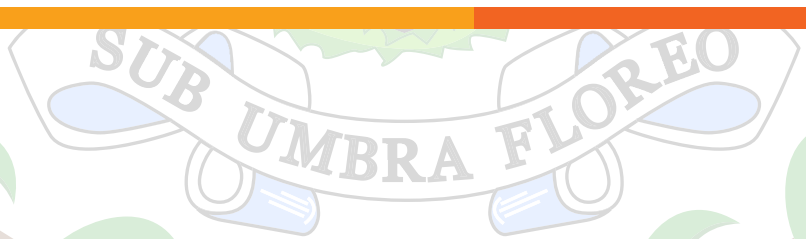


UNITED NATIONS DEVELOPMENT PROGRAMME
BIODIVERSITY FINANCE INITIATIVE
BIODIVERSITY FINANCE PLAN
EXECUTIVE SUMMARY



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Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety



Schweizerische Eidgenossenschaft
 Confédération suisse
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Foreword

Biodiversity conservation is a critical component of the global strategy for environmental protection and sustainable development. Biodiversity preservation is key to maintaining the ecological systems that support water production and food security and is the basis of livelihoods for many forest-dwelling and dependent communities. Notwithstanding its demonstrated importance, the world's biodiversity is under threat of loss due to several factors including rapid population growth, pollution and climate change.

The Convention on Biological Diversity - Conferences of Parties 11 – identified the urgent need for financing global and national strategies to reverse declining levels of biodiversity. In response, the United Nations Development Programme, the European Commission, the Governments of Germany, Switzerland, Norway and Flanders launched the Biodiversity Finance Initiative (BIOFIN). The overarching objective of BIOFIN is to deliver a new methodological framework, facilitating the identification, development and implementation of optimal and evidence-based finance plans and solutions. In 2016, under the leadership of the Ministry of Agriculture, Forestry, Fisheries, Environment, Climate Change and Immigration, the Government of Belize adopted the Biodiversity Finance Initiative with the intent of quantifying and addressing the funding challenges for biodiversity conservation in Belize.

The result of applying the BIOFIN approach in Belize is The Biodiversity Finance Plan (BFP) presented here as the fourth output of BIOFIN Phase 1. The Plan proposes a suite of biodiversity finance solutions, which are capable of raising the financial and other resources required to achieve the country's biodiversity targets in accordance with the activities of the National Biodiversity Strategy and Action Plan (NBSAP), the long-term development strategy Horizon 2030, and the Sustainable Development Goals (SDGs). Belize acknowledges the urgency of effecting the finance plan given the reality that its economic stability strongly links to the conservation of its biological resources. In fact, two of Belize's major growth sectors – tourism and agriculture – rely directly on biodiversity as an asset base. Belize markets itself as “Mother Nature's best kept secret” promoting its forests and waters as tourist attractions. Much of Belize's agriculture is rain-fed, consequently, the sector's productivity benefits from the water regulation provided by the country's tropical forest catchments. The long-term health and viability of these two industries will depend on the success of the NBSAP that in turn depends on the success of the Biodiversity Finance Plan that provides solutions to enable the implementation of the NBSAP.

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List of Abbreviations

BER	Biodiversity Expenditure Review
BFP	Biodiversity Finance Plan
BIOFIN	Biodiversity Finance Initiative
CBB	Central Bank of Belize
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism
CEO	Chief Executive Officer
CIA	Central Intelligence Agency
CSF	Critical Success Factors
DFC	Development Finance Corporation
DNS	Debt for Nature Swap
DOE	Department of the Environment
ESIA	Environmental and Social Impact Assessment
EF	Environmental Fund
FNA	Financial Needs Assessment
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GOB	Government of Belize
GSDS	Growth and Sustainable Development Strategy
IMF	International Monetary Fund
MAFFESDI	Ministry of Agriculture, Forestry, Fisheries, The Environment, Sustainable Development and Immigration
MD	Ministry of Defense
ME	Ministry of Education
MED	Ministry of Economic Development
MFNR	Ministry of Finance and Natural Resources
MTCA	Ministry of Tourism and Civil Aviation

NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-government Organization
NPAS	National Protected Areas System
OECD	Organization of Economic Cooperation and Development
PA	Protected Areas
PACT	Protected Areas Conservation Trust
PIR	Policy and Institutional Review
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RMP	Resource Mobilization Plan
UNDP	United Nations Development Program
UNEG	United Nations Evaluation Group
WWF	World Wildlife Fund

Executive Summary

Biodiversity conservation is a critical component of the social, environmental and economic setting of Belize. Biodiversity deterioration can have profound consequences: since the loss of biodiversity is virtually irrevocable, the impacts on the human condition and the environment are immense. Belize is a developing country with a heavy reliance on its natural resources for economic activity and growth. However, Belize faces financing challenges to implement activities for the effective conservation and management of biodiversity, particularly, the implementation of the National Biodiversity Strategy and Action Plan (NBSAP). Left unresolved, these financing challenges could undermine conservation efforts and adversely affect economic stability and growth prospects in the long-run.

The Biodiversity Finance Initiative (BIOFIN), launched in Belize in September 2016 and implemented by the Government of Belize through the Ministry of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration (MAFFESDI), will help to identify the critical institutional and finance gaps in Belize as well as develop and implement a targeted resource mobilization strategy for biodiversity finance.

The BIOFIN process delivers four (4) outputs: three (3) assessments and one (1) plan. Specifically, the BIOFIN Outputs are: 1) a Policy and Institutional Review (PIR), 2) a Biodiversity Expenditure Review (BER), 3) a Financial Needs Assessment (FNA) and 4) a Biodiversity Finance Plan (BFP). Included as a component of the

BFP is a Resource Mobilization Plan (RMP), which serves to guide the pooling and allocation of resources for the implementation of Belize's NBSAP targets and the finance solutions.

According to the FNA, the NBSAP requires substantial financing for its implementation - an approximated BZ\$70.3MN to achieve all NBSAP targets and BZ\$49.8MN to achieve prioritized NBSAP targets. The BFP proposes the implementation of a full suite of biodiversity finance solutions to assist in funding the cost of implementing Belize's NBSAP and prioritized NBSAP targets. The aim of the BFP is to examine the opportunities and challenges of different finance solutions to determine the solutions which will 1) generate revenue, 2) deliver better biodiversity results, 3) realign expenditure, and/or 4) avoid future expenditure. Ultimately, the BFP recommends a suite of finance solutions capable of raising the funds needed for Belize to achieve its NBSAP Targets. The BFP followed a robust development process involving a series of assessments for both the prioritization of finance solutions and the prioritization of financing sources for resource mobilization based on contextual compatibility with Belize. First, a rapid scan was conducted which identified a pool of twenty-five (25) potential finance solutions. Then a rapid screening assessment was conducted which reduced the pool of potential finance solutions to sixteen (16) relevant and workable finance solutions. To conclude, a detailed screening assessment was conducted which identified six (6) priority finance solutions proposed for implementation.

The BFP presents and proposes the possible application of these six (6) prioritized finance solutions:

1. **Strengthening Environmental Funds** Up-scaling existing EF's in Belize, i.e. bringing management operations in line with international best practices to improve effectiveness;
2. **Green Debt** Tax subsidies to financial institutions that lend money for 'green' projects;
3. **Crowdfunding** Pooling donation revenues from willing parties and individuals for the sustainment of PAs in Belize;
4. **Compensation for Planned Environmental Damage** requires developers to carry out restoration of critical areas to offset damage/ degradation of landscapes caused by their development project.
5. **Debt-for-Nature Swap** donors purchase commercial debt, or creditors agree to provide debt service relief in exchange for conservation and sustainable management of critical ecosystems.
6. **Carbon Market** Trading (exporting) emission offsets generated by NPAS and ecosystem conservation by private landowners.

Other solutions include:

7. **Grants** Seeking grant funding to raise financing for biodiversity-related projects (in particular, securing parcels of lands for sustainable management as biological corridors).
8. **Establishment of a Biodiversity Office/ Department** Formation of an entity responsible for managing, monitoring and reporting on the implementation of the NBSAP in Belize.

These solutions were found contextually compatible with Belize to support sustainable finance for implementing the NBSAP and achieving NBSAP priority targets.

