



Caribbean: Financial Planning for Biodiversity

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Antigua and Barbuda

The planning document¹ of Antigua and Barbuda had a section (2.3) on activities to facilitate national financing for biodiversity conservation. Financial resources have to be mobilized for the implementation of the BSAP.

2.3 Facilitate national financing for biodiversity conservation

Financial resources have to be mobilized for the implementation of the BSAP. The aim of this activity is to maximize existing resources and to seek assistance from the private and NGO sectors for the implementation.

- Review sectoral as well as national budgets for biodiversity conservation in the context of proposed institutional changes required to implement the BSAP
- Examine options for cross-budget schemes to promote the conservation and sustainable use of biodiversity by other agencies
- Maximize resources by bringing projects that have the same objectives together to coordinate and synchronize their activities and objectives.
- Seek assistance from the private and NGO sectors to finance specific aspects of the BSAP
- Consider the feasibility of the introduction of user fees for at least some aspects of eco-tourist activity
- Conduct training for key ministry employees and NGOs in project development and grants applications suitable for national and international donors
- Continue to seek international assistance for the conservation and sustainable use of the country's biodiversity

¹ Antigua and Barbuda (2001). Biodiversity Strategy and Action Plan for Antigua and Barbuda, Draft, Office of the Prime Minister, Government of Antigua and Barbuda, April 2001, UNDP Project #ANT/97/1G/99, 50 pp.

Bahamas

Bahamas' planning document² had a section on financial resources and mechanisms to recommended that:

- 4.7.1 A National Conservation Fund be established for biodiversity conservation.
- 4.7.2 A user-pays policy be defined, legislated and introduced.
- 4.7.3 Appropriate national resources for the implementation of this Strategy and Action Plan be determined and committed as appropriate.
- 4.7.5 National decision-making procedures that incorporate environmental accounting and cost-benefit analysis be developed and adopted.

The document presented nine actions with an indicative cost of US\$2.656 million (or US\$5.05685 million?).

² Bahamas (1999). National Biodiversity Strategy and Action Plan, Bahamas Environment, Science and Technology Commission, partially funded under Grant GF/1200-96-40, 30 June 1999, 105 pp.

Barbados

Barbados' planning document³ indicated that macroeconomic policies strongly influence the way in which biological resources are used and the level of emphasis that is placed on their conservation. For example, macroeconomic policies that emphasize tourism investment encourage the acquisition of land in coastal areas for the construction of tourism facilities. This may result in the degradation of coastal ecosystems and the species that inhabit them. These policies may also indirectly encourage the conversion of agricultural lands in more rural areas to residential development because of higher land prices in the already more developed areas of the country. While biodiversity conservation does not mean an end to development, it does require changes in the macroeconomic environment to encourage the use of environmental economics as an analytical tool in determining the costs and benefits of certain types of development.

Objective 1: To mobilize adequate financial resources for the management and conservation of Barbados' biodiversity

Strategy: Develop mechanisms for funding the conservation and management of biodiversity, ensuring that the costs of protection are equitably shared.

Actions

1. Define and implement a specific mandate for negotiating with financial and technical assistance agencies in the regional and international arenas to fund NBSAP project priorities. This initiative will entail creating and filling the positions of Fund Raising Specialist and Assistant in the Ministry responsible for the environment. The responsibilities would include the submission of suitable projects to the Global Environment Facility. [H]
2. Allocate additional Government funds for biodiversity conservation and management.
3. Establish appropriate user fees for biodiversity resource users (for example, hoteliers, fisherfolk, SCUBA operators, tour operators).

Implementing Institutions and Agencies

Ministry of Physical Development and Environment

³ Barbados (2002). The national Biodiversity Strategy and Action Plan for Barbados, July 2002, 158 pp.

Cuba

Cuba's strategy⁴ mentioned briefly the promotion of search for financial resources to ensure institutional strengthening for implementing the strategy. Cuba's action plan⁵ referred to financing in several occasions:

Financial Sustainability for conservation:

- Conduct a nationwide study of the effectiveness of financial resources and financial needs related to SNAP and identify options to address these needs through a combination of national and international resources and taking into account the full range of possible funding instruments, such as public funding, debt conversion in nature protection programs, elimination of perverse incentives and subsidies, private funding, taxes and fees for ecological services.
- Improve the use of SEF funds and other funds to manage the protected areas activity.
- Identify and implement alternative financing sources and mechanisms for the actions of the SNAP Program Plan.
- Create financing portfolio of projects.
- Create special fund for the AP.
- By 2010, develop and begin to implement sustainable financing plans at country level to provide support to SNAP, including regulatory, legislative, policy, institutional and other measures.
- Develop financial mechanisms that allow the use of the income earned as a public use in the management of AP.
- Develop techniques for economic valuation of natural resources and environmental services of the AP.

47. The OACEs that manage protected areas include in the budget the costs for the management of these areas and the development of management plans.

48. In the process of drafting and approving the budget of the OACEs that manage protected areas, the MFP will take into account the needs for development and implementation of management plans of protected areas.

⁴ Cuba (2002). Estrategia nacional para la diversidad biológica y plan de acción en la Republica de Cuba, Ciudad de la Habana, Cuba, 2002, 88 pp.

⁵ Cuba (2005). Plan de Acción Nacional 2006/2010 sobre la Diversidad Biológica, Ministerio de Ciencia, Tecnología y Medio Ambiente, 29 pp.

49. Submit project proposals for funding, the National Environment Fund, based on the specific actions contained in this Strategy.

50. Promote the design of mechanisms that promote the self-financing activities of biodiversity conservation, with particular emphasis on protected areas.

51. Establish the basis for the increased use of economic and social incentives that encourage and strengthen the conservation and sustainable use of biological diversity.

67. - Include biosafety activity is funded by the existing National Environment Fund.

- Create a paragraph in the budget of ministries and institutions for biosafety.

Guiding Principles

X. The development and application of environmental economics is a valuable for decision-making and participation of any user or beneficiary of biodiversity, in the financing of the costs of conservation, for which it must be taken into account or consider economic valuation of the same.

4. - Basic objectives

10. Institutional capacity building, including human resources, materials, and financial institutions related to the conservation and sustainable use of biodiversity

Social economic instruments and incentives

- a) Define the indicators and to develop methodologies and tools for assessment and economic valuation of biological diversity resources and recognize the costs and benefits of conservation, as part of national heritage.
- b) Develop and adopt economic and social measures that provide incentives for conservation and sustainable use of Biological Diversity.
- c) To incorporate economic instruments related to sustainable use and conservation Biological Diversity, the economic planning process.
- d) Promote the use of the National Environment Fund as an instrument for the conservation of biological diversity.

Dominica

Dominica's planning document⁶ did not consider financing specifically.

⁶ Dominica (2000). Dominica's Biodiversity Strategy and Action Plan, 2001-2005, Commonwealth of Dominica, 72 pp.

Dominican Republic

In its planning document⁷, Dominican Republic set a national target:

National Target 20: By 2016, there has been a national campaign for financial support to the implementation of the NBSAP, in order to implement the Strategic Plan for Biodiversity 2011-2020.

Milestone: By 2016, the national budget available for the management of biodiversity has been strengthened, and the NBSAP has been implemented.

INDICATOR: Actions Action Plan implemented.

Actions: Urge the ministries and government institutions and NGOs in their budgets to assume the shares given in the action plan of the NBSAP; Incorporate in the Environment Ministry's budget for the implementation activities of the NBSAP.

⁷ Dominican Republic (2012). Estrategia Nacional de Conservación y Uso Sostenible de la Biodiversidad: Plan de Acción 2011-2020, 115 pp.

Grenada

Grenada's planning document⁸ indicated that seven project concepts were costed at US\$1.05 million, including:

Operating Expenses

Capital Purchases

Transport

Field Costs

Consultancies: Advertising Firm; Marketing Specialists; Management Consultants; Economists; Agriculturists; Biotechnologists

Workshop/Training

⁸ Grenada (2000). Biodiversity Strategy and Action Plan, Ministry of Finance, July 2000, 48 pp.

Haiti

Haiti's planning document⁹ was incomplete.

⁹ Haiti (2000). National Biodiversity Strategy and Action Plan profile, 18 pp.

Jamaica

Jamaica¹⁰ presented a list of 37 projects with no cost estimates.

Jamaica's action plan stated that in order to implement the strategic directions to achieve the goals of the National Biodiversity Strategy a number of specific projects are being recommended. A total of 37 projects have been identified, however the list is by no means exhaustive. The projects were designed to address the seven goals outlined in the Strategy. Seventeen projects have been identified for priority implementation within the next 5 to 7 years. Eight of the seventeen projects have been designated the highest priority for implementation within next two years. A summary of the projects, categorized under the relevant goal, is shown in Section 5.7. The criteria used to prioritize project implementation are as follows:

- Projects/initiatives listed in existing national policies;
- Projects which have already been given some level of national or international exposure;
- Projects that address rehabilitation of degraded resources;
- Projects that undertake education and public awareness;
- Projects that fulfil Jamaica's requirements under international conventions;
- Projects that increase national capacity for implementation; and
- Projects that address the sustainable use of economic species.

Actions, schedules and budget: Each project outlines information on specific activities and/or policies required for implementation; partner organizations, institutions or agencies recommended for participation in the project; supporting Government agencies and other partners; the project's lead agency; and a timetable of outputs. The proposed duration of each project is given and represents the minimum time required to initiate implementation or, in some cases, to complete projects of short duration. Some projects will require additional implementation time, particularly those under the portfolio of sustainable use which are long-term projects, the results of which may not be visible for several years.

Funding and promotion: Financial resources will need to be secured to implement the project concepts. It is envisaged that the body responsible for coordinating and implementing the National Biodiversity Strategy and Action Plan, the proposed National Biodiversity Secretariat, will have financial sustainability as one of its fundamental goals. In support of this, the staff list for the proposed Secretariat includes two persons trained in financial resource identification and negotiation, who will be responsible for identifying and securing funding for implementation of projects in the Action Plan.

¹⁰ Jamaica (2003). National Strategy and Action Plan on biological Diversity in Jamaica, Ministry of Land and Environment, National Environment and Planning Agency, July 2003, 101 pp.

Potential funding sources include the Global Environment Facility; United States Agency for International Development; European Union Inter-American Development Bank; Caribbean Development Bank; World Bank, Swedish International Development Agency; Canadian International Development Agency; United Nations Development Bank; Department for International Development (U.K.); United Nations Environment Programme; United Nations Food and Agricultural Organisation; philanthropic groups; national donor agencies (e.g. Environmental Foundation of Jamaica); private sector companies; and the Government of Jamaica. In addition to financial and technical assistance, in-kind contributions will also be solicited (e.g. personnel sharing, office allocations).

Some projects already are under negotiation for funding and these are indicated within the project description.

Saint Kitts and Nevis

In its planning document¹¹, St. Kitts and Nevis provided an annex on projects at the total cost of US\$3.443 million.

The document discussed financing. The ability to mobilize finances on an on-going basis will be crucial to the successful implementation of this NBSAP. It is the financing which will greatly contribute towards it becoming a sustainable process. Suggested means are as follows:

- It has been seen to be promoted, the idea of opening the position, on a long-term basis, of a Fund Raising Specialist. This person will develop strategies and activities for raising financial resources, liaise further with various donor organizations, local government, private sector & NGOs. S/he will interact considerably with the implementing agencies, community groups etc. to ensure that their activities have access to funding effectively;
- Creating a Fund into which biodiversity monies earned, for example, from an incentive system, can be deposited. These include fees, grants, taxes, permits for the use of biodiversity resources;
- The international Community will have to play a vital role where appropriating funding is concerned. As a Small-Island Developing State, the Federation of St. Kitts and Nevis cannot shoulder sole responsibility for financing the NBSAP.

¹¹ St. Kitts and Nevis (2004). National Biodiversity Strategy and Action Plan for St. Kitts and Nevis, 2004, 183 pp.

Saint Lucia

Saint Lucia's planning document¹² provided a list of projects at the cost of around US\$ 3 million.

The document contained a section on financing. In accordance with the provisions of Articles 11, 20(1), 20(6) and 21(4) of the CBD, a number of principles will guide the financing of biodiversity conservation and management programmes:

- financing must be seen in the broader context of the economic policies and instruments that will be used to promote biodiversity conservation and sustainable use;
- user fees will constitute an important source of revenue, but will also be designed as incentives for conservation and sustainable use;
- all sectors and stakeholders have a role to play in contributing to the cost of biological diversity conservation and management;
- because of the status of these resources, the financing of biological diversity conservation and management however remains a very special responsibility of the state;
- the international community has a key role to play in supporting St. Lucia's effort to manage its biological resources.

A number of instruments will therefore be put in place and utilized, including fees, grants, licenses, permits and taxes. While the "polluter pays" principle may also be applied, with the imposition of fines, measures will be taken to prevent it from being used by offenders as a license to impact negatively on biological resources.

Agencies responsible for the implementation of the National Biodiversity Strategy and Action Plan will also explore the desirability and feasibility of establishing a funding mechanism, which could be devoted solely to biodiversity or could encompass a broader environmental mandate, which could assist greatly in the generation and management of resources for the implementation of the strategy and action plan.

The possibility of establishing a funding mechanism for community initiatives in biodiversity conservation will also be explored, with particular attention to the option of capitalizing such a fund through a partnership between government, the private sector and donor agencies.

¹² Saint Lucia (2000). National biodiversity strategy and action plan of St. Lucia – Protecting the Future, Ministry of Agriculture, Forestry and fisheries, 2000, 68 pp.

Saint Vincent and the Grenadines

In its planning document¹³, St. Vincent and the Grenadines provided a list of projects at US\$0.48 million.

Table 6.1 presents the priority actions, the time frames for their implementation, the costs for undertaking implementation over a three year period and the key implementing institutions and agencies. The key below provides explanation of terms used in the table.

Priority actions: Those actions or activities identified in the Strategy and Action Plan which will form the basis of biodiversity conservation efforts in SVG.

These actions need to be addressed and reviewed within a three year period prior (using available technical and financial resources) prior to the implementation of further initiatives.

Level of priority : The degree of urgency with which actions must be implemented to ensure the conservation and sustainable use of biodiversity.

H : Very urgent. Essential to the prevention of further loss of biodiversity.

M : Moderately urgent. Necessary to the conservation of species and habitats over the short term.

L : Slightly urgent. Needs to be implemented to ensure sustainable use of biodiversity over the long term.

Time frame for Period of time within which action should be implemented and implementation: specific targets achieved.

Total costs US\$565,000

¹³ St. Vincent & The Grenadines (2000). National Biodiversity Strategy and Action Plan, May 2000, 184 pp.

Trinidad and Tobago

In its planning document¹⁴, Trinidad and Tobago presented a section on financial instruments. The use of financial instruments as management tools is an area in dire need of attention, to achieve the aims and objectives of the CBD, and, nationally, for the conservation and sustainable use of biodiversity. Financial instruments can play a significant role in facilitating conservation efforts through demonstrating the monetary value of ecosystems and their components. As the basis of life and the fundamental core of all economic activity, biodiversity is the essence of all human value systems: economic, spiritual, social, cultural, educational and environmental. It is, therefore, vital to quantify the contribution biodiversity makes to the national economy, if its management and sustainable use is to become a national priority. Our inability to value biodiversity at a macro-economic level, makes it a low priority when it comes to the sharing of national resources for its management and sustainable use, and the understanding of its loss and destruction. Unfortunately, the present information, research and data collection systems, do not allow us to measure its contribution with any degree of accuracy.

Financial instruments have not been more widely utilized for a number of reasons, and these have contributed to attitudes and values about these resources that have encouraged wasteful practices and over-exploitation.

Policy Statement: Design a comprehensive financial plan for the management and sustainable use of the country's biodiversity resources through the use of varied financial instruments.

The strategies employed by these instruments must be designed to:

Strategy 34: Change attitudes, behavior, wasteful practices and technologies, to favor sustainable use of biodiversity.

Strategy 35: Value biodiversity and incorporate its values in monetary terms, in national accounting systems and developmental objectives.

Strategy 36: Raise awareness in all sectors of their individual and collective effects on the destruction of biodiversity, through internalizing costs by methods such as "polluter pays principles".

Strategy 37: Finance biodiversity management, research, development and sustainable use.

Strategy 38: Adapt economic systems to include the social, cultural, ethical and environmental values of biodiversity.

Strategy 39: Quantify the contribution of biodiversity to the national economy (legal and illegal trade) through the use of indicators of direct employment levels, economic benefit and social wellbeing.

¹⁴ Trinidad and Tobago (2006). Biodiversity Strategy and Action Plan for Trinidad and Tobago, Environmental Management Authority, 164 pp.

Strategy 40: Develop an understanding of the driving forces of biodiversity loss, and to use this understanding to target specific economic actions for the sustainable use of biodiversity. (e.g. perverse incentives, insecure property rights, population growth and migration patterns inequitable access and distribution, unregulated externalities, the nature of the demand for natural resources, resource policies, trade imbalances, subsidies, etc.)

Strategy 41: Design sustainable harvesting and non-consumptive use guidelines, e.g. for tourism.

There are serious “hidden costs” that are passed onto the society through the over-exploitation and destruction of biodiversity, due in part to the under-valuing of these resources. Flooding, due to the destruction of forests and watersheds, and the extreme pollution of rivers by industry, from which the population accesses potable water, are two obvious examples. These have serious and expensive repercussions on other agencies that manage and maintain infrastructure and public utilities.

“Our biodiversity resources are seriously undervalued” was the generally held view of all sectors:

- Financial instruments have not been employed to benefit the conservation of biodiversity. In many cases, they have contributed to the over-exploitation of these resources.
- There is a lack of financial instruments that could encourage industry to be sensitive to biodiversity conservation.
- Outdated technology in the industrial sector has given rise to negative impacts on biodiversity. Incentives for the use of cleaner technologies should be employed to encourage industry to clean up their act.
- Incentives have led to over-capitalization. Reduction must address social and cultural issues in the society. Examples here were Caroni Ltd. and the social impacts of trying to decrease persons involved in the fisheries sector.
- Incentive programme in fisheries is not consistent with directions for fisheries policy.
- Inadequate funding for fisheries administration and management in the public sector.
- There is a lack of appreciation for the value of biodiversity and its importance to the sustainable development of Trinidad and Tobago.
- There is a need to include the valuation of biodiversity in environmental accounting done in the country. Its role can be used as an argument for the protection of biodiversity.
- The economic value of certain species was well recognized by persons who exploit these resources, e.g. Game species, Cage birds and pets, Poaching of Protected Species.

- The actual price paid for access to these resources through licenses, permits, royalties etc., is highly subsidized and bear little relation to the commercial value of the resource, nor to its management or replacement costs.

The above concerns expressed by the sector specialists, stakeholders and communities, illustrate that there is little or no obvious economic incentive to conserve biodiversity and to use it sustainably in T&T, and that this omission has had a number of repercussions on the use of the resources and their management. Financial instruments that do exist, (subsidies etc.) need to be evaluated in terms of their effect on the sustainable use of biodiversity, in the long term.