

## Scaling up Biodiversity Finance

Dialogue seminar | Quito | 6-9 March, 2012



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Summary from a Dialogue Seminar held in  
Quito, Ecuador 6-9 March 2012

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**Conveners:** Governments of Sweden, Ecuador, Norway, India, Japan, and the CBD Secretariat.

**Organiser:** The Resilience and Development Programme (SwedBio) at Stockholm Resilience Centre, Stockholm University, with help from IUCN-Sur

**Funding:** Swedish International Development Cooperation Agency (Sida) through The Resilience and Development Programme (SwedBio), and from the Norwegian Agency for Development Cooperation (NORAD) and the Government of Japan.



Convention on  
Biological Diversity



XI Conference of Parties  
CONVENTION ON BIOLOGICAL DIVERSITY  
HYDERABAD INDIA 2012



Ministerio  
del Ambiente



REGERINGSKANSLIET

Ministry of the Environment  
Sweden



NORWEGIAN MINISTRY  
OF FOREIGN AFFAIRS



Sida



Ministry of the Environment  
Government of Japan



Norad

Stockholm Resilience Centre  
Research for Governance of Social-Ecological Systems



Stockholm  
University

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### **Purpose:**

To explore and contribute to understanding and clarify areas of convergence and divergence regarding ways to scale up the mobilization of financial resources, including innovative financial mechanisms, to achieve the 2020 Aichi Biodiversity Targets.

### **Participants:**

Nominations via the CBD Secretariat from Parties and Non-parties, 80 representatives from governments, development agencies, UN organizations, non-governmental organizations, social movements, farmer organizations, local communities and indigenous peoples organizations, scientists and the private sector.



# Summary from presentations, case studies and working groups

## Values of Biological Diversity

- The “Rights of Mother Earth”, and TEEB discussed.
- Some objected to setting a monetary value on nature and natural processes, others think it is an important input for decision-making.

## What needs to be financed - Assessing financial gaps

- Global Assessments: CBD’s GEF Needs Assessment, UK/India High Level Panel Assessment on Financial Flows, UNDP-EC Global Biodiversity Finance Project
  - Need for capacity building and improve mainstreaming, tackling underlying drivers of biodiversity loss
  - Bottom up needs examples: certification and cooperatives, indigenous territories and community conserved areas, Nagoya protocol, India case, Norway - TEEB
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### **Financing for biodiversity and importance of governance**

- Norwegian Report “Can Markets Protect Biodiversity?” transaction costs high, and free-riding a problem, biodiversity is a public good. Government guidance and institutional framework important. Payment of Ecosystem Services (PES) or Compensations – governments still the primary provider of finance, almost all of the “buyers” of the services (99% in developed countries and 97% in developing countries).
  - Safeguards needed for functioning of any biodiversity financing mechanism.
  - Appropriate mechanisms depends on specific political, social and cultural contexts. Countries and communities, where applicable, need right to refrain from using mechanisms they consider inappropriate, and develop mechanisms they consider appropriate in their context.
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### Case studies and options for financing:

- *Payment for Ecosystem Services*: needs appropriate institutional frameworks and compliance mechanisms, PES schemes can lead to loss of communities' livelihoods, but in appropriate institutional context, communities have benefited, and led to biodiversity benefits.
  - *ODA* important, should be used for development efficiency and used more strategically to release other larger streams of capital
  - *Public-private partnerships (PPPs)*, public funds provide seed money for companies to make them change or engage in new sectors.
  - *Fiscal reforms* green tax reforms and removal of perverse incentives cost-effective instrument to generate resources.
  - *Environmental funds as FUNBIO*
  - *Yasuni ITT* keeping oil in the ground
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- *Biodiversity offsets*, local scale under appropriate institutional framework
- *Japan Business and Biodiversity Partnership* - actors exchange solutions
- *Green markets* - Between 2000 and 2010 the global market for certified organic farming grew from US\$ 18 billion to US\$ 59 billion.
- *Private sector* important - change agent and source of tax revenue, corporate social responsibility, transparency, clear regulations

### **Open Space - discussions decided by participants**

- Indigenous peoples' and local communities' rights
  - International needs assessments, methods
  - Innovative financing mechanisms, terminology
  - Mainstreaming and to engage Ministries of Finance
  - Nexus between population growth/agricultural expansion/biodiversity
  - Financialization – needs further analysis
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### **Synthesis and Way forward**

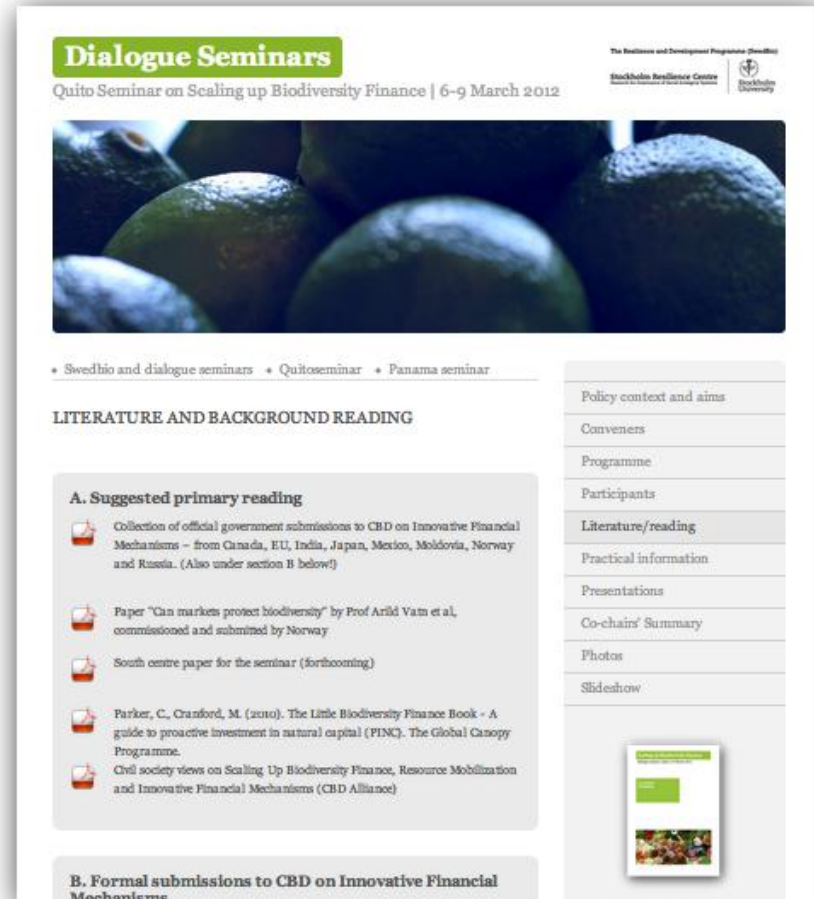
- ODA important, fiscal reforms promising, certain degree of convergence regarding other mechanisms for mobilizing resources.
  - Mechanisms - country specific; require safeguards and clear, appropriate governance structures to avoid unintended and perverse outcomes.
  - Mainstreaming of biodiversity is critically important.
  - Terminology - “innovative financial mechanisms”, both established and truly new alternatives, no common clear definitions, might better use generic term “biodiversity financing mechanisms” (BFMs) and to name specific mechanisms when possible.
  - Suggestion to the CBD Secretariat to compile report on lessons learned and possible benefits and risks of biodiversity financing mechanisms, with clear definitions of terminology used.
  - The dialogue seminar contributed to high degree of common understanding and convergence, participants understood each other’s viewpoints better, to build upon in the coming negotiations.
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- UNEP/CBD/WG-RI/4/INF/9 Co-Chairs' summary
- [www.cbd.int/financial/quitoseminar/](http://www.cbd.int/financial/quitoseminar/)
- [www.dialogueseminars.net](http://www.dialogueseminars.net) Co-chairs summary, presentations, programme, background info, documents and papers



The screenshot shows the website for the Dialogue Seminars, specifically the Quito Seminar on Scaling up Biodiversity Finance held from 6-9 March 2012. The page features a header with the event title and date, and logos for the Business and Development Programme (Sweden), the Stockholm Resilience Centre, and Stockholm University. A large image of green avocados is prominently displayed. Below the image, there are navigation links for 'Swedbio and dialogue seminars', 'Quitoseminar', and 'Panama seminar'. The main content area is titled 'LITERATURE AND BACKGROUND READING' and is divided into two sections: 'A. Suggested primary reading' and 'B. Formal submissions to CBD on Innovative Financial Mechanisms'. Section A lists several documents, including a collection of official government submissions to the CBD, a paper by Prof Arild Vatn et al., a South Centre paper, a book by Parker and Cranford, and civil society views. Section B is partially visible at the bottom. On the right side, there is a vertical navigation menu with links to 'Policy context and aims', 'Conveners', 'Programme', 'Participants', 'Literature/reading', 'Practical information', 'Presentations', 'Co-chairs' Summary', 'Photos', and 'Slideshow'. A small thumbnail image of a document is shown at the bottom of this menu.