



Understanding mainstreaming as a finance solution:

Survey results from 22 BIOFIN countries

Background

In the biodiversity conservation community, there are different streams of work. One is mainstreaming, effectively meaning to go beyond protected areas integrate biodiversity considerations into all of society, major economic sectors like agriculture, fisheries or infrastructure. Another agenda is resource mobilization, to enable countries to have sufficient funds to achieve their biodiversity goals. Through the work done in 30 countries under BIOFIN, it became apparent these two issues are very closely linked. In May 2020 BIOFIN organized an exchange meeting between countries to better understand what are the most important financing solutions that straddle across the agendas of both mainstreaming and financing. The following is a summary of the discussions and a related survey:

Mainstreaming

Strategic Goal A of the Aichi Biodiversity Targets explains biodiversity mainstreaming, as follows:

Strategic Goal A: Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society

Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.

Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.

Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.

Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

BIOFIN conducted a survey to take stock of current approaches towards mainstreaming to determine opportunities and challenges. 22 countries participated (Botswana, Ecuador, Philippines, Rwanda, Colombia, Indonesia, Sri Lanka, Bhutan, Zambia, Nepal, Malawi, South Africa, Thailand, Brazil, Peru, Belize, Cambodia, Vietnam, Kyrgyzstan, Georgia, Mongolia, and India).

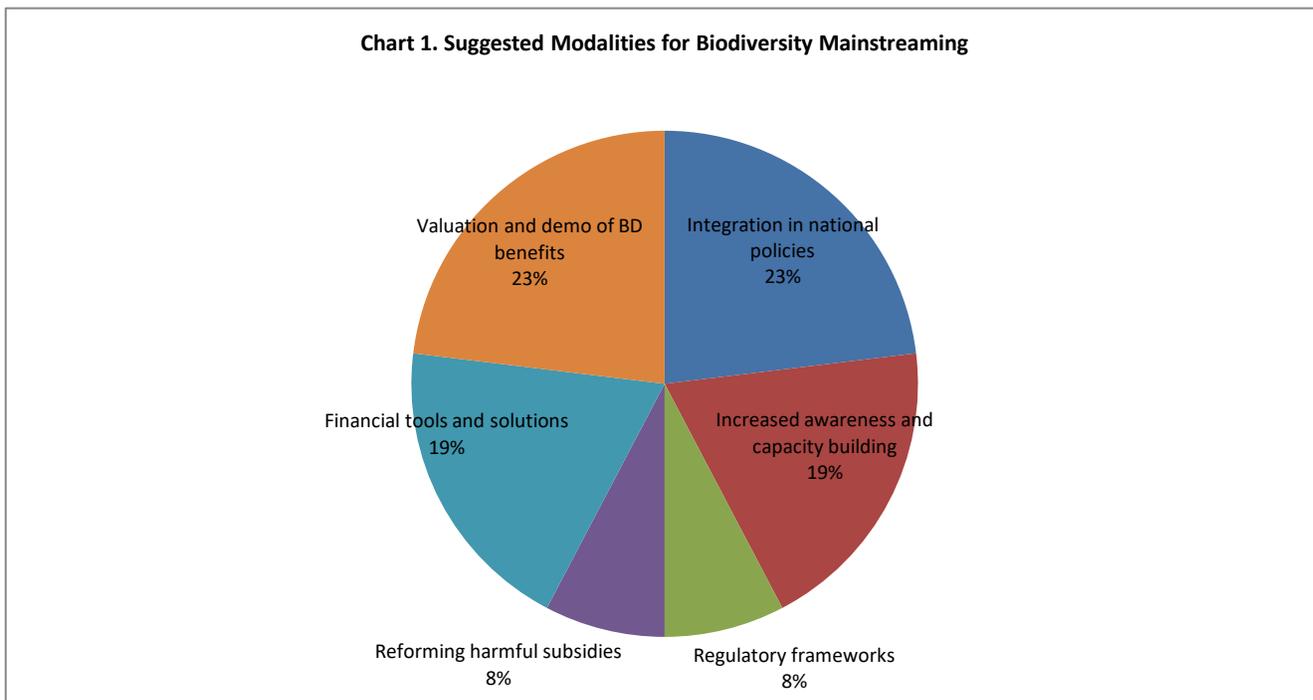
Biodiversity finance mainstreaming

Respondents were asked about their country's practice of mainstreaming biodiversity. The most dominant response was *integration of biodiversity concerns* (e.g. land use conversion for agriculture, water stress, etc.) in policies across different sectors of the government and *demonstration of resource valuation values* (establishing a business case) (Chart 1). Other interpretations of mainstreaming include:

- increased awareness on dependencies and impacts on biodiversity & capacity building;

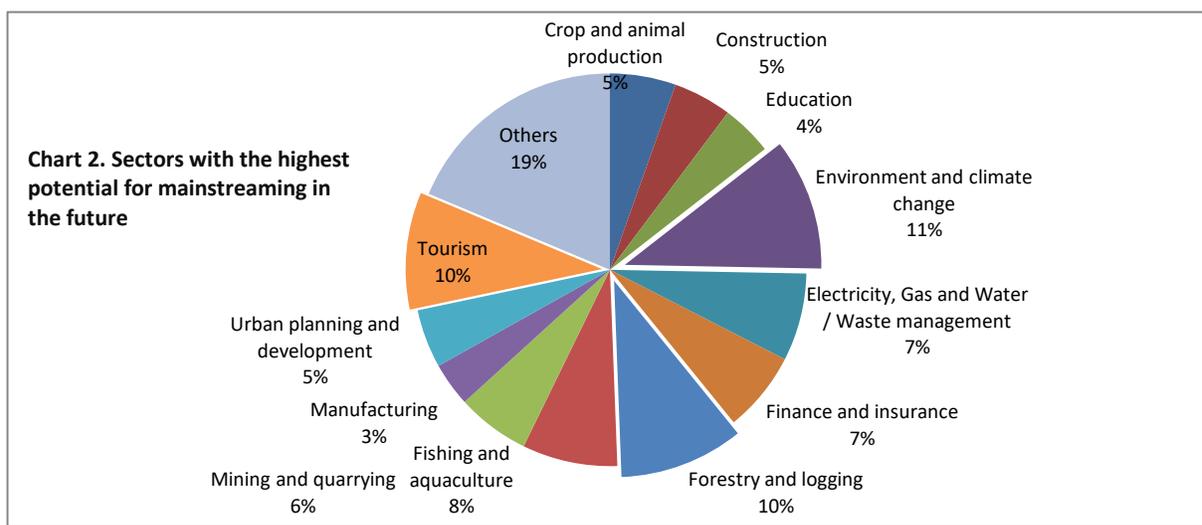
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- strengthening regulations and enforcing ecological standards (e.g. restriction on toxic chemicals by the Thai govt.);
- facilitating inter-ministerial/departmental cooperation;
- assessment of BD expenditures and integration in the national budget; and,
- increased public allocations for BD conservation.



Future opportunities for mainstreaming

Next the survey aimed to see what areas have the strongest opportunity for mainstreaming in the future¹. “Environment and climate change”, “Forestry and logging”, and “Tourism”, were the main choices (Chart



¹ A modified Standard Industrial Classification was used for the survey to determine the categories.

2). The “Others” category includes Accommodation and food services, Arts, Health and social work, Hunting, Information and communication, libraries, archives, museums, historical sites, zoo/botanical gardens, nature reserves, amusement and recreational areas, Professional, scientific, technical, Public administration and defense, Real Estate, Transportation and storage, and Wholesale and retail trade. The survey allowed for multiple selection. Respondent countries selected between 5-7 sectors (median), except for Thailand which selected all (23)sectors.

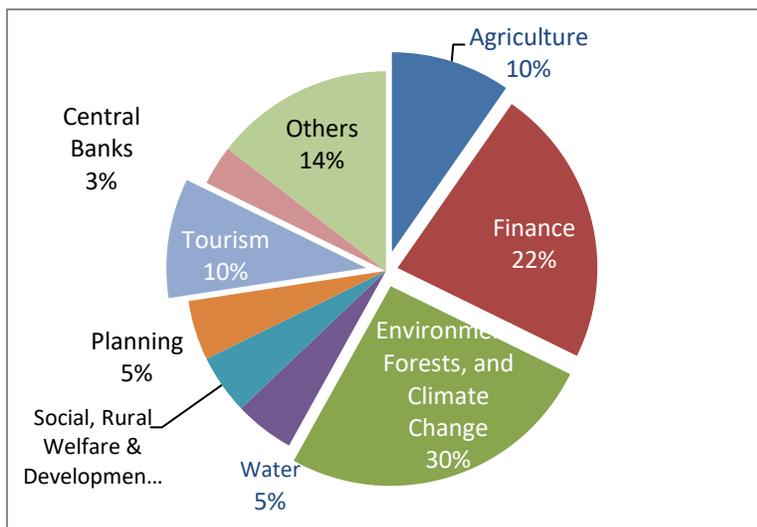


Chart 3. Percentage of countries mainstreaming BD in a particular sector

It appears that despite wide-ranging opportunities in other sectors, BIOFIN teams perceived stronger opportunities to work with core environmental areas such as environment, forests, natural resources and climate change (Chart 3). Finance is a non-traditional government partner for biodiversity concerns but the response shows the dedicated effort of BIOFIN to engage with the finance sector. This receptiveness is likely due to their close proximity to the topic, their need to

mobilise finance, and the requirement to adhere to international commitments. **Tourism** and **agriculture** are two relevant ministries identified for mainstreaming due to the NBSAP interest in agrobiodiversity plus some aspects of forestry and fisheries could fall under the ambit of the agriculture ministry. Tourism features opportunities to showcase biodiversity within and outside protected areas. The “Others” category includes ministries of mines, public works, bioeconomy, petroleum and gas, statistics, fisheries, education, housing and corporate affairs. Opportunities to engage with other non-core biodiversity agencies center on addressing biodiversity threats and mitigating impacts through regulatory requirements, and reputation management.

Biodiversity finance mainstreaming and challenges

To assess the finance solutions associated with biodiversity mainstreaming, a list of options was offered in the questionnaire:

- Budgets
- Results based budgeting
- Capacity building,
- Planning,
- EIAs/project analysis,
- NBSAP/CBD reporting,
- Procurement policy,
- Retirement account investment standards,
- Sustainability reporting,
- Nonmarket valuation;
- Sustainability standards;
- SDG reporting
- Natural Capital Accounting;
- SEEA

Three common finance solutions associated with biodiversity mainstreaming include budget increases or realignment, capacity building, and NBSAP/CBD reporting.

While budget increases have direct finance results, capacity building and NBSAP reporting are both enabling conditions to ensure a path towards budget adjustments. The other modalities also suggest enabling conditions, i.e. planning, SDG reporting, and natural capital accounting, while policy reform through the EIS system suggest addressing threats which translates to a finance solution on cost avoidance, similar in character to sustainability standards (Chart 4).

Mainstreaming biodiversity in decision making and furthering an integrated approach and increasing funding support for biodiversity have been the main intended outcomes of working with the public sector. New policies on biodiversity conservation, reducing pressure on biodiversity, and encouraging biodiversity-positive actions have also been mentioned.

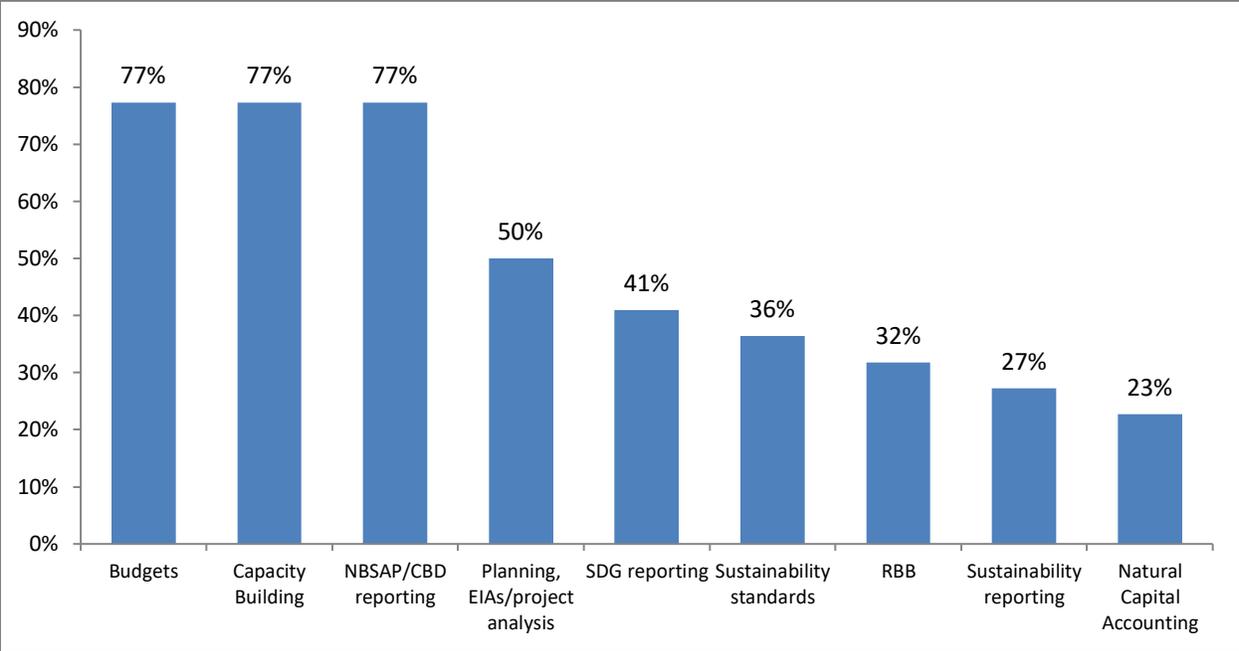


Chart 4. Percentage of countries adopting various BD mainstreaming modalities

Inadequate capacities and institutional frameworks, budgetary limitations, lack of inter-sectoral coordination, and low appreciation and awareness regarding investments in biodiversity have emerged as the main challenges in mainstreaming biodiversity. Need for a better **system for data collection and monitoring of impacts on biodiversity** (gov. and public sector) and better **policy support** have also been highlighted by a couple of countries.

Additional insights gained from the survey include recognizing the factors that can influence mainstreaming strategies in the public and private sector. Mainstreaming strategies should be informed by socio-economic issues, e.g. deforestation as a result of over-dependence on forest resources for community livelihoods. A combination of enabling actions (planning, sustainability reporting) with

regulatory reform can also fast track biodiversity mainstreaming. The richness of best practices in mainstreaming among the surveyed countries is depicted in Box 1.

Box 1. Best Practices in mainstreaming biodiversity

- **Colombia:** Generating biodiversity investments from non-environmental agencies; Development of projects that bring out the economic/market benefits from investing in biodiversity
- **Sri Lanka:** National Sustainability Certification Scheme for Accommodation sector, Sustainable Finance Roadmap which enabled promoting sustainable credit schemes in commercial banks, studying the market externalities related to thermal power generation
- **Bhutan:** Institutionalizing biodiversity finance with framework of gross national happiness and SDGs requiring environmental considerations, Valuation of natural capital, national reporting obligations, existing mainstreaming groups
- **Malawi:** engaging CSOs, public awareness campaigns
- **South Africa:** integrating biodiversity information into spatial decision-making tools (e.g. for land-use planning and decision-making)
- **Thailand:** engage all relevant sectors for biodiversity mainstreaming (suggested)
- **Kyrgyzstan:** get the Ministry of Finance and the State agency on environment protection and forestry to work closer over prioritizing budget allocations for the conservation activities.
- **Georgia:** case-studies which shows linkages between biodiversity and other development priorities
- **India:** Identification of suitable focal points to mainstream biodiversity in public schemes, Use of available legal regimes to mainstream biodiversity (Biodiversity Act, Companies Act)

Conclusion

Dr. Vinod Mathur, Chairman of India's National Biodiversity Authority, offers a perspective on biodiversity mainstreaming as a finance solution in this quip: *"There will never be enough funding for biodiversity"*.

What this confirms are varied opportunities in non-core biodiversity sectors and agencies to achieve any of the four finance results espoused by BIOFIN : generating revenues, realignment of expenditures, avoiding future expenditures, and using existing resources more effectively.

The study clearly shows a desired finance result of mainstreaming is increasing budget allocations or realigning existing budget items – possibly including repurposing of harmful subsidies. Various pathways to achieve these finance results include broad based awareness raising on biodiversity concepts to integration of biodiversity into national planning frameworks. Resource valuation and national capital accounting also contribute to "making the business case" in support of policy reform.

Meanwhile, reporting requirements to CBD and SDGs as well as platforms involving the private sector offer internal processes to reflect on the requisite amount of financing needed to achieve the targets reported on and the dependencies of business to biodiversity. These same enabling conditions can also be structured and packaged to achieve the other finance results such as avoiding future costs (certification and regulatory reform) and effective spending.

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