biodiversity outside Natura 2000 in EU, biodiversity in external assistance and biodiversity research, inventory and monitoring 2007-2013. The following actions were identified:

- Ensure adequate financing provided [2007-2013] to Natura 2000 implementation through community (CAP Rural Development, Structural Funds, Life+) and MS co-financing, accessible to those who manage Natura 2000 sites, with focus on optimising long-term conservation status and benefits as well as priority awareness raising and networking initiatives.
- Allocate, at MS initiative, within each national/regional Rural Development (RD) Programme, adequate Community and MS cofinancing to measures available under all three axes of the RD Regulation which are directly or indirectly supportive of nature and biodiversity [2006/07 and any subsequent revisions].
- Apply new European Fisheries Fund and Member State funds for actions beneficial to marine biodiversity [2007-2013].
- Allocate, at MS initiative, cohesion and structural funds for projects directly or indirectly providing biodiversity benefits in all MS operational programmes [2006 onwards].
- ESF contributing to biodiversity objectives through awareness-raising, capacity building, employment of the young, long-term jobless and elderly, etc. [2007 onwards].

- Ensure adequate financing of other biodiversity measures outside Natura 2000 in the EU through other Community cofinancing (eg. Life+) and Member States' financing [2007-2013]. Community: Ensure adequate co-financing within limits of funds available. Member States: Ensure adequate Member States financing to make up shortfall in funds available at Community level
- Increase in real terms international development assistance funds flowing annually to projects directly benefiting biodiversity [for period 2006-2010 compared with period 2000-2005; and again for period 2011-2013].
- Allocate adequate financial resources to European and national biodiversity research and to dissemination of its results, including under the Seventh Framework Programme [2006 onwards].
- Allocate adequate funds for supporting measures including promoting joined-up planning, development of partnerships, monitoring, awareness raising and institutional capacity-building for biodiversity [2007- 2013]. Community: Allocate funds through available instruments including Life+. Member States: Allocate funds through available instruments at Member State, regional and local levels.

In its new strategy<sup>12</sup>, European Union provided a section (4.2) on mobilizing resources to support biodiversity and ecosystem services. Achieving the objectives of this strategy and ensuring the EU meets its global biodiversity commitments will depend on the availability and efficient use of financial resources. Within the current programming period and without preempting the outcome of the negotiations on the next Multi-annual Financial Framework, the Commission and Member States will work to:

- Ensure a better uptake and distribution of existing funds for biodiversity. Under the current programming period, € 105 billion under Cohesion Policy is foreseen to be used for environment and climate-related activities, including biodiversity and nature protection (COM(2011) 17). However, concerted efforts are needed to ensure optimum uptake of funds available (COM(2010) 110. By end September 2009, the uptake of funds allocated to biodiversity was lower than for other spending categories. At that time, the uptake for the two categories directly related to biodiversity ("promotion of biodiversity and nature" and "promotion of natural assets") was 18,1% and 22% respectively, compared to an average of 27,1% for all cohesion policy funding. Member States are required to submit updated figures by the end of June 2011, hence consolidated data should be available in summer).
- Rationalize available resources and maximize co-benefits of various funding sources, including funding for agriculture and rural development, fisheries, regional policy and climate change.

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<sup>12</sup> European Commission (2011). Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions: our life insurance, our natural capital: an EU biodiversity strategy to 2020, Brussels, 3 May 2011, COM(2011) 244 final, 16 pp.

Indeed, investing in biodiversity can pay off in more ways than one and offers a cost-effective response to the climate change crisis. The inclusion of biodiversity objectives should be explored as part of the Common Strategic Framework under consideration by the Commission to prioritize funding under the five funding instruments under rural, regional, social and fisheries policies.

- Diversify and scale up various sources of funding. The Commission and Member States will promote the development and use of innovative financing mechanisms, including market-based instruments. Payments for Ecosystem Services schemes should reward public and private goods from agricultural, forest and marine ecosystems. Incentives will be provided to attract private sector investment in green infrastructure and the potential of biodiversity offsets will be looked into as a way of achieving a 'no net loss' approach. The Commission and the European Investment Bank are exploring the scope for using innovative financing instruments to support biodiversity challenges, including through Public Private Partnerships and the possible establishment of a biodiversity financing facility.

Two funding requirements stand out in particular. The first concerns the need for adequate financing to fully implement the Natura 2000 network, where Member State funding must be matched by funding from the EU (As required under Article 8 of the Habitats Directive) (estimated at approximately € 5.8 billion per year in total). This may require the Member States to develop multi-annual planning for Natura 2000, consistent with the prioritized action frameworks required under the Habitats Directive.

The second responds to the CoP10 commitment to increase substantially financial resources from all sources for effective implementation of the Nagoya outcomes. Discussions on funding targets in CoP-11 should recognize the need for increases in public funding, but also the potential of innovative financial mechanisms. Financial flows (own resources and innovative sources) required to meet identified needs should be set out in national biodiversity strategies and action plans.

These commitments could be met directly through dedicated additional funding for biodiversity, and indirectly by ensuring synergies with other relevant funding sources, such as climate finance (e.g. ETS revenues, REDD+) and other innovative financing sources, such as funds generated by the Nagoya Protocol on ABS. The reform of harmful subsidies, in line with the 2020 Strategy and the global CBD target, will also benefit biodiversity.

The annex of the planning document contained the following actions:

Action 2: Ensure adequate financing of Natura 2000 sites. The Commission and Member States will provide the necessary funds and incentives for Natura 2000, including through EU funding instruments, under the next multiannual financial framework. The Commission will set out its views in 2011 on how Natura 2000 will be financed under the next multi-annual financial framework.

Action 5: Improve knowledge of ecosystems and their services in the EU. Member States, with the assistance of the Commission, will map and assess the state of ecosystems and their services in their

national territory by 2014, assess the economic value of such services, and promote the integration of these values into accounting and reporting systems at EU and national level by 2020.

Action 6: Set priorities to restore and promote the use of green infrastructure. By 2014, Member States, with the assistance of the Commission, will develop a strategic framework to set priorities for ecosystem restoration at sub-national, national and EU level. The Commission will develop a Green Infrastructure Strategy by 2012 to promote the deployment of green infrastructure in the EU in urban and rural areas, including through incentives to encourage up-front investments in green infrastructure projects and the maintenance of ecosystem services, for example through better targeted use of EU funding streams and Public Private Partnerships.

Action 18: Mobilize additional resources for global biodiversity conservation. The Commission and Member States will contribute their fair share to international efforts to significantly increase resources for global biodiversity as part of the international process aimed at estimating biodiversity funding needs and adopting resource mobilization targets for biodiversity at CBD CoP11 in 2012. The Commission will improve the effectiveness of EU funding for global biodiversity inter alia by supporting natural capital assessments in recipient countries and the development and/or updating of National Biodiversity Strategies and Action Plans, and by improving coordination within the EU and with key non-EU donors in implementing biodiversity assistance/projects.

Action 19: 'Biodiversity proof' EU development cooperation. The Commission will continue to systematically screen its development cooperation action to minimize any negative impact on biodiversity, and undertake Strategic Environmental Assessments and/or Environmental Impact Assessments for actions likely to have significant effects on biodiversity.