

UNITED NATIONS DEVELOPMENT PROGRAMME

BIODIVERSITY FINANCE INITIATIVE

FINANCIAL NEEDS ASSESSMENT

EXECUTIVE SUMMARY



This project is
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Environment, Nature Conservation,
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Foreword

The Convention of Biological Diversity - Conferences of Parties 11 identified the urgent need for allocated financing towards achieving global and biodiversity goals. In response, the United Nations Development Programme, the European Commission, the Governments of Germany, Switzerland, Norway and Flanders launched the Biodiversity Finance Initiative (BIOFIN). Belize launched the Biodiversity Finance Initiative in 2012, through the Ministry of Agriculture, Forestry, Fisheries, the Environment, Climate Change and Sustainable Development of the Government of Belize, with the purpose of addressing the funding challenges for biodiversity.

The Financial Needs Assessment (FNA) is the third output of BIOFIN, that assists in estimating the funds required to achieve the biodiversity targets of the country in accordance with the activities of the National Biodiversity Strategy and Action Plan (NBSAP). It will help policy makers in understanding the total cost implications for implementing each NBSAP activity and aggregate the total cost for all strategies and actions within the NBSAP.

Belize recognizes the importance of biodiversity as these natural assets contribute greatly to its natural resource-based economy. The success of two of Belize's major economic forces, tourism and agriculture, have strong ties to the health of biodiversity along with other industries. F

In this regard, the FNA along with BIOFIN contributes to the fulfillment of the NBSAP which is in alignment with Belize's long-term development strategy Horizon 2030. The scope also embraces the Sustainable Development Goals (SDGs). It is aspired that this report will encourage discussion among the policy makers about the means for investing in Belize's biodiversity while achieving our country's long-term goal of sustainable, economic and social development.

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List of Abbreviations

ABC	Activity Based Costing
BER	Biodiversity Expenditure Review
BFP	Biodiversity Finance Plan
BIOFIN	Biodiversity Finance Plan
CBD	Convention on Biodiversity
CEO	Chief Executive Officer
CIA	Central Intelligence Agency
CSF	Critical Success Factors
DOE	Department of the Environment
FNA	Biodiversity Financial Needs Assessment
IMF	International Monetary Fund
GDP	Gross Domestic Product
GOB	Government of Belize
GSDS	Growth and Sustainable Development Strategy
MAFFESDI	Ministry of Agriculture, Forestry, Fisheries, The Environment, and Sustainable Development
MC	Maintenance Cost
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 Area
PACT	Protected Areas Conservation Trust
PIR	Biodiversity Finance Policy and Institutional Review
RBB	Results-based Budgeting
RBC	Results-based Costing
UNDP	United Nations Development Program
UNEG	United Nations Evaluation Group

Glossary of Terms

Activity Based Costing: An accounting method that identifies and assigns costs to overhead activities and then assigns those costs to products.

Biodiversity: Biological diversity means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; includes diversity within species and of ecosystems¹.

Biodiversity Finance: The practice of raising and managing capital and using financial incentives to support sustainable biodiversity management.

Environmental Sustainability: Concerned with whether environmental resources will be protected and maintained for future generations.

Finance Need: The required estimate of financial resources to implement an activity.

Labour Cost: The wages and salaries paid to an individual for an activity.

Overhead Costs: Daily indirect operational cost attached to an entity (cost not directly attributed to an activity).

Project Cost: The overall cost estimate of executing a project (including labour and overhead costs).

Protected Area: Geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.

1. Convention on Biological Diversity



Executive Summary

The Biodiversity Finance (BIOFIN) Initiative was launched in 2012 by the United Nations Development Programme (UNDP) with support from the European Union, and the Governments of Germany, Switzerland, Norway, and Flanders to address the global challenge of funding biodiversity management, conservation, and sustainable development.

The goals of BIOFIN include the following:

1. Develop and pilot a new approach and methodology to fill the financing gap for biodiversity;
2. Support CBD parties in reporting on resource mobilization (Financial Reporting Framework);
3. Assist countries to better mobilize and align domestic and international finance for biodiversity, including implementation of NBSAPs, and to achieve sustainable development goals.

The BIOFIN Initiative, launched in Belize in September 2016 and implemented by the Government of Belize through the Ministry of Agriculture, Forest, Fisheries, Environment, and Sustainable Development, 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 consists of four assessments i.e. the Policy and Institutional Review (PIR), Biodiversity Expenditure Review (BER), the Financial Needs Assessment (FNA) and the Biodiversity Finance Plan (BFP). The

FNA seeks to estimate the cost of implementing a country's National Biodiversity Strategy and Action Plan (NBSAP).

The FNA followed a six-step process i.e. 1) preparation, 2) scoping and clarifying the NBSAP actions, 3) desktop study and initial costing tables, 4) refining the cost models, 5) analyzing costing results, and 6) estimating the financial needs. The FNA involved converting the NBSAP targets into a series of 'costable' actions and steps and using the activity-based costing method to estimate implementation costs. A prioritization exercise identified seven of twenty targets as high-priority.

The seven prioritized NBSAP Targets are:

1. By 2020, Belize's NBSAP is being implemented effectively, monitored and evaluated, and is achieving the desired outcomes
2. By 2025, key ecosystem services are sustainably managed and resilient to threats.
3. By 2020, accurate and current data on Belize's natural resources and environmental services inform relevant national development decisions.
4. By 2020, Belize is restoring 30% of degraded ecosystems to maintain and improve the status of ecosystems and ecosystem services.
5. By 2025, there is a 20% reduction in terrestrial impacts and illegal fishing from transboundary incursions.
6. Between 2018 and 2030, no species will become functionally extinct in Belize.
7. By 2020 Belize has promoted and implemented a national harmonized system of environmental standards that foster environmental responsibility and sustainability.

The cost of implementing Belize's NBSAP was estimated at BZ\$70.3MN, while the cost of the seven prioritized NBSAP targets was BZ\$49.8MN (over a ten-year period). It was also estimated that completion of the NBSAP would result in 51% compliance with Global Aichi Targets and by extension compliance with Global Aichi targets would cost BZ\$138.5MN.

The projected share of the MAFFESDI allocation of the National Budget is expected to decline, which heightens the need for greater focus on results-based budgeting and targeted expenditure. A careful review of existing projects and programs with a view to identify synergies and avoid duplication could provide significant benefits. In addition, a results focus can help the MAFFESDI to attract project and donor funding aligned with national development plans to complement existing programs and initiatives.

Belize's NBSAP focuses mainly on protection and reducing pressures. Policy makers will need to revisit strategic intent to determine whether efforts and resources should be rebalanced to achieve greater parity between thematic areas as evidenced in the estimation of compliance with global Aichi targets. Greater focus on biodiversity as a catalyst for sustainable development, as opposed to an impediment, could lead to greater buy-in from policymakers and the private sector.

Additional findings/recommendations arising from the assessment include the need for:

- Improved tracking of public sector expenditure;
- Alignment of donor funds/project financing with national development plans particularly the NBSAP;
- Increased focus on the results of programs; and
- A revision of existing programs for effectiveness in achieving national development targets.

