



THE WORLD BANK

Aichi Targets: A key role for Environmental Funds

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The World Bank and the AICHI Targets

- The Bank is one of the largest international financiers of biodiversity conservation and has provided about 60% of global biodiversity-related funding together with the GEF)
- 245 projects (FY2004-2013), US\$1.06 billion
- Over the past 25 years the World Bank has addressed 19 of the 20 Aichi Targets
- The largest share of projects addressed the status of biodiversity within and outside PAs

Biodiversity and the Poor

Addressing threats to biodiversity has a critical impact on the rural poor as well as indigenous communities

- Livelihoods, well-being and safety nets are inextricably linked to natural and semi-natural ecosystems.
- Ecosystem goods and services provide 47 – 89% of the “GDP of the poor”
- To indigenous peoples biodiversity provides a source of livelihood and well-being, foundation for cultural and spiritual identities

Biodiversity and key economic sectors

Key economic sectors depend on biodiversity and ecosystems services

- 75% of the top ranking global prescription drugs contain components derived from plant extracts;
- Genetic diversity is central to the seed industry;
- Pollination is worth more than \$200 billion/year to the global food economy.
- Fisheries employ 200 million people, provide about 16% of the protein consumed worldwide and have a value estimated at \$82 billion.
- Ecotourism generates significant employment and is now worth around \$100 billion/year.

Biodiversity and Green & Inclusive Growth

Addressing loss and degradation of biodiversity is an important ingredient in a path towards Green and Inclusive Growth (GIG) as...

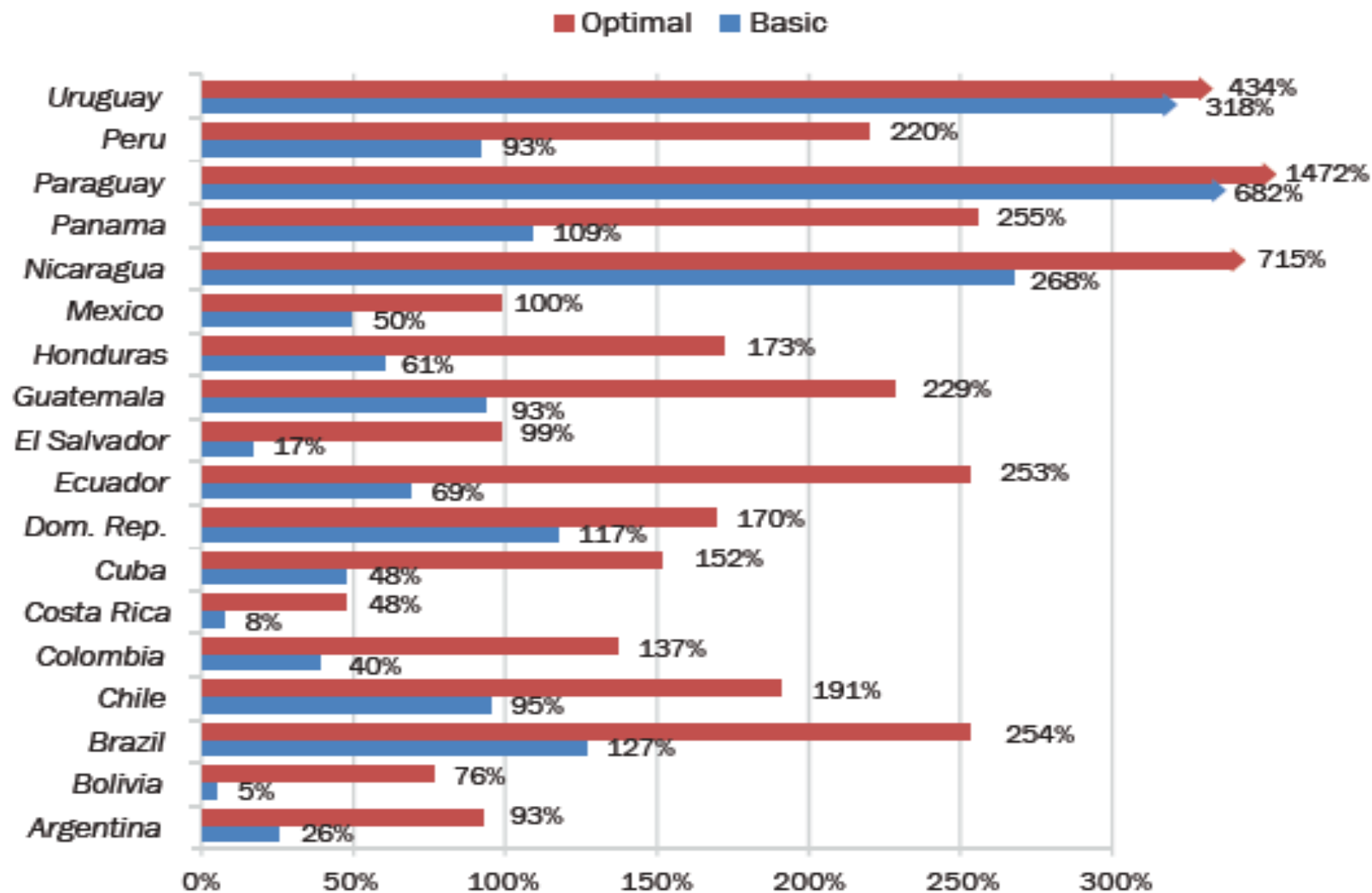
- ...sustainable use and conservation of biodiversity is by default Clean, Efficient, Resilient and Inclusive
- ...it provides opportunities that will (a) benefit people living in extreme poverty and (b) has the potential to improve income growth of the bottom 40% of the population, therefore sharing prosperity.

Challenges

- A challenge of biodiversity conservation has been to generate alternative livelihoods for local populations both as (a) compensation for restricted access to land and natural resources, and as (b) an incentive to cease unsustainable land uses.
- In addition, the expansion of Protected Area (PA) networks has put strains on existing (even expanding) public budgetary resources. As a result, current budgets do not keep pace with the needs to support even basic management cost

Given that international cooperation is unlikely to fill the gap as in the past, there is an urgent need for other instruments and financing sources

Figure 1.2 Percentage Increases Needed to Meet Basic and Optimal Funding



Source: Based on Flores 2010.

Examples of Financing Biodiversity Conservation in LAC

- **Brazil:**
 - Atlantic Forest Fund
 - Acre State, Mainstreaming Biodiversity into Development Programs
- **Colombia:**
 - Conservation Mosaics
- **Mexico:**
 - Payment for Environmental Services and Other Forest Programs Working for Biodiversity
- **Peru:**
 - Protected Area Administration Contracts

Expanding Financing for Biodiversity

- A wide range of innovative financial mechanisms (IFMs) for biodiversity conservation are being tested or implemented in both developed and developing countries;
- So far very few IFMs have been scaled-up to become a significant source of funding for biodiversity conservation.
- There is a need to renew efforts to test innovative and untried instruments and collaborative mechanisms.

Moving out of the comfort zone

- There is a need to move beyond traditional donor funding, focus on innovative ways to generate financial flows from natural capita;
- The increased multi-faceted interest of the private sector to invest in biodiversity (for profit, and as part of its Corporate Social Responsibility (CSR)) could provide new opportunities.
- There is also insufficiently explored potential for bundling carbon and biodiversity markets

Shifting gears

The development of a dynamic portfolio of innovative and complementary financial mechanisms that could raise substantial funds from a broader constituency of actors would require...

- ... setting goals and targets which can be measured, easily communicated and help guide the transformative actions required by countries, individually and collectively.
- ... combining new potential revenue sources with a shift from input-based to performance-based payments to award the effectiveness of conservation.
- ... promoting a new way of collaboration across different stakeholders.

The role of CTFs

In an effort to promote thinking outside the established way of conservation finance, RedLAC is well positioned to be a catalyst for necessary changes, as it:

- brings to the table the experience and capacity of its own and its members; and
- has a system of learning, institutional strengthening, capacity building and cooperation in place;
- is able to reach out to and convene a diverse group of stakeholders (in-country through its members and globally).

The way ahead

- Real biodiversity protection impacts are dependent on a multitude of different elements;
- Financial resources are a necessary, but not sufficient ingredient;
- There is a need to ensure that these resources are used effectively to deliver conservation impacts with benefits for the world's poorest people.

This will require the development and implementation of mechanisms based on the lessons learned over the past decade and the formation of new and innovative partnerships with a focus on “thinking outside the box”.

Thank you!

References

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