

No	Finance solution	Objective
6C	Payment for negative externalities of coal power generation	To establish a mechanism to arrest negative externalities of coal power generation under the “polluter pays” principle.
7	Green bonds: Issuing international sovereign green bonds	To raise funds from international capital markets by issuing sovereign bonds with a restricted purpose of investing in biodiversity
8	Eco-tourism: Promoting ecotourism practices in the small-scale	To promote “nature-based” tourism services with emphasis on conservation and sustainable use of biodiversity and ecosystems.
9A	Conservation license plates: Green license plates for motor vehicles	To mobilize funds for investing in biodiversity and to promote social recognition of caring environment with a voluntary payment for “green” number plates
9B	Conservation license plates: Green bank cards	To mobilize funds for investing in biodiversity and to promote social recognition of caring environment with voluntary payment for “green” credit and debit cards
10	Carbon markets: Introduction of a voluntary CO2 carbon trading mechanism in Sri Lanka	To promote carbon-neutral production and, thereby to generate funds through carbon trading
11	Lobbying for public budget allocations for increased spending on biodiversity	To increase government’s annual budgetary allocation for spending on biodiversity with increased number of projects for biodiversity spending
12	Revenue from environmental penalties to enhance current revenue or to minimize future costs	To make use of environmental penalties either to increase spending on biodiversity or to reduce negative impacts on biodiversity
13	Diaspora Financing and investment: mobilization of foreign private remittances	To raise international finance from private remittance flows for investing in biodiversity

How Can You Help the Initiative?

We are still looking for innovative ideas that could be used to bridge the existing gap between the required amount of resources and the current availability. If you are interested to know more and contribute towards this effort please contact us.



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BIOFIN

SRI LANKA

BIODIVERSITY

FINANCE

INITIATIVE

MOBILISING

RESOURCES

FOR BIODIVERSITY

AND SUSTAINABLE

DEVELOPMENT

Sri Lanka, a tropical island nation in the Indian Ocean, is considered a global hotspot for biodiversity. From the central highlands to the coastal corals, Sri Lanka has the highest species density for flowering plants, amphibians, reptiles and mammals in the Asian region; a considerable number of these species are found only on this island.

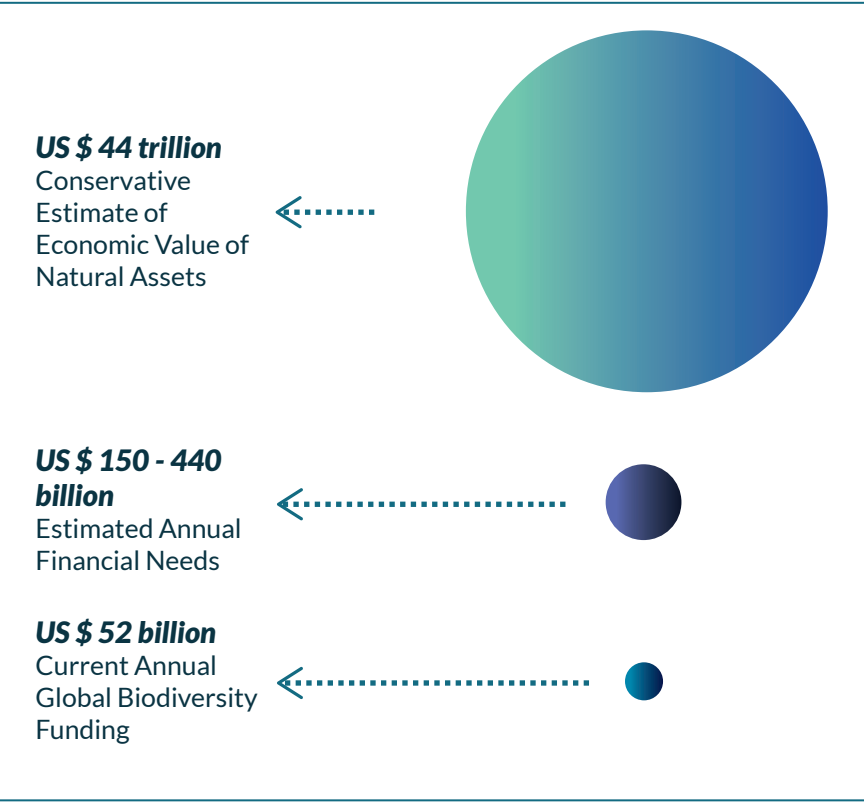
The south-western quarter of the country, known as the Wet Zone, is recognized as one of 35 globally significant biodiversity ‘hot spots’. While the Wet Zone is rich with a multitude of species, at least 70% of its original habitats and natural forests have been lost. This is also the most populous area of the country and contains large scale agriculture including plantations, most of the highly populated urban and peri-urban areas and industrial zones. That means we must act fast and in a smart way to conserve the biodiversity capital we have been endowed with.

A few examples of such species:

Species in Sri Lanka		Endemic to Sri Lanka
91	Fresh Water Fish	50
501	Spiders	257
205	Ants	33
253	Land Snails	205
111	Amphibians	95
51	Fresh Water Crabs	50
118	Dragonflies	47
209	Reptiles	129

The Value of Biodiversity

The figure below shows a numeric estimate to the value of biodiversity globally. It also provides an estimate of the investments required for protection in comparison to the current investments made.



What is BIOFIN?

To address the existing resource gap, the United Nations Development Programme (UNDP) with support from the European Union and the Governments of Germany, Norway, Switzerland and Flanders has launched the Biodiversity Finance Initiative (BIOFIN).

Under this BIOFIN initiative, UNDP will:

- ➔ Develop and pilot a new approach and methodology to fill the financing gap for
- ➔ Support Convention on Biological Diversity parties in reporting on resource mobilization (Financial Reporting Framework)
- ➔ Assist countries to better mobilize and align domestic and international finance for biodiversity, including the implementation of National Biodiversity Strategic Action Plans, and to achieve the Sustainable Development Goals.

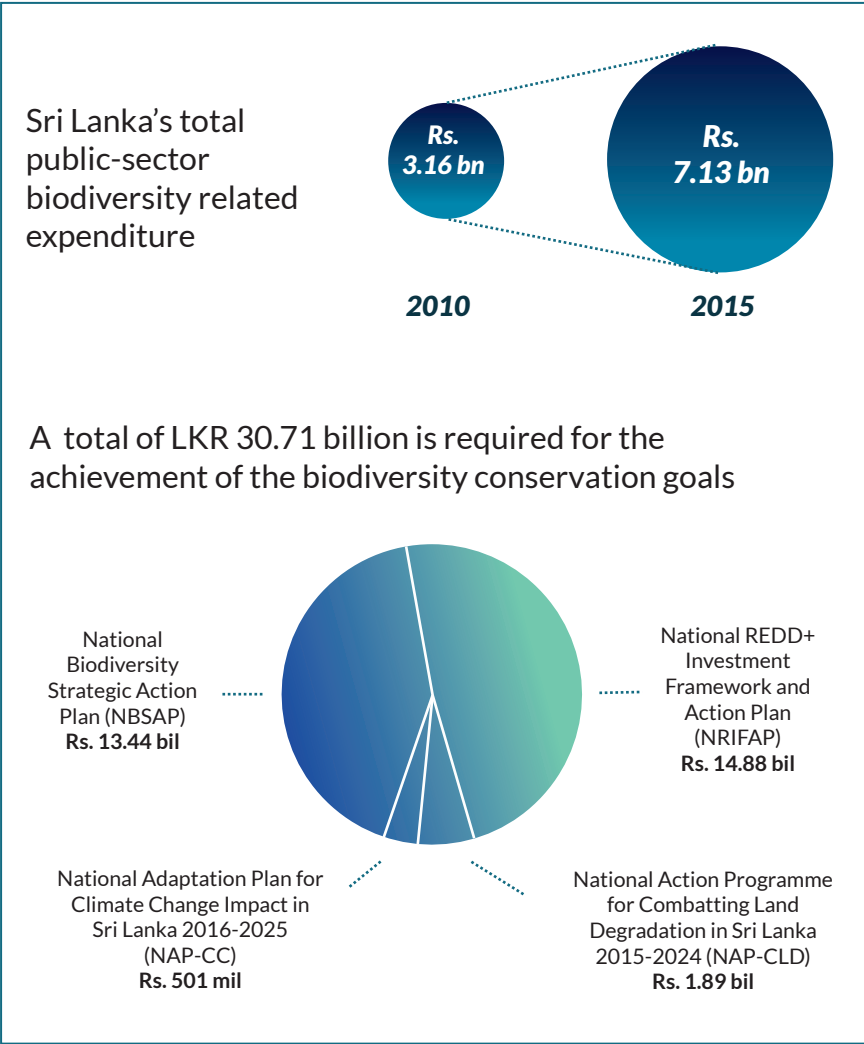
Financing and Policy Gaps for Biodiversity Conservation

Biodiversity receives low attention among key policy makers, financial experts, bankers and leaders both from the public and private sector in Sri Lanka. However, the existing legal and sectoral policy framework comprising of the Constitution, laws and policies, adequately supports biodiversity conservation. Currently, there is a growing interest from institutions such as government agencies, Civil Society Organizations, private sector and academia to support biodiversity conservation in natural and agricultural systems. Even agencies traditionally didn't have biodiversity related programmes are now beginning to consider biodiversity in their work.

The national budgetary allocations are the main source of biodiversity related funding for all conservation agencies. Some of the additional finance needs are met through projects external funds as grants and/or loans.

Biodiversity Finance Needs and Current Spending

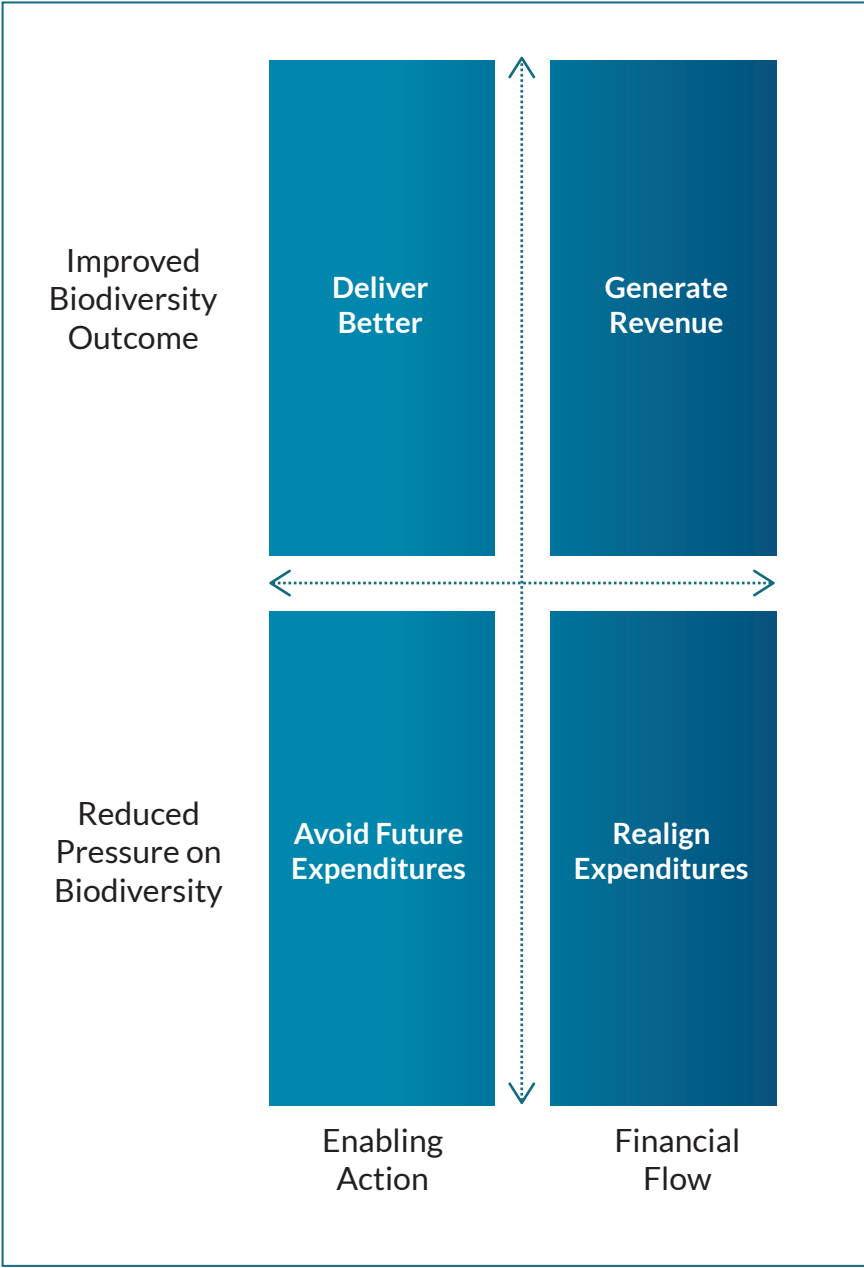
To further analyze the financial gaps for Biodiversity Conservation in Sri Lanka, a study was conducted using expenditure data covering 2010-2015.



Biodiversity Finance Plan

BIOFIN project with the inputs of experts on biodiversity financing have identified several innovative financing options available for Sri Lanka to mobilize the required amount of resources. BIOFIN believes that there are several ways to bridge the gap between available resources and the required.

Delivering better (increased efficiency), avoid future expenditures related to restoring the biodiversity, realigning expenditures in a way biodiversity related outcomes are also to be achieved and generate additional revenue for achieving biodiversity related outputs are the ways we could bridge the gap between existing and required resources.



Therefore some of the financial solutions proposed for Sri Lanka are not entirely for raising new resources but also for avoiding future costs and delivering better.

Proposed Financial Solutions for Sri Lanka

Following is a list of proposed financial solutions for Sri Lanka.

No	Finance solution	Objective
1	Sustainable Standards and Certification: Introduction of Sustainable Tourism	To encourage service providers within the tourism sector to adopt sustainable tourism norms and standards which would have a positive impact on biodiversity
2	Eco-labels: Introduction of an Eco Label for products with certified sustainable	To encourage production and consumption of goods and services according to the norms and standards that would promote conservation and sustainable use of biodiversity
3	Green Lending: "Green Financing" under the Sustainable Banking	To encourage commercial banks to prioritize bank lending to business activities with in-built mechanisms aimed at adopting sustainable environment and biodiversity norms and standards (Pilot project)
4	Corporate Social Responsibility and its increased share in biodiversity conservation	To encourage the corporate sector to ensure a minimum share of the CSR allocation for conservation of biodiversity
5	Lotteries: a lottery for biodiversity conservation	To mobilize financial resources to fund national projects and programmes for conservation of terrestrial and marine biodiversity
6A	PES: Payment for watershed management at mini-hydro power plant	To improve watershed management through a PES scheme for enhancing and sustaining hydro-power generation by a private power producer
6B	PES: Payment for watershed management for hydropower	To improve watershed management through a PES scheme for enhancing and sustaining hydro-power generation by the state-owned power generation sector