Integration of biodiversity values into national budgets and accounts

Presentation by Eleni Tokaduadua, PEO
Department of Environment, Fiji - 14th July 2016

BACKGROUND

- **BIOFIN conceived in response to CBD COP-10 and especially because of:**
  - **The ambitious Strategic Plan for BD 2011-2020 & request for new NBSAPs**
  - **The Strategy for Resource Mobilisation and its reporting requirements**
  - **The need to address the gap in biodiversity finance**

- **Launched in COP11 in India with a tentative timeline of 2012-18**
- **Leadership by UNDP and co-funded by 5 countries**
- **Two main axes of work: Global and National**

This project is co-funded by the European Union

Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Flanders State of the Art

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OVERARCHING OBJECTIVES

1. **Develop and pilot a new approach and methodology to fill the financing gap**

2. **Support parties in reporting on resource mobilisation to CBD**

3. **Help countries to better mobilise and align domestic and international finance for the implementation of NBSAPs, to achieve sustainable development**

TWO MAIN AXES OF WORK

GLOBAL AND NATIONAL

The Biodiversity Finance Initiative (BIOFIN)

Mobilising Resources for Biodiversity and Sustainable Development

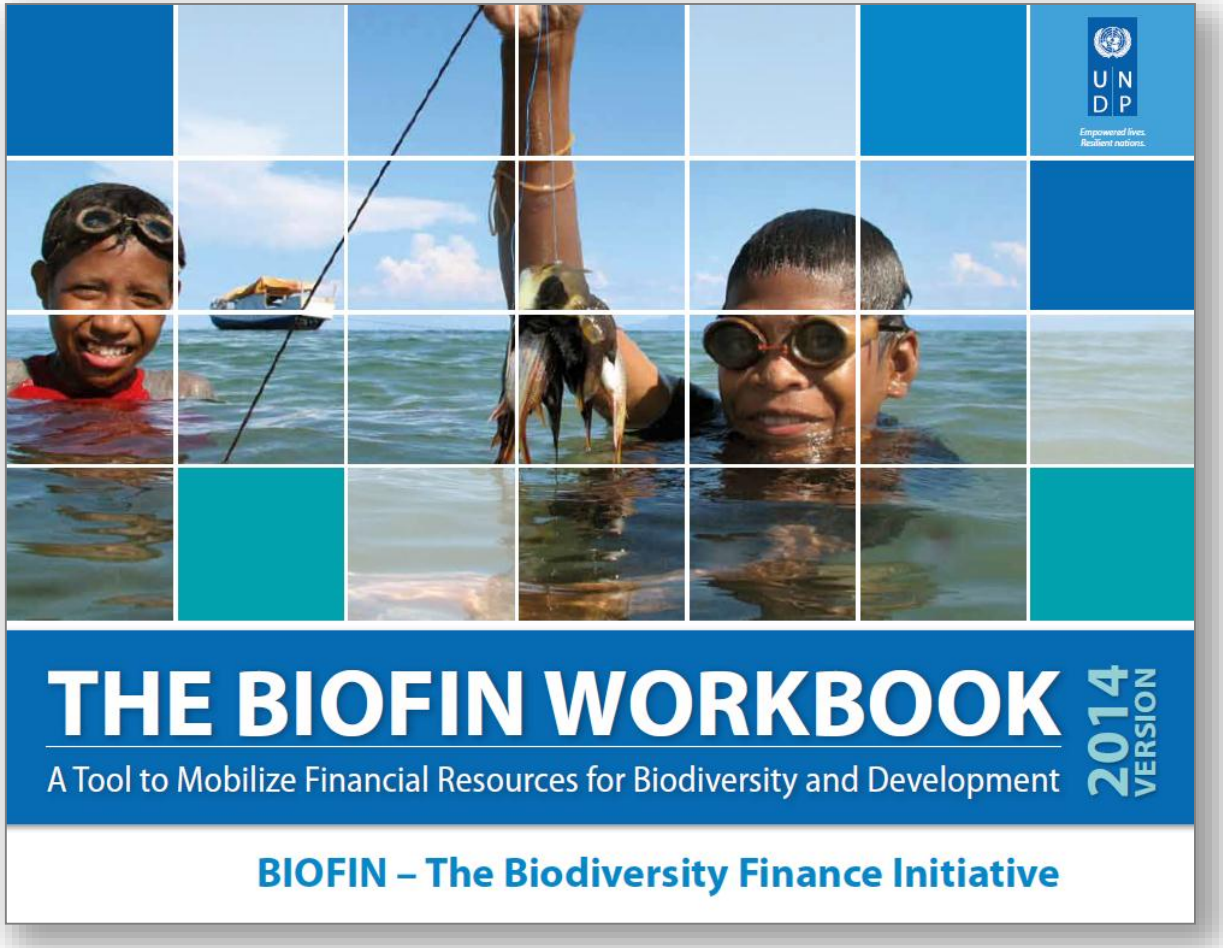
2013-2014: Develop & Peer Review Approach & Assessment Methodologies

Since 2014: National piloting and feedback

2015-2016: First consolidation and expansion of methodology

2016: Online training materials

GLOBAL



The Biodiversity Finance Initiative (BIOFIN)

Mobilising Resources for Biodiversity and Sustainable Development

The Biodiversity Finance Initiative (BIOFIN)

Mobilising Resources for Biodiversity and Sustainable Development

FIJI BIOFIN PROJECT COMPONENTS

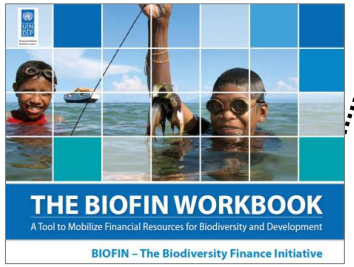
Component 1: Analyse the integration of biodiversity and ecosystem services in sectoral and development policy, planning and budgeting

Component 2: Assess future financing flows, needs and gaps for managing and conserving biodiversity and ecosystem services

Component 3: Develop comprehensive national Resource Mobilisation Strategies to meet the biodiversity finance gap

Component 4: Initiate implementation of the Resource Mobilisation Strategy at national level

Component 1: Analyse the integration of biodiversity and ecosystem services in sectoral and development policy, planning and budgeting



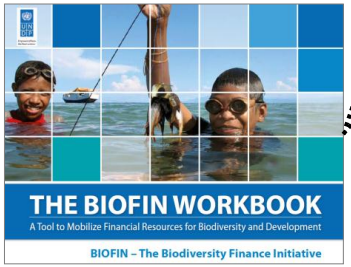
COMPONENT 1:
BD Policy-Institutional Review

- Assess integration of BD and BD finance in policies & institutions
- identify key sectoral drivers of BD loss
- highlight inefficient and ineffective policies and practices leading to biodiversity loss
- find areas for financial and sectoral alignment and efficiency
- identify key biodiversity and biodiversity finance actors and their roles in
    - setting budget priorities (domestic and foreign resources)
    - determining annual budgeting processes
    - contributing funds
    - accessing and disbursing funds
    - financial reporting and monitoring
    - spending
- determine legal/policy/institutional capacities and weaknesses for biodiversity finance generation

Component 2: Assess future financing flows, needs and gaps for managing and conserving biodiversity and ecosystem services

COMPONENT 1:
BD Policy-Institutional Review

COMPONENT 2:
BD Public (and Private) Expenditure Review



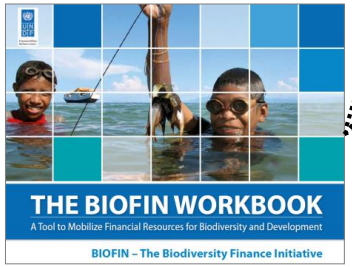
- Define recent biodiversity-related expenditures? (= baseline biodiversity investment)
- Extract and tag data from national accounts & sectoral budgets
- Assign % of expenditure attributable to BD
- Calculate past biodiversity revenue (PA fees, taxes, etc.)
- Project future Business As Usual expenditures
- Determine biodiversity-harmful expenditures (e.g. agricultural subsidies for land conversion)

Component 3: Develop comprehensive national Resource Mobilisation Strategies to meet the biodiversity finance gap

COMPONENT 1:
BD Policy-Institutional Review

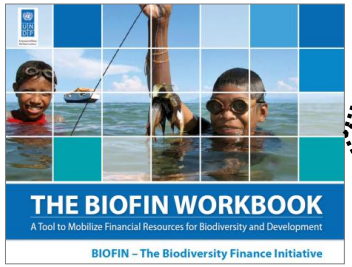
COMPONENT 2:
BD Public (and Private) Expenditure Review

COMPONENT 3:
BD Finance Needs & Gap Assessment



- determine investment needed to achieve national biodiversity targets, per year over given time period
- NBSAP strategies and actions must be specific and costable
  - *"Decrease pollution from industrial waste"*
  - Vs
  - *"Establish 8 management centres for recycling commercial waste in 4 states"*
- define the financing gap

Component 4: Initiate implementation of the Resource Mobilisation Strategy at national level



COMPONENT 1:
BD Policy-Institutional Review

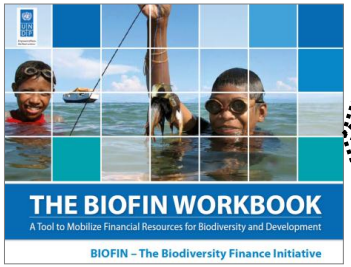
COMPONENT 2:
BD Public (and Private) Expenditure Review

COMPONENT 3:
BD Finance Needs & Gap Assessment

COMPONENT 4:
BD Financing Plan / Resource Mobilisation Strategy
& Synthesis Recommendations

- assess the suitability of a range of financing solutions (public/private, domestic/ international, traditional/innovative): revenue generation potential, transaction costs, political feasibility, regulatory/institutional requirements, etc/
- Financing solutions can:
  - *Generate revenues*
  - *Realign expenditures*
  - *Avoid expenditures*
  - *Deliver better*

Component 1: Analyse the integration of biodiversity and ecosystem services in sectoral and development policy, planning and budgeting



COMPONENT 1:
BD Policy-Institutional Review

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COMPONENT 3:
BD Finance Needs & Gap Assessment

COMPONENT 4:
BD Financing Plan / Resource Mobilisation Strategy & Synthesis Recommendations

Initiate Adoption of Recommendations and BD Financing Plan/ Resource Mobilisation

- **Mobilise Financing Mechanisms**
- Identify entry points
- Targeted advocacy?
- New Economic Valuations?
- Reduce drivers of biodiversity loss?
- Revise fiscal/legal frameworks?
- Communications?

Overarching National Political Process

OPPORTUNITIES UNDER BIOFIN

I. **New data and insights/ Enhanced compliance and reporting to CBD**

II. Developing and applying **new innovative ideas for biodiversity finance** in countries

III. **Enhancing knowledge** of BIOFIN tools and biodiversity financing concepts

IV. **Improving intergovernmental coordination and re-defining institutional roles and mandates**

V. **Revised policies, laws, regulations**

VI. **Increased investments in biodiversity**

VII. Sharing lessons learned and developing a **regional/global network on biodiversity finance**

For more information?

www.biodiversityfinance.net

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Acknowledgement: UNDP BIOFIN Team - Global and National