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Biodiversity Finance Initiative - (BIOFIN)

-Building Transformative Policy and Financing Frameworks to – Increase Investment in Biodiversity Management

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Presentation Outline

- Definition
- BIOFIN Origin & Global Vision
- Two main Axes of BIOFIN
- BIOFIN under Direct Implementation
- Objectives & overview
- BIOFIN Linkages
- National Funds for Biodiversity
- Key guiding principles of BIOFIN methodology
- Key Issues: Pre-requisites
- The 4 Components of BIOFIN



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Definitions of Biodiversity/ Biological Diversity

Biodiversity: This term is used by the Convention to refer to all aspects of variability evident within the living world, including diversity within and between individuals, populations, species, communities, and ecosystems. Differences in pest resistance among rice varieties, the range of habitats within a forest ecosystem, or the global extinction of species of lake fish, all illustrate different aspects of biological diversity. The term is commonly used loosely to refer to all species and habitats in some given area, or even on the Earth overall.

Source (<http://www.cbd.int/gbo1/chap-01.shtml>).

“Biological Diversity means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems.”

Source: Convention on Biological Diversity, United Nations, 1992

BIOFIN - Origin and Global Vision



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- **CDB COPs 2010 & 2012:**

- Strategic Plan for Biodiversity 2011-2020 with 20 Aichi Targets
- -BIOFIN is managed by the UNDP Ecosystems and Biodiversity Programme.
- -Supported and funded by the EU, Germany, Switzerland, Norway and Flanders since 2015.

- **The Biodiversity Finance GAP:**

- CBD High Level Panel for Resource Mobilisation estimated the global financing needed for reaching the Aichi Targets to \$150-450 billions/yr until 2020
- ODA for biodiversity: \$3-6 billions/yr
- All potential international and national financing sources & mechanisms must be explored and mobilised
- Need national-level assessments of baseline funding, and of investment needed to achieve national biodiversity targets (NBSAPs)



Two main Axes of BIOFIN

- Globally led development of a new methodological framework
- National level adaptation and implementation of this new methodology framework



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BIOFIN under Direct Implementation

- BIOFIN is directly implemented (DIM) project
- BIOFIN is a GEF funding UNDP project
- BIOFIN set up is overseen by UNDP's **global** and regional Ecosystems & Biodiversity Teams
- UNDP Pacific Office Suva is responsible for liaising at the **national** level with government counterparts, facilitating reporting to BIOFIN global/regional teams, direct support, secure and review submissions, and prepare the required financial reports.



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BIOFIN – Objectives & Overview

- Overarching objectives of BIOFIN :
 - Develop and pilot a new approach and methodology to fill the gap
 - Support parties reporting on resource mobilization to CBD
 - Build on and help finance the implementation of NBSAPs
 - Transform national – level enabling environment for countries to better mobilize and align domestic and international biodiversity finance

BIOFIN Linkages

- National Development Plan
- Green Growth Framework
- MDG 7 “Ensure Environmental Sustainability”. Reduce Biodiversity Loss, achieving a significant reduction in the rate of loss.
- UNDAF - The promotion of sustainable development and inclusive economic growth to address social, economic, and environmental vulnerabilities affecting society at all levels and to ensure human security.”



National Funds/Initiatives for Biodiversity

- Funding is spread out in different government sectors - agriculture, forestry, fisheries, marine, environment etc.
- Non-government organizations (NGOs) also fund implement a lot of biodiversity projects
- Unknown figures of the total funds - used for biodiversity projects



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Key guiding principles of BIOFIN Methodology

- **Cost effective** –Achieve goals in the most efficient, cost-effective manner possible
- **User–orientation:** Focus will be for the end user – those finance actors responsible for implementation
- **Inclusiveness:** Engage multiple sectors, both public and private
- **Pro-poor:** Find solutions that alleviate poverty and protect the most vulnerable populations
- **Transparency:** Ensure process and results are open and transparent.



Key Issues: Pre-requisites

- **Political Will:** There must be leadership at the highest level to commit to implementing the results
- **Inter Agency Collaboration:** Agencies will need to work together to identify finance solutions
- **Willingness to Explore:** Agencies must be willing to explore potential negative and ineffective expenditures
- **Willingness to Challenge:** Agencies must be willing to challenge powerful private interest groups.



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The 4 Components of BIOFIN

- Policy and Institutional Review
- Biodiversity Expenditure Review
- Finance Needs Assessments
- Biodiversity Finance Plan



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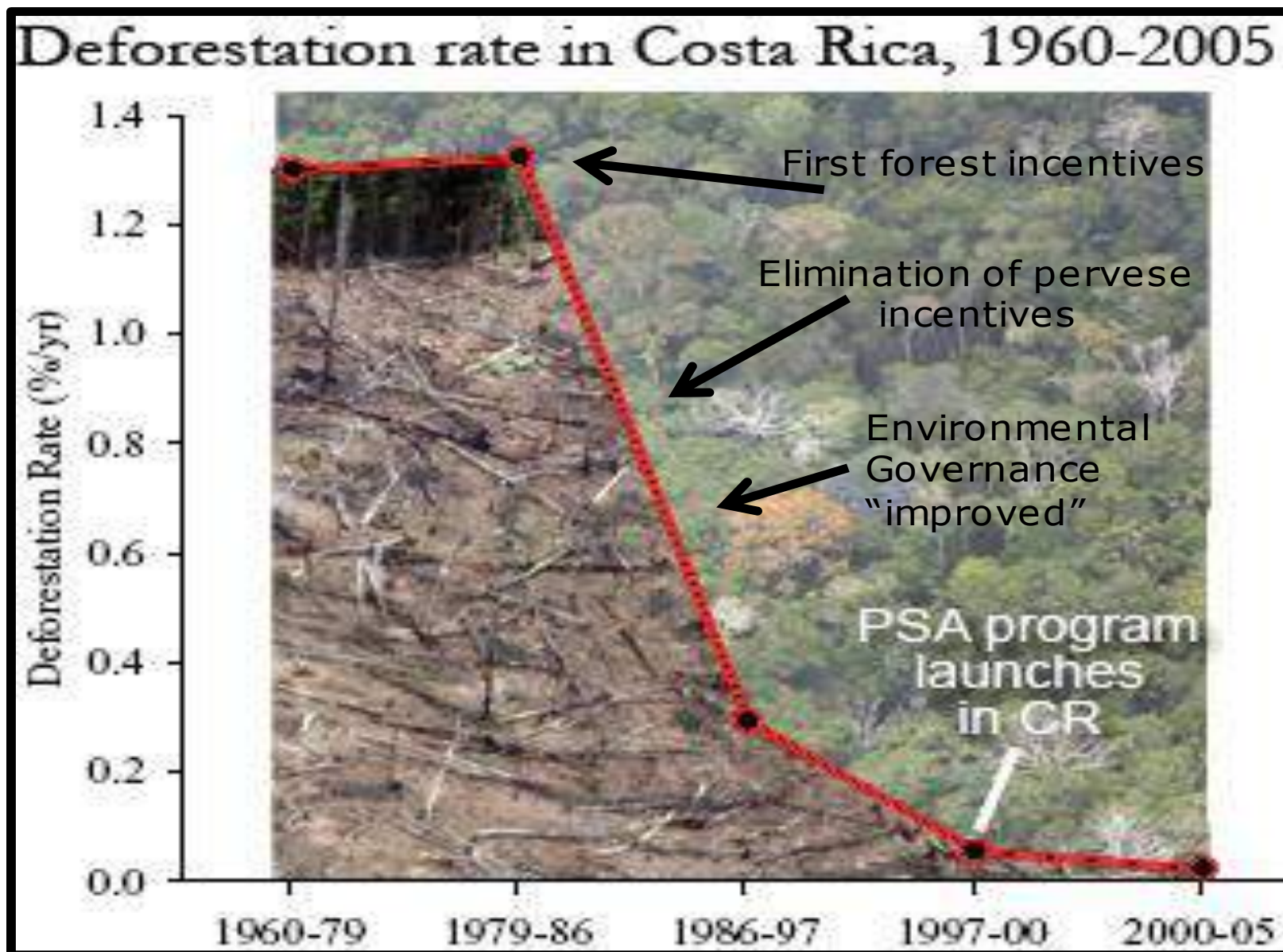
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Financial instruments

- **Grant:** e.g., multilateral/bilateral funds, private/public donations
- **Debt/Equity:** e.g., green bonds, debt-for-nature swaps
- **Risk management:** e.g., green investment guarantee schemes, insurance schemes
- **Fiscal:** e.g., timber/carbon/airport taxes, subsidy reform
- **Market:** e.g., habitat banking, Payments for Ecosystem Services
- **Regulatory:** e.g., fines

The Costa Rica example

For further information, visit <http://www.cbd.int/financial/hlp/>
or email hlp@cbd.int





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Thank You