

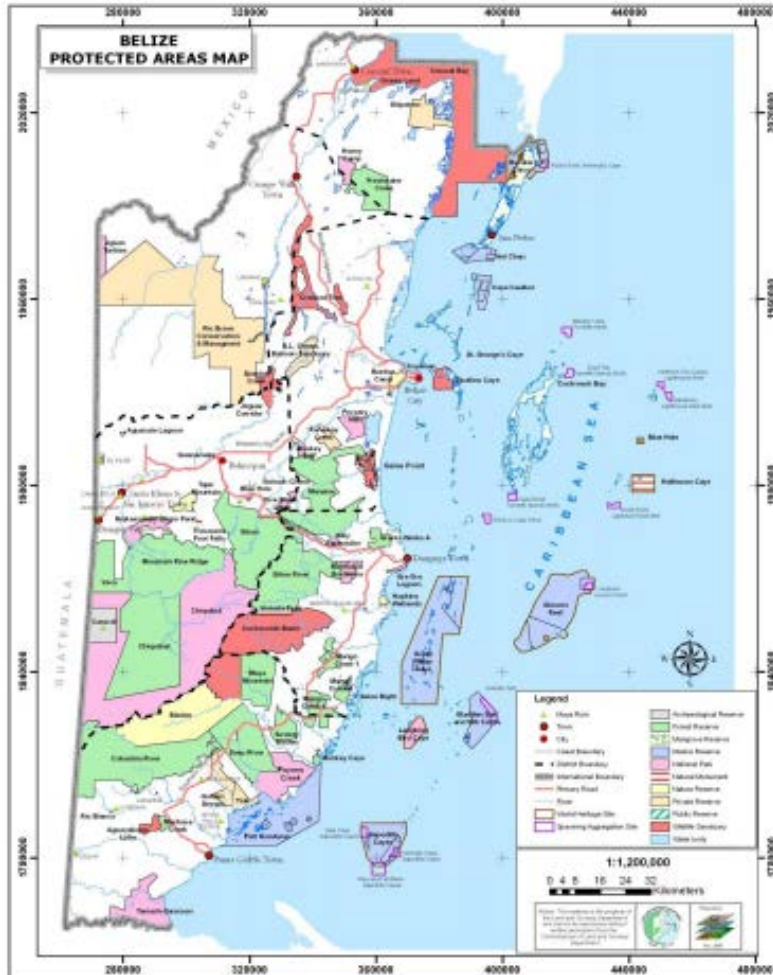
# Mobilizing financial resources for protected areas

Workshop

# Conceptual Framework

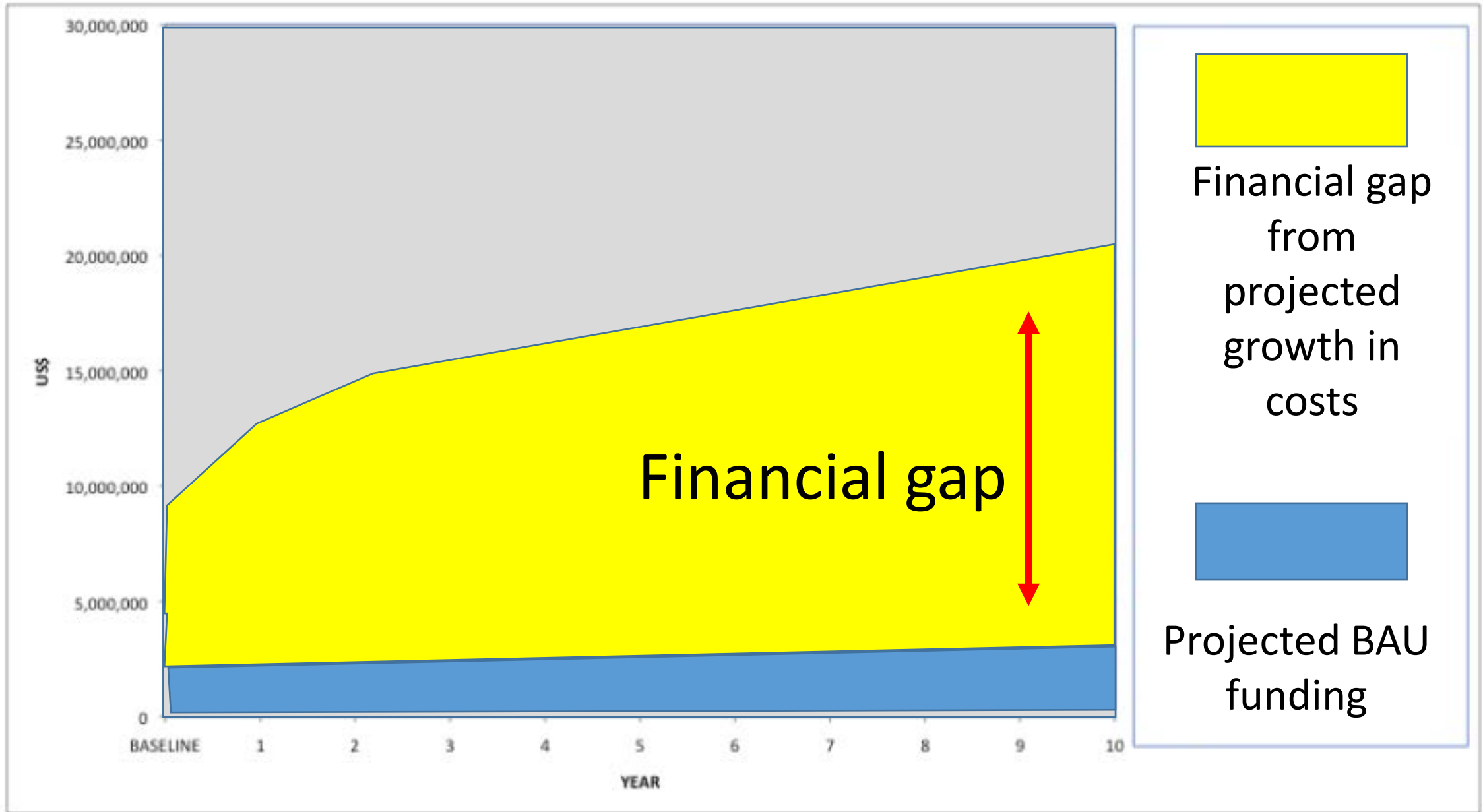
- What is the goal, mission? What is your vision of the future? Where do you want to go?
- What do we need to get there? What actions, conservation targets? What metrics will tell us we have got there?
- What is “Business As Usual”? What resources do we have now? Physical, Intellectual, Financial?
- How much will it cost? Really cost if we want to achieve the goals we have set?
  - Baseline Funding Needs
  - Optimal Funding needs (Aspirational needs)
- Funding needs – BAU = Financing Gap
- How do we mobilize the resources necessary? Resource Mobilization Plan – Business Plan
- What is the return on investment? Note: cost efficiency and effectiveness is essential and can save significant sums

# Example from Belize illustrating the essence of the BIOFIN approach

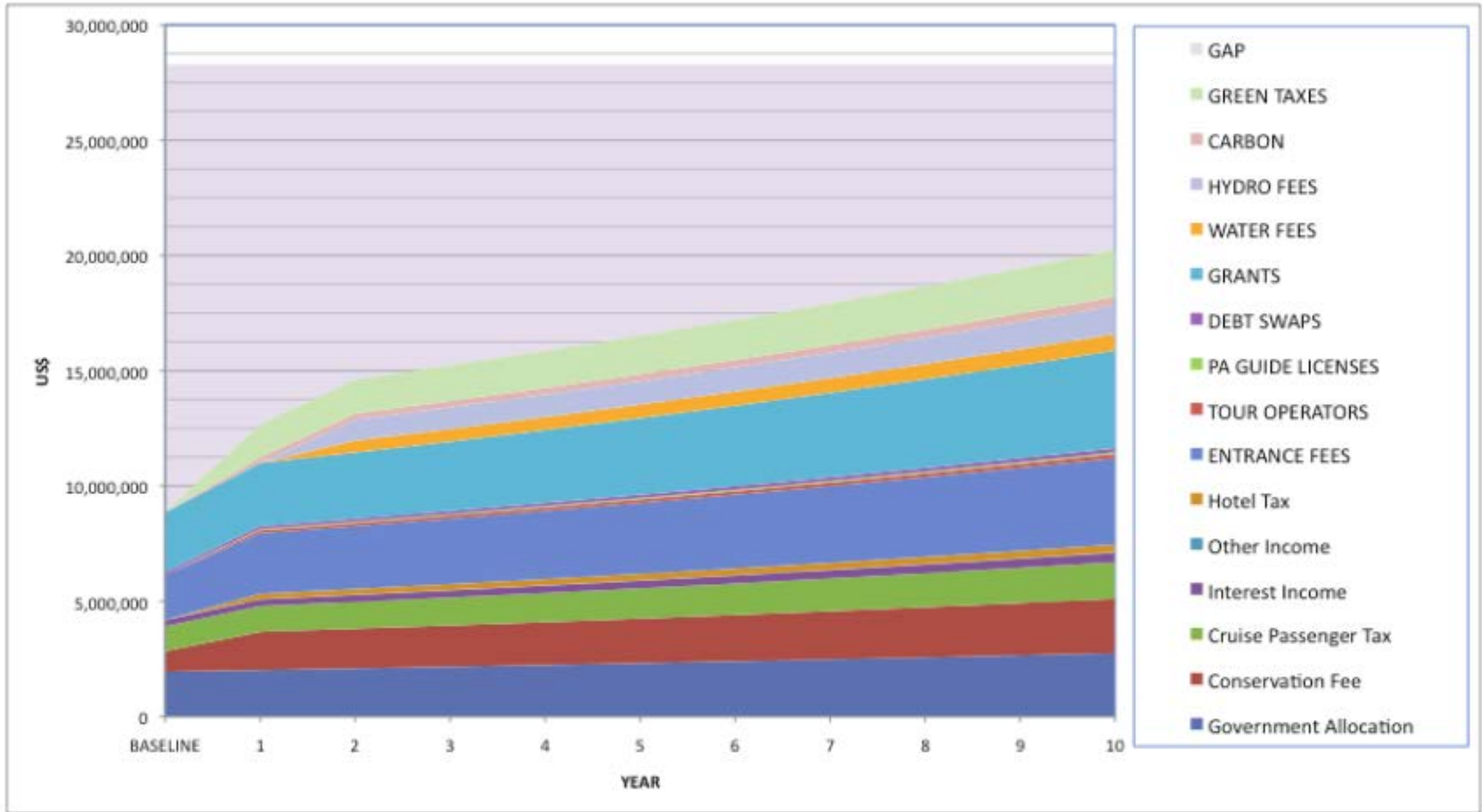


- Current funding: **\$9mm**
- Current finance gap for PA strategies: **\$19 – 29 mm**
- Gap: **\$10-20mm**

# Financial gap for PAs in Belize



# Filling the financial gap for PAs in Belize



# Tools

- BIOFIN Translated to Protected Areas Systems (PAS)
- Financial Sustainability Scorecard
- Individual PA Business Plan methods
- Proposed Protected Areas System Business Plan

This project is  
co-funded by the  
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Empowered lives.  
Resilient nations.

# THE BIODIVERSITY FINANCE INITIATIVE (BIOFIN)

*Transforming Policy and Finance Frameworks  
to Increase Biodiversity Investment*



# BIOFIN – Products & Processes

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Develop & Peer Review  
Assessment Methodologies

Finalise and Disseminate Methodologies

## Overarching National Transformational Process (co-)led by Finance/Economy/Planning with Environment

Policy &  
Institutional  
Review

Expenditure  
Review

Finance Needs &  
Gap  
Assessment

Resource Mobilisation Strategy &  
**Synthesis Recommendations**

**CBD  
COP-12**  
|

Initiate Adoption of Recommendations and  
Resource Mobilisation

2013

2014

2015

2016



# BIOFIN for PAS Processes

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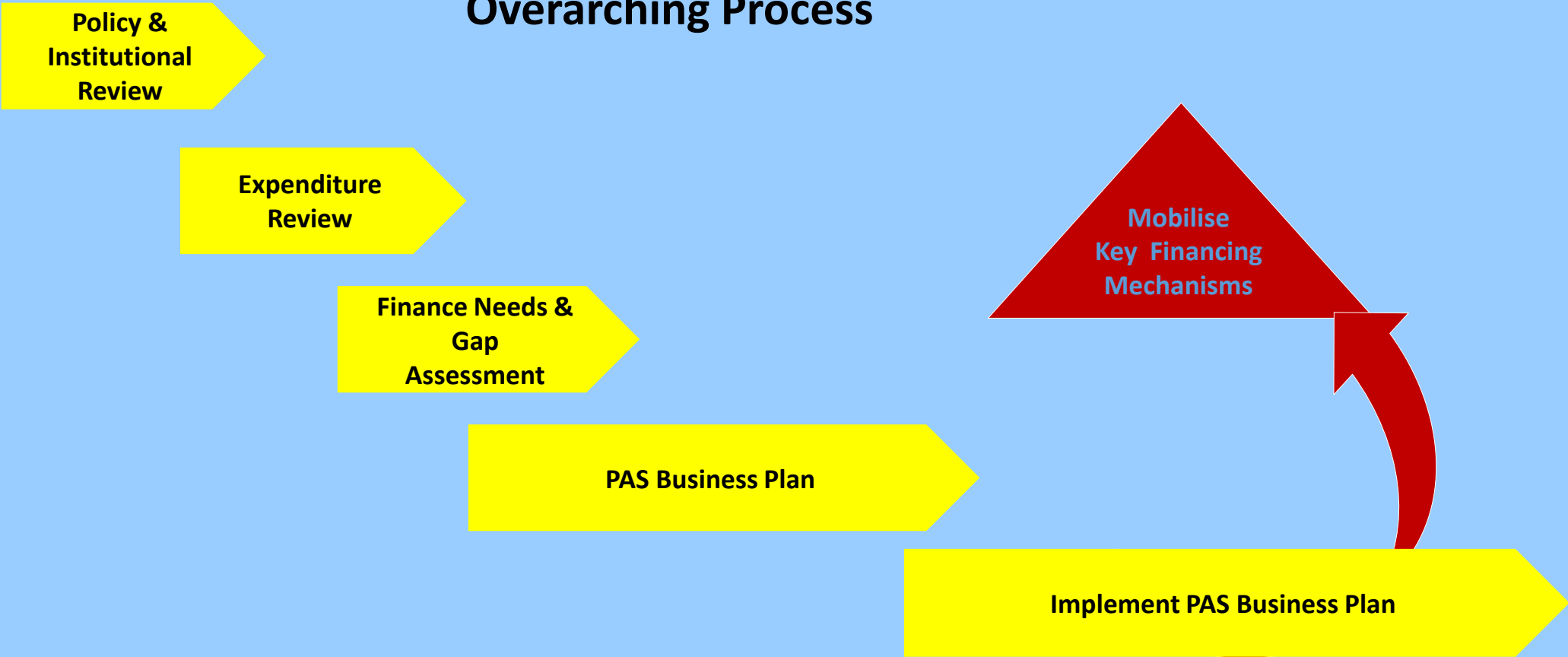
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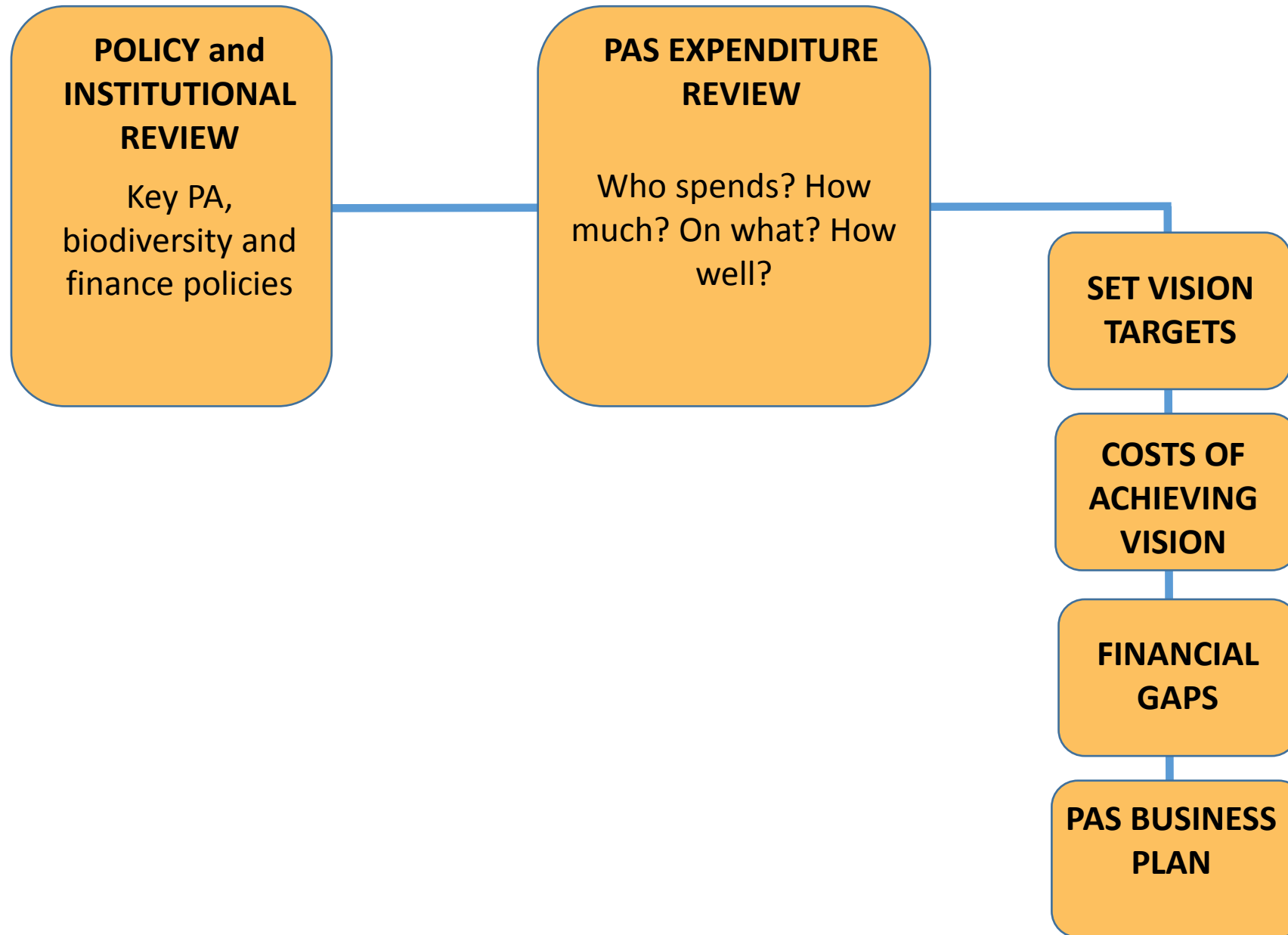


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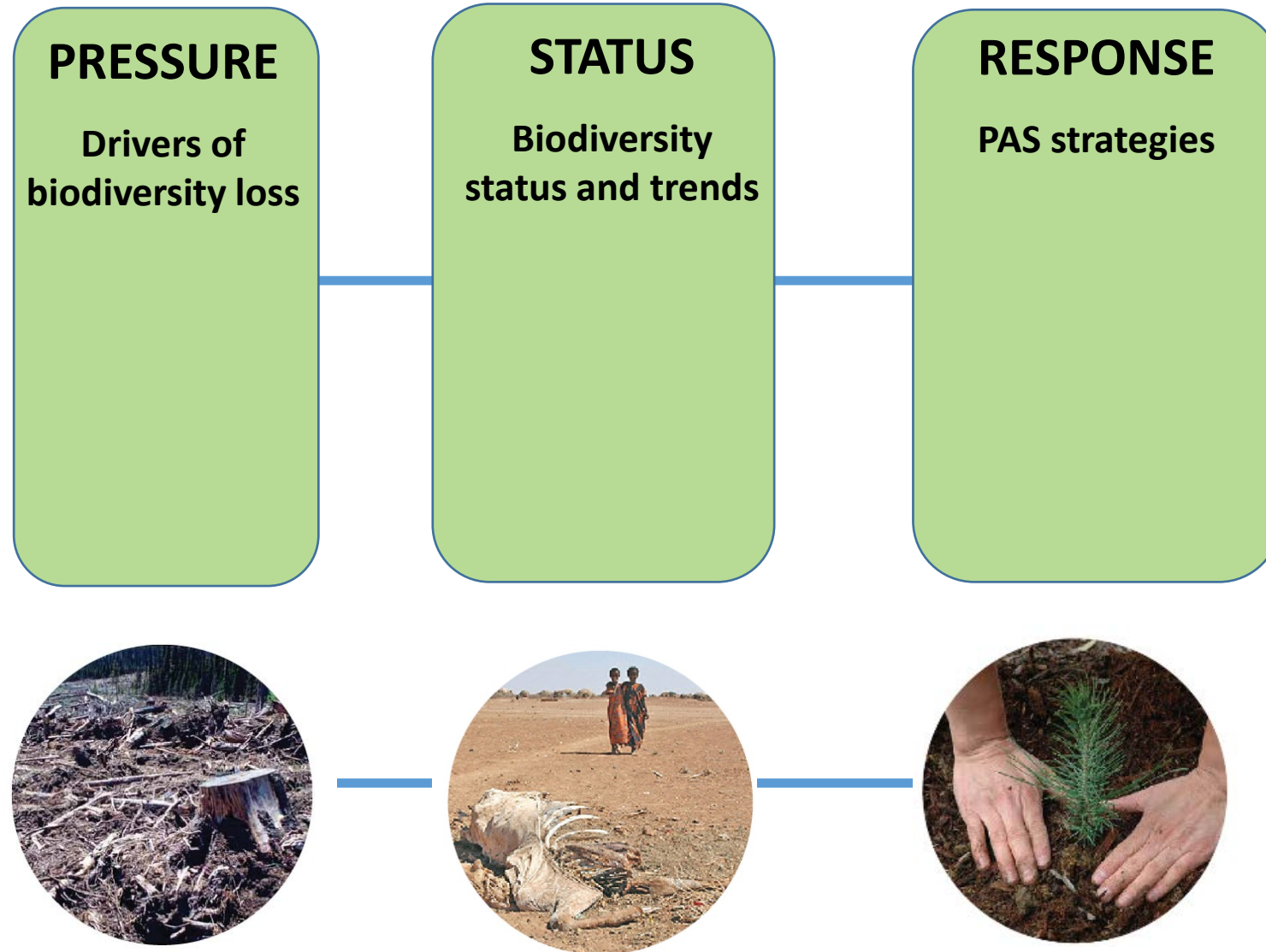
## Overarching Process



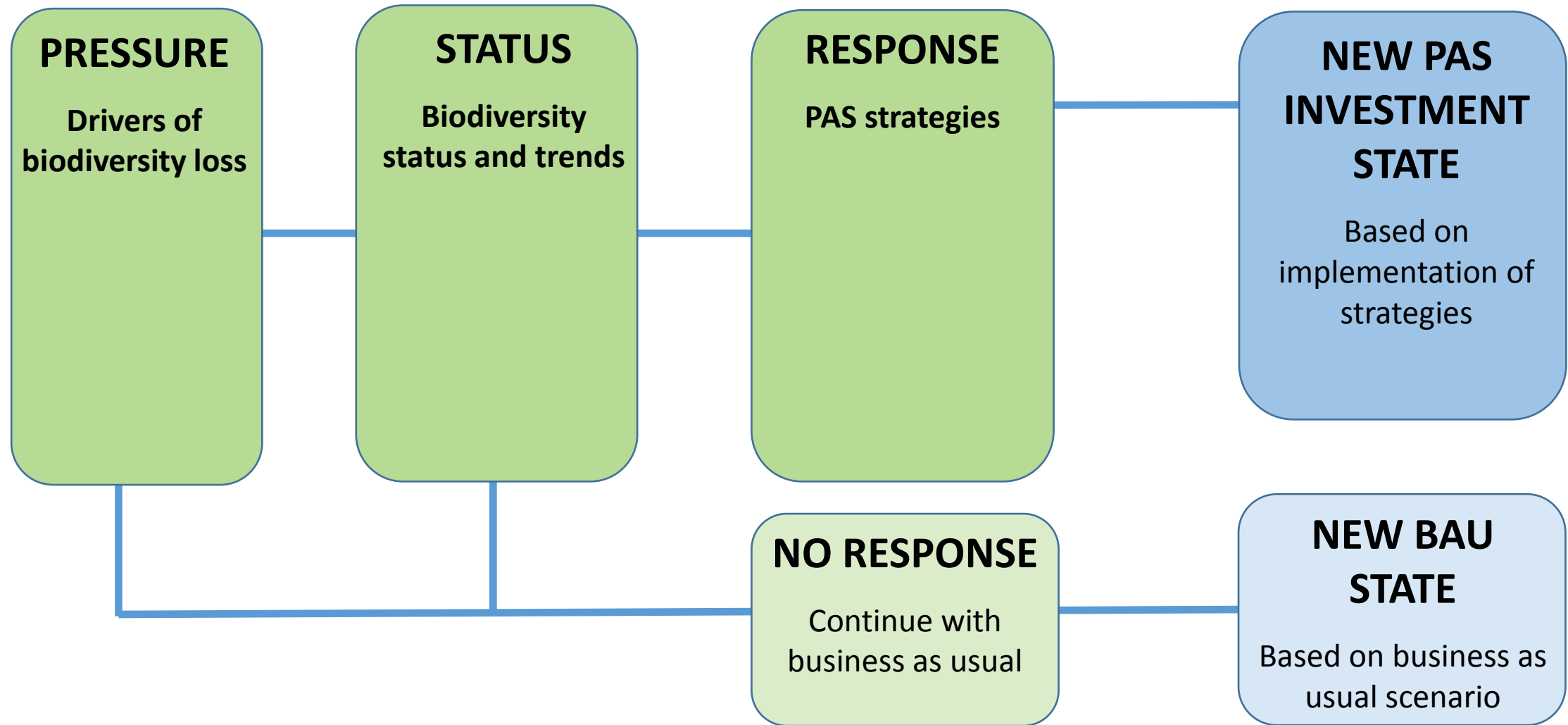
# CONCEPTUAL FRAMEWORK: PUBLIC EXPENDITURE REVIEWS



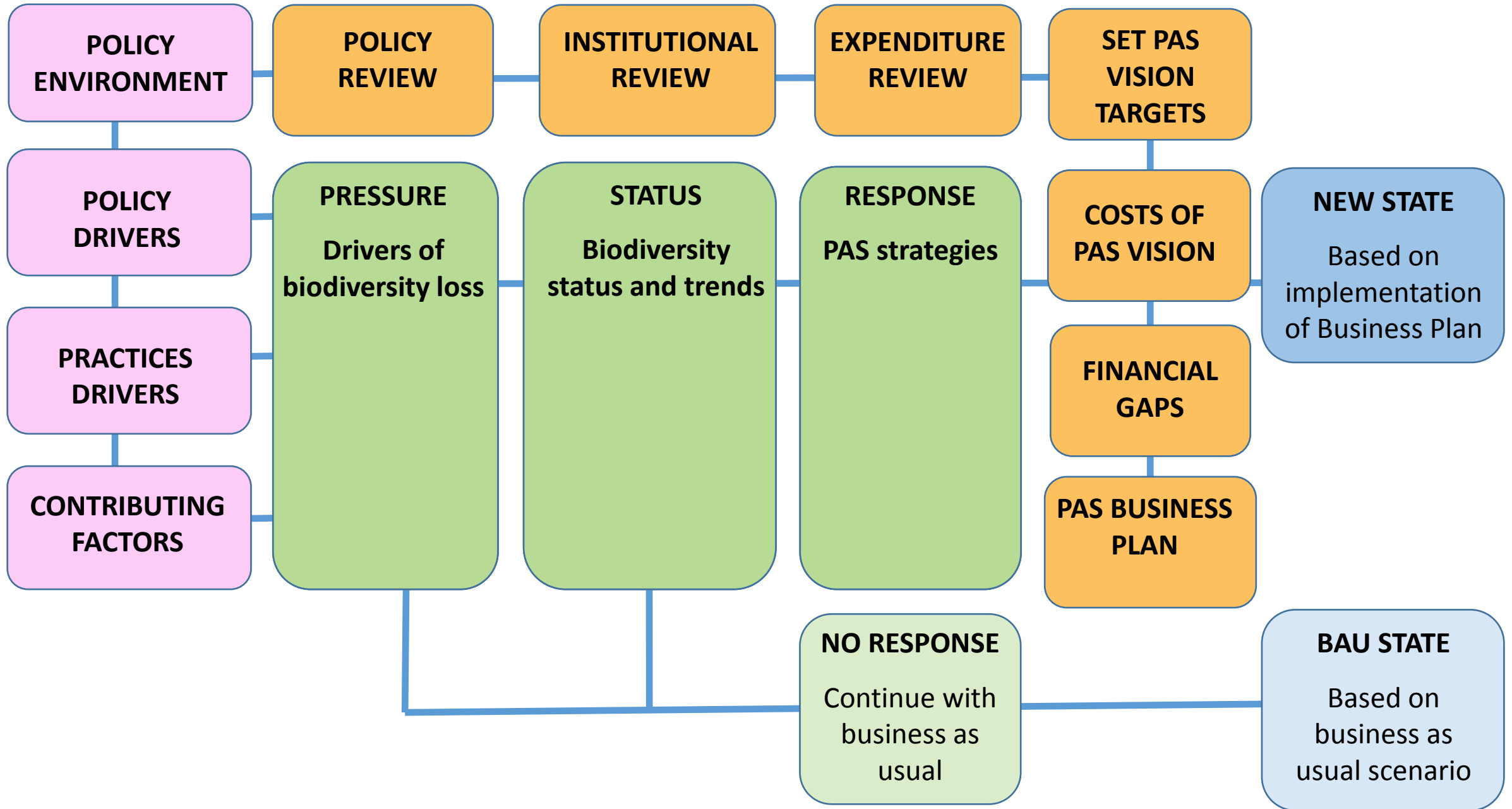
# CONCEPTUAL FRAMEWORK: PRESSURE-STATE-RESPONSE



# PRESSURE-STATE-RESPONSE WITH SCENARIO COMPARISON



# BIOFIN CONCEPTUAL MODEL



# UNDP Financial Sustainability Scorecard

Microsoft Excel - GEF BD Tracking Tool-revFeb2012



## Tracking Tool for Biodiversity Projects in GEF-3, GEF-4, and GEF-5

### Objective 1: Catalyzing Sustainability of Protected Area Systems

### SECTION III: Financial Sustainability Scorecard

**Note:** Please complete the financial sustainability scorecard for each project that is focusing on improving the financial sustainability of a PA system or an individual PA, per outcome 1.2 in the GEF biodiversity strategy. As we did in GEF-4, we will use the scorecard that was developed by Andrew Bovarnick of UNDP as it addresses our needs in a comprehensive fashion.

**The scorecard has three sections:**

Part I - Overall financial status of the protected areas system. This includes basic protected area information and a financial analysis of the national protected area system.

Part II - Assessing elements of the financing system.

Part III - Scoring.

**Important:** Please read the Guidelines posted on the GEF website before entering your data

### Part I: Protected Areas System, sub-systems and networks

**Part I** requires financial data to determine the costs, revenues and financing gaps of the PA system both in the current year and as forecast for the future. It provides a quantitative analysis of the PA system and shows the financial data needed by PA planners needed to determine financial targets and hence the quantity of additional funds required to finance effective management of their PA system. As different countries have different accounting systems certain data requirements may vary in their relevance for each country. However, where financial data is absent, the first activity the PA authority should be to generate and collect the data.

### Part 1.1 - Basic Information on Country's National Protected Area System, Sub-systems and Networks. Detail in the Table every sub-system and network within the national system of protected areas in the country.

Protected Areas System, sub-systems and networks	Number of sites	Terrestrial hectares covered	Marine hectares covered[1]	Total hectares covered	Institution responsible for PA management
<b>National System of PAs</b>					
<b>Sub-system</b>					
PA sub-system 1 - insert name					
PA sub-system 2 - insert name					
Additional Sub-Systems					

# Part I: Protected Areas System, sub-systems and networks

- Determine the costs, revenues and financing gaps of the PA system both in the current year and as forecast for the future
- Provides a quantitative analysis of the PA system and shows the financial data needed by PA planners needed to determine financial targets and hence the quantity of additional funds required to finance effective management of their PA system
- Different countries have different accounting systems - data requirements may vary in their relevance for each country. However, where financial data is absent, the first activity the PA authority should be to generate and collect the data.

# Part II: Assessing Elements of the Financing System

- **COMPONENT 1: LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORKS THAT ENABLE SUSTAINABLE PA FINANCING**
  - Support effective financial planning, revenue generation, revenue retention and management.
  - Responsibilities clearly delineated and agreed
  - Effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures.
- **COMPONENT 2: BUSINESS PLANNING AND TOOLS FOR COST-EFFECTIVE MANAGEMENT**
  - Financial planning, accounting and business planning - tools for cost-effective management.
  - Knowledge of revenues, expenditure levels, patterns and investment requirements.
  - Balancing the costs/revenues equation - revenue increases and cost control.
  - Allocating spending to match management priorities, and identifying appropriate cost reductions and potential cash flow problems.
  - Help raise more funds as donors and governments feel more assured.
- **COMPONENT 3: TOOLS FOR REVENUE GENERATION AND MOBILIZATION**
  - Attract and take advantage of all existing and potential revenue mechanisms.
  - Diversification of revenue sources - reduce vulnerability to external shocks and dependency on limited government budgets.
  - Traditional funding sources – tourism entrance fees – along with innovative ones such as debt swaps, tourism concession arrangements, payments for water and carbon services and in some cases, carefully controlled levels of resource extraction.



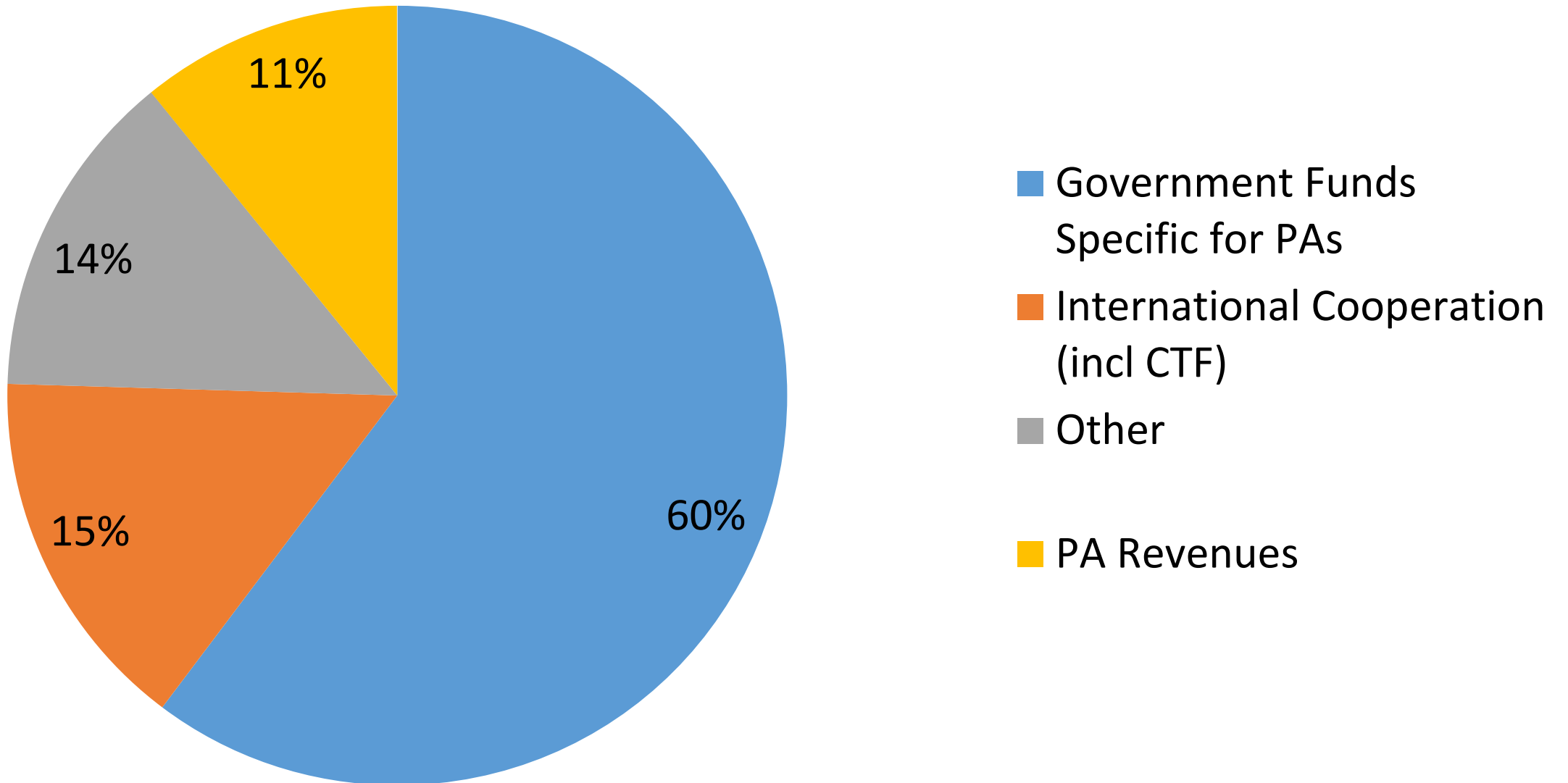
# Protected Areas System BUSINESS PLAN

- Executive Summary
- PAS System – Economic Valuation (where possible)
- Conservation Vision and Targets
- Strategic and Action Plan – how will we achieve our vision
- Action Plan Costs 5-10 years
- Historical Financing
- Financing Needs (Gap)
- Proposed Financing Mechanisms
  - Government – Contribution to GDP, Taxes, and Economic value
  - Site Based Revenues
  - Other Sources
- Conclusions and Return on Investment

# Funding Mechanisms

- Government
  - General Treasury Sources
  - Earmarked Taxes – Green taxes
  - Compensation Fees / Compliance Offsets
- Donors and Trust Funds
  - Unilateral and Multi-lateral donations / loans
  - Conservation Trust Funds – Debt Swaps
  - Foundations / Associations
- Site Based Fees
  - Park Entrance
  - Specialized Leisure Activity (diving, fishing, other)
  - Lodging – direct and concessions
  - Commercial Activities (phone towers, sustainable exploitation, etc.)
  - Payment for Ecosystem Services (Water, Carbon, Biodiversity)
- Private Sector / Markets
  - CSR
  - Biodiversity Offsets
- Other

## PA Financing Sources for LAC Region



# Open Discussion