

UNDP Thailand: BIOFIN's Policy Brief



Finance is the key to conserving Thailand's biodiversity

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On April 24, we were honored to have Her Royal Highness Princess Maha Chakri Sirindhorn inaugurate UNDP BIOFIN Day in Thailand. The Princess conveyed a strong message to the whole country that it is time for all Thais, including the private sector, to contribute to conserving Thailand's unique biodiversity.

"It is not just the responsibility of the public sector. Producers and consumers and also the private sector, who directly or indirectly benefit from biodiversity, should consider investments in protecting and restoring biodiversity resources," she said.

Her Royal Highness's speech revealed one big challenge for Thailand in protecting its environment: Awareness of the significant contribution of biodiversity to the country's economic and societal well-being is still limited. This impedes the deployment of significant resources towards conserving biodiversity, and accessing and using natural resources in a sustainable manner.

BIOFIN - the Biodiversity Finance Initiative - is a global partnership seeking to help countries to design effective strategies and to mobilise all resources to support the conservation and rehabilitation of biodiversity. Managed by the UNDP, the initiative provides support for countries to initiate a

national policy dialogue and transformational process to identify and mobilise the resources and develop the policies required to bridge the gap between the current approach to financing biodiversity conservation to successfully achieve the national biodiversity targets.

Analysis conducted by UNDP BIOFIN Thailand has found that current funding levels for biodiversity conservation in the country are insufficient and that the country will need at least US\$6 billion (Bt1.99 trillion) over the next five years to adequately restore ecosystems and biodiversity resources, which is around four times higher than the current expenditure levels. Funding for biodiversity conservation in Thailand mainly comes from two sources - the government's own budget and Foreign Official Development Assistance. Biodiversity-related expenditure by the government makes up as little as 0.5 per cent of the overall budget and just 0.1 per cent of its gross domestic product.

Looking closer at the benefits Thailand gains from biodiversity resources and comparing this with the financial resources that are channelled back for preservation and restoration the ecosystems, it is evident that there is a large discrepancy. Billions of dollars are made in sectors that in one way or another benefit from Thailand's biodiversity and yet very limited resources are channelled back towards conservation, preservation and restoration. While the government and the BIOFIN initiative are working together to find better ways to realign and manage state finances to address this gap, there is no way that the government can do it alone. The private sector, as well as the general public, needs to do their part.

So while nature provides a treasure trove of resources which the private sector is able to harness, current practices create threats of over-exploitation, deforestation, habitat loss and environmental-unfriendly agricultural practices. Without concerted efforts to implement financing solutions for biodiversity conservation, the country will not be able to maintain the stream of benefits flowing from these resources. As Her Royal Highness said, conserving and restoring biodiversity is not solely the responsibility of the public sector. It is time for the private sector to step up, take responsibility and invest, to prolong the life of Thailand's unique biodiversity and conserve its ecosystems.

Globally, private "green" finance is on the rise, notably in sustainable sectors such as organic farming and certified forestry. Pledges towards the Green Climate Fund have surpassed \$10 billion and green bonds issuance is approaching \$50 billion. Thailand can ride the crest of the wave in biodiversity financing and innovate on financial instruments.

The UNDP's key message on BIOFIN Day in Thailand was that biodiversity and ecosystems are the house we live in and the garden around it. We need to take care of the house and the garden otherwise both will deteriorate. There will come a time when this house will no longer provide the shelter we need and the garden will no longer provide the food that sustains our lives, the medicine that cures us and keeps us healthy. Each and every one of us is responsible for our share of the negative impact. Let us be responsible and contribute to our share of the solution.

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