

Biodiversity Finance in Ireland

A Financial Needs Assessment for Ireland's Biodiversity



Presentation overview

- Pressures on Irish biodiversity
- The BIOFIN approach
 - National Biodiversity Expenditure Review (NBER)
 - Policy and Institutional Review (PIR)
 - Financial Needs Assessment (FNA)
- Where the CIEEM community can help

Pressures on Irish biodiversity

91% of Ireland's habitats designated under EU law are of 'inadequate' or 'bad' status

53% of species protected under EU law are in favourable conservation status

183% increase in number of high impact invasive alien species, from 1961 to 2010

10% of Ireland's 31,500 species have had their conservation status assessed

Of those, **3%** are now extinct



Pressures on Irish biodiversity

- Agricultural intensification
- Development / land use change
- Peatland degradation
- Afforestation
- Marine degradation
- Water pollution
- Invasive Alien Species (IAS)
- Conflicting policy

Globally - HIPPO

Habitat loss

IAS

Pollution

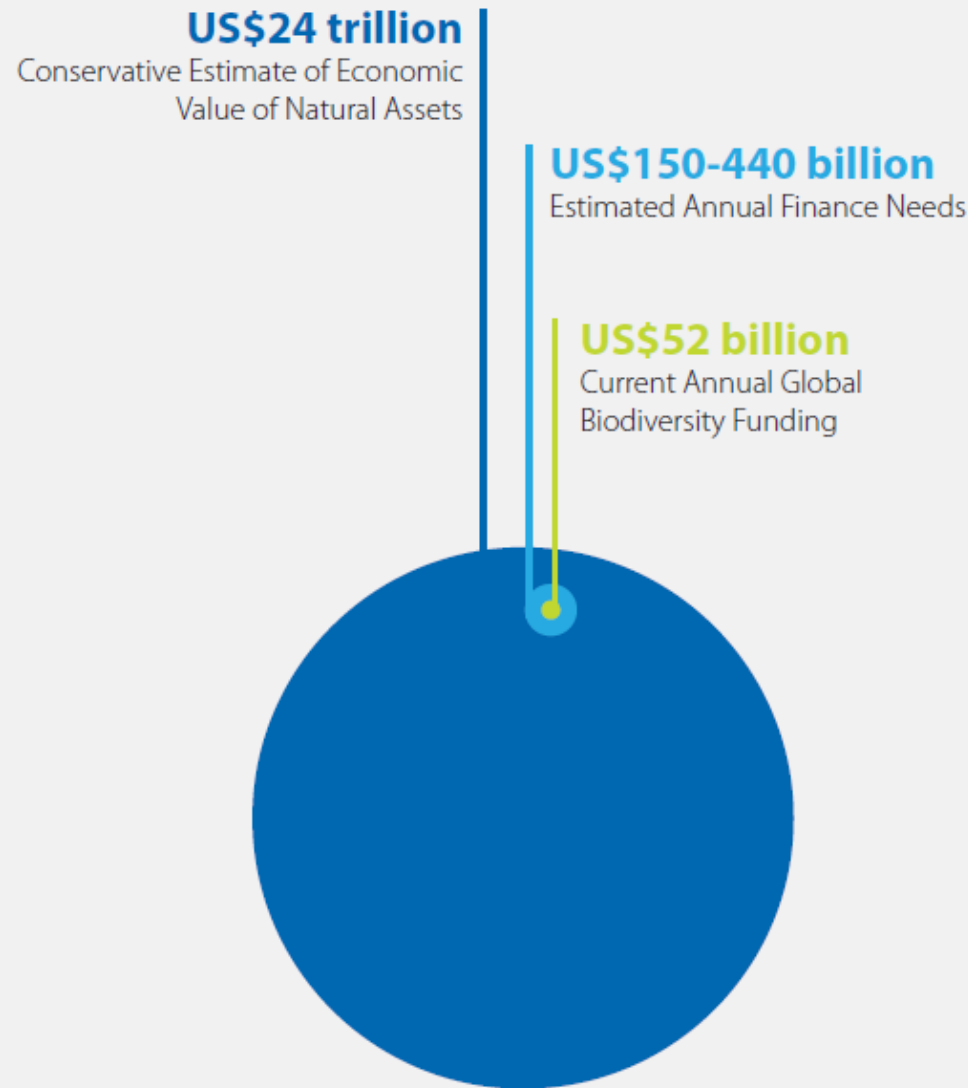
Population

Overexploitation

The importance of money

- Historical approach to conservation: science and data
- Greater push for behaviour change: outreach, citizen science, stakeholder engagement
- Mainstreaming across sectors / policies (e.g. EU Green Deal)
- Affordability, in light of competing pressures:
(And now.... COVID-19)
- No end in sight to the neo-liberal capitalist model
- Green developmentalism* – making nature pay its way
Ecosystem services, nature-based solutions, natural capital accounts, GI

* McAfee, K. 1999. Selling nature to save it? Biodiversity and green developmentalism. *Environment and Planning D: Society and Space*, 17, 133-154



(Global Canopy Programme, 2012, and BIOFIN, 2018)

We need to find a better way of funding biodiversity

Assessing financial needs

A Financial Needs Assessment allows us to...

Quantify:

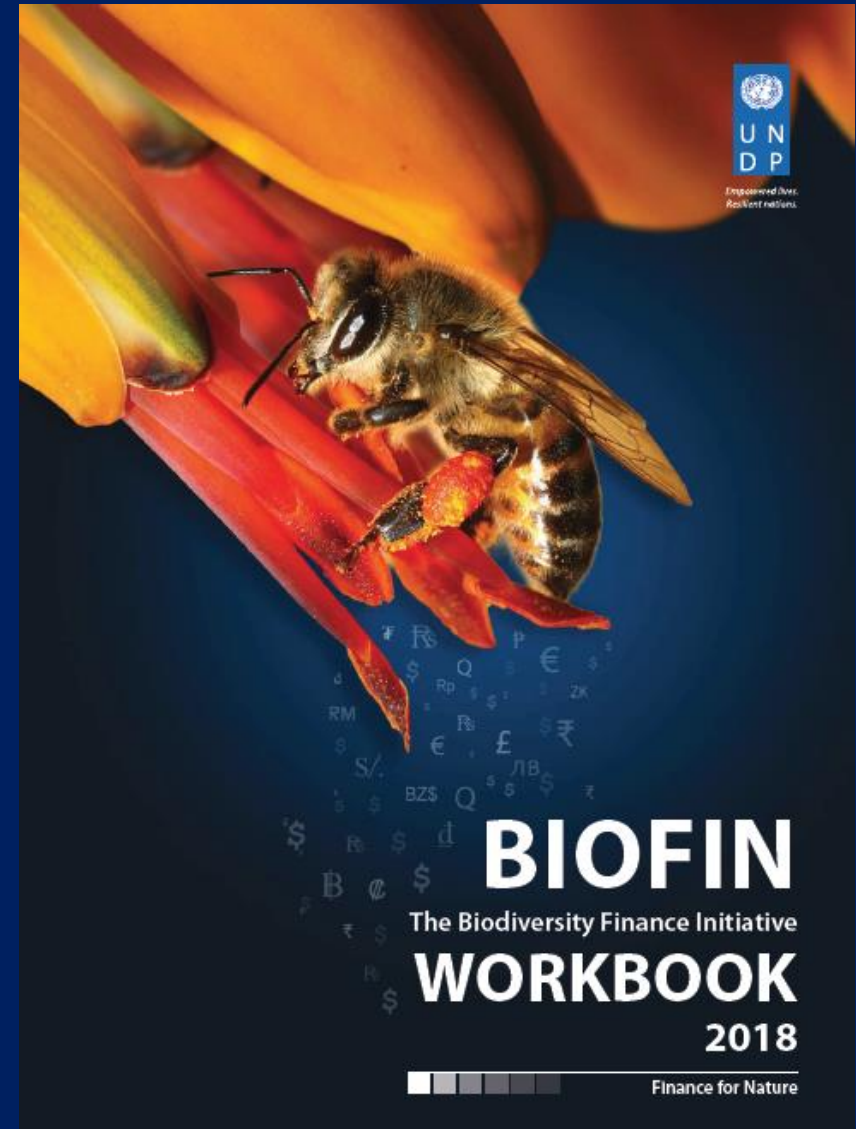
- What we currently spend
- Where this comes from
- Who spends it

Analyse:

- Is this effective
- Do institutions have capacity
- Are there better ways of spending for biod.

The UNDP BIOFIN model

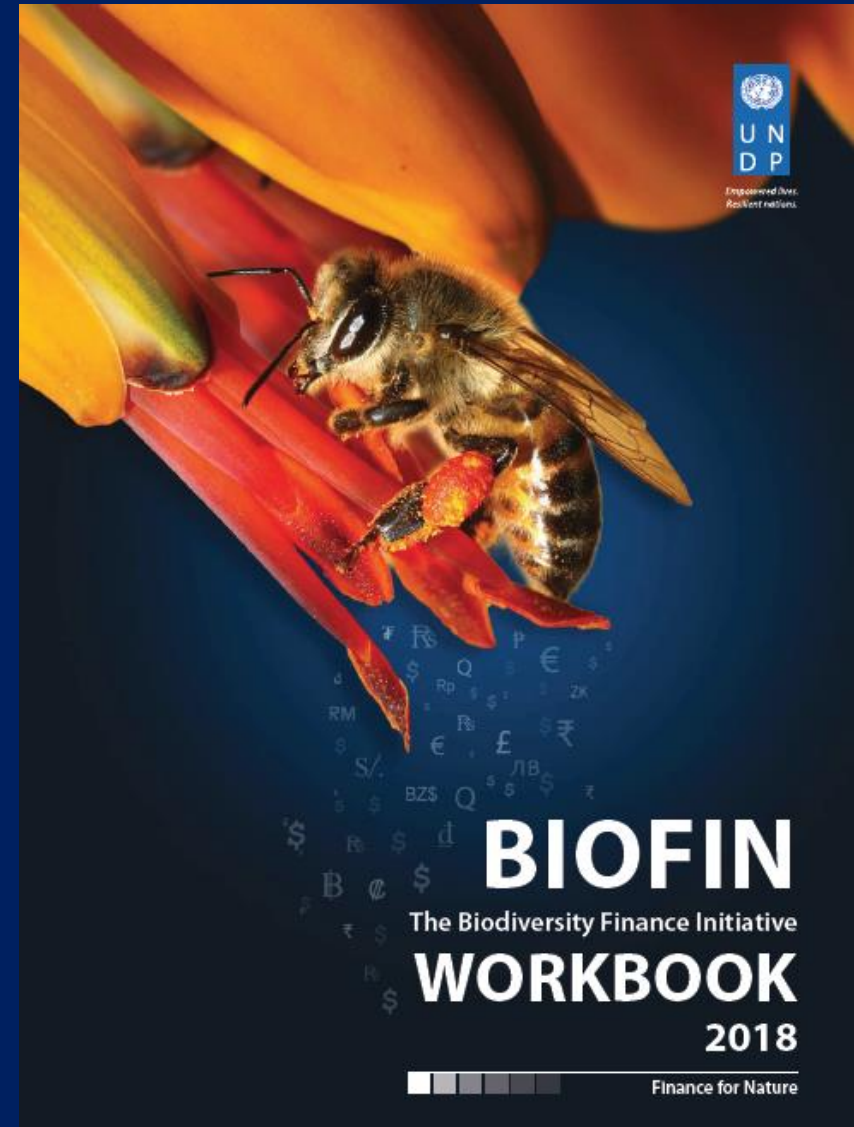
- Developed across several CBD COPs
- The imperative to calculate bottom-up financial needs
- Requirement now integrated into national and international targets
- Adopted by >35 nations globally
- Predominantly developing world tool
- Ireland one of first developed nations to do so



The UNDP BIOFIN model

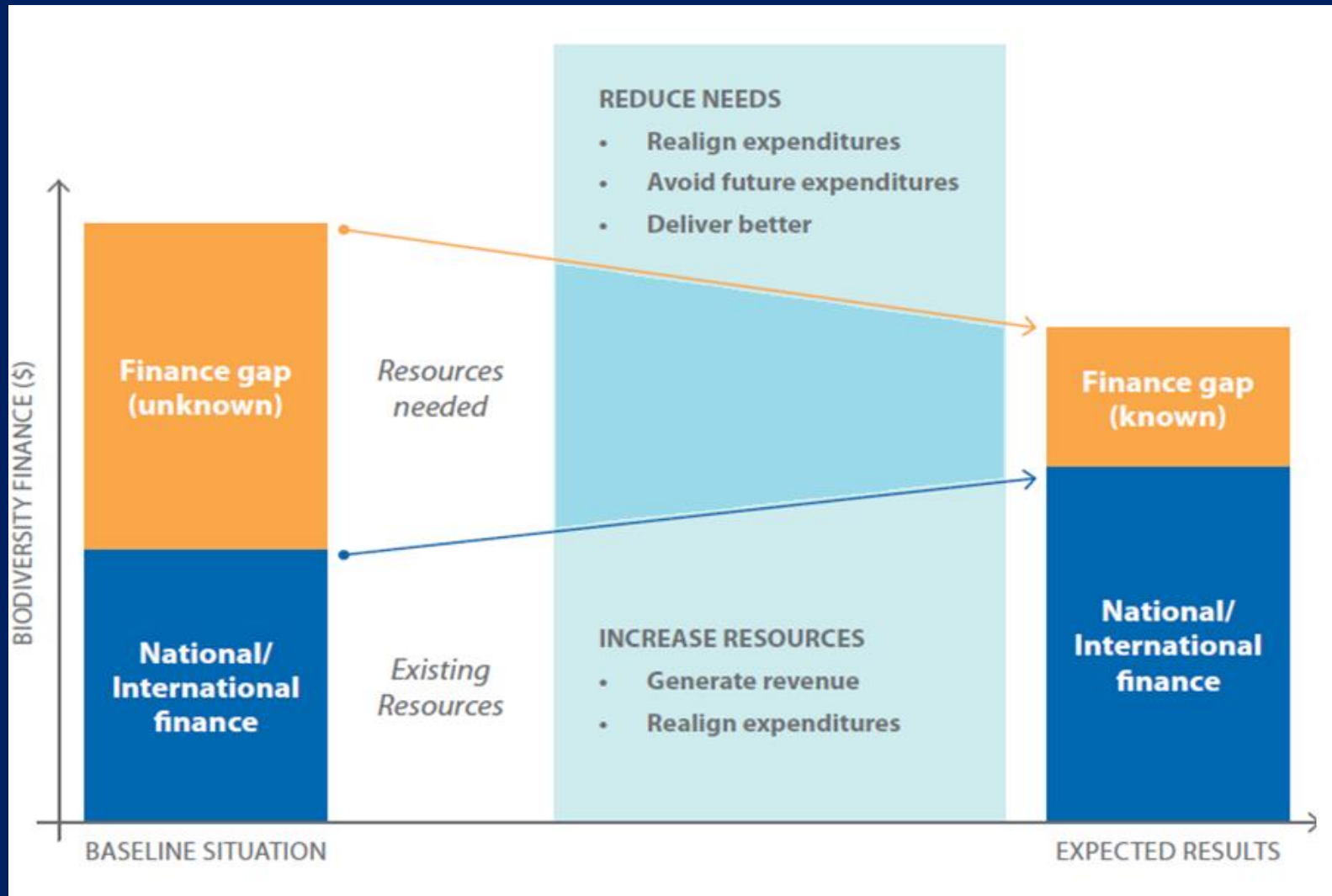
Ireland: Progress to date

1. National Biodiversity Expenditure Review (delivered end-2018)
2. Policy and Institutional Review (Complete: under review)
3. Financial Needs Assessment (due December 2020)
4. Strategic Financial Plan (subject to funding)
5. Resource Mobilisation Strategy (For NPWS et al.)



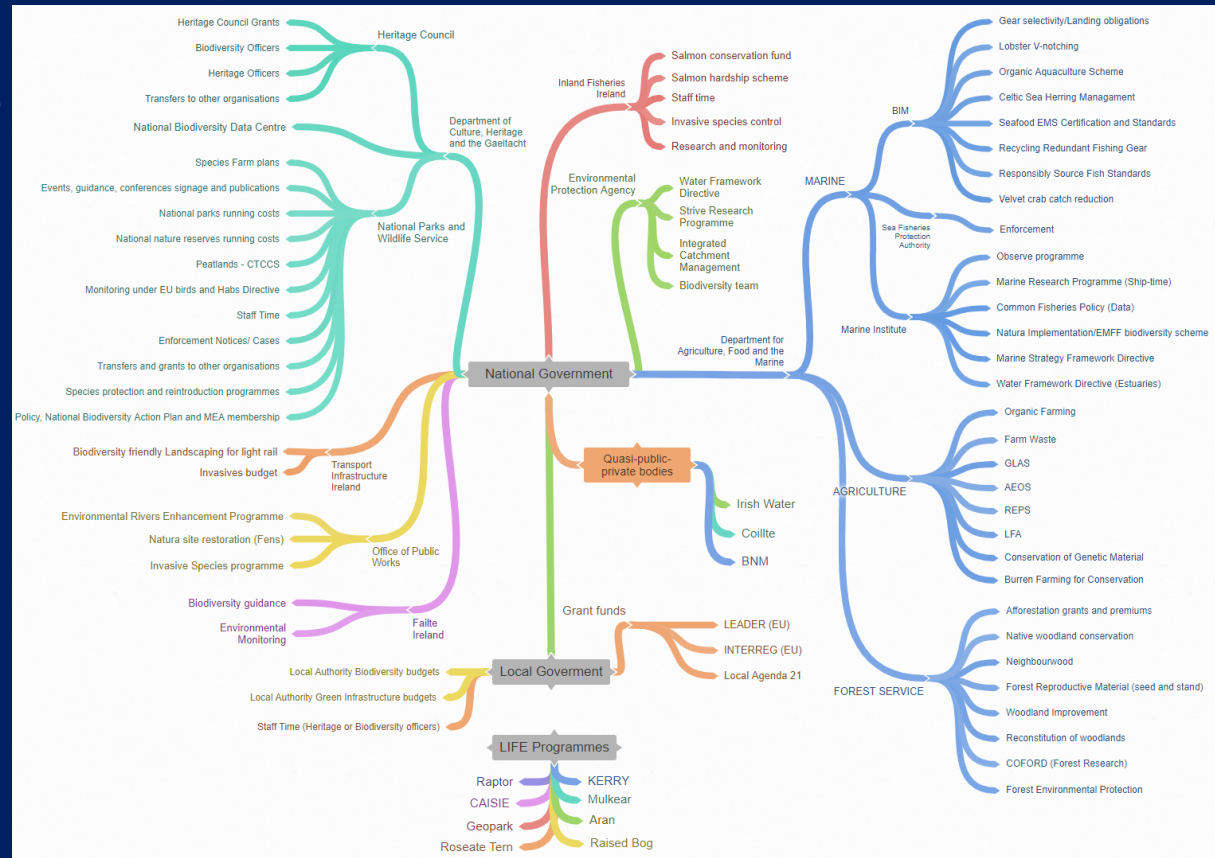
The UNDP BIOFIN model

The ultimate goal



National Biodiversity Expenditure Review (NBER) – Introduction

- Background
 - Transparent & objective
 - Provides a means of expenditure tracking
- Process
 - Identify the multitude of data sources
 - Coefficient assigned to each
 - Tagged to targets (UN / EU / National)

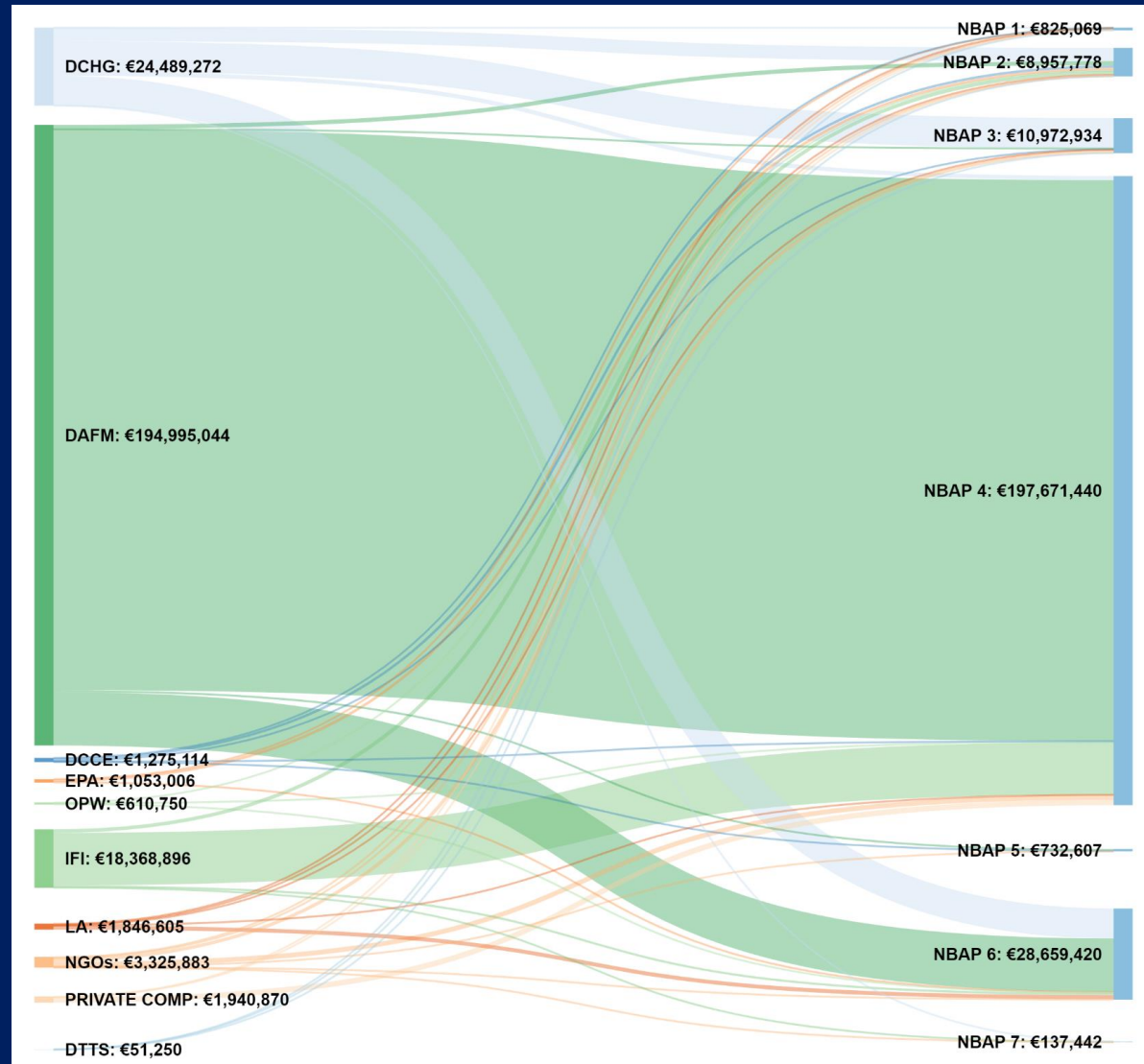


NBER – Results

- On average **€250 million per year (2010-2015)**.
- 0.13% of GDP
- 0.3% of total government spending

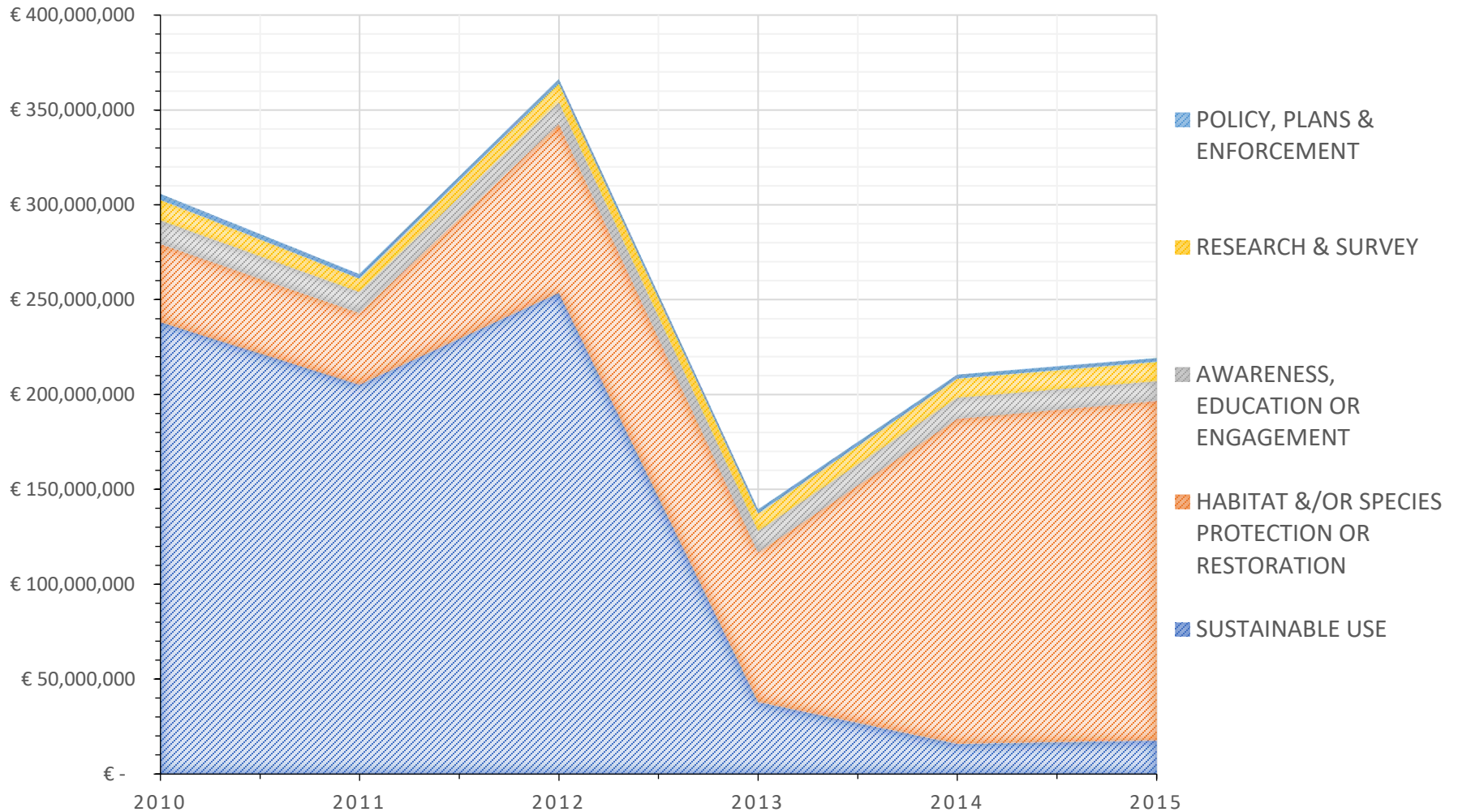
Sources of finance

- **97% state-led expenditure**
- 42% of state led expenditure sourced from EU match funding
- 55% national and local government
- 80% subsidies, <4% capital investment
- 78% spent by Department of Agriculture, Food and the Marine
- <1% of voluntary sector spend, on average 77% of NGO income from Government grants.



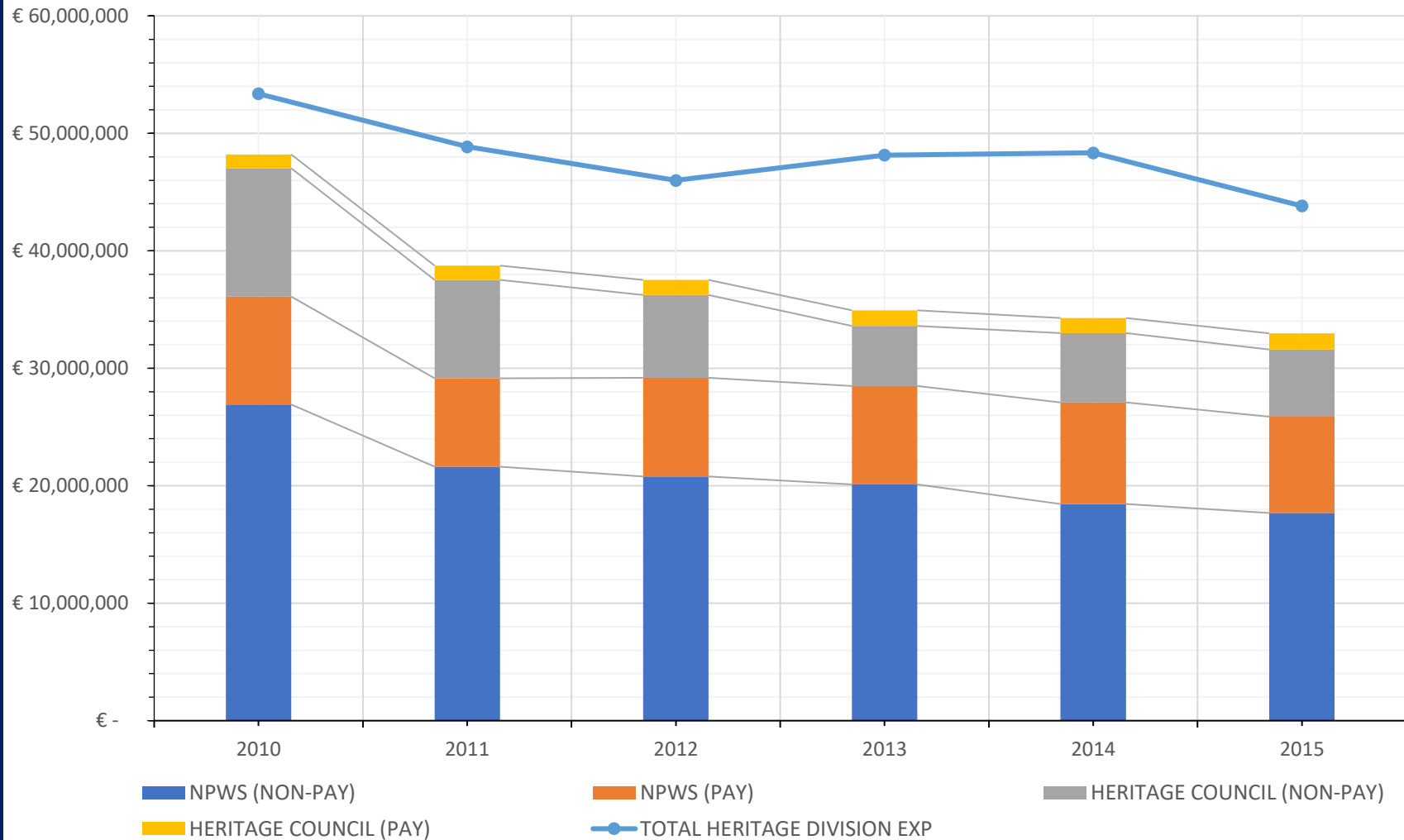
NBER – Results

Expenditure by IUCN Finance Indicators (2010)



NBER – Results

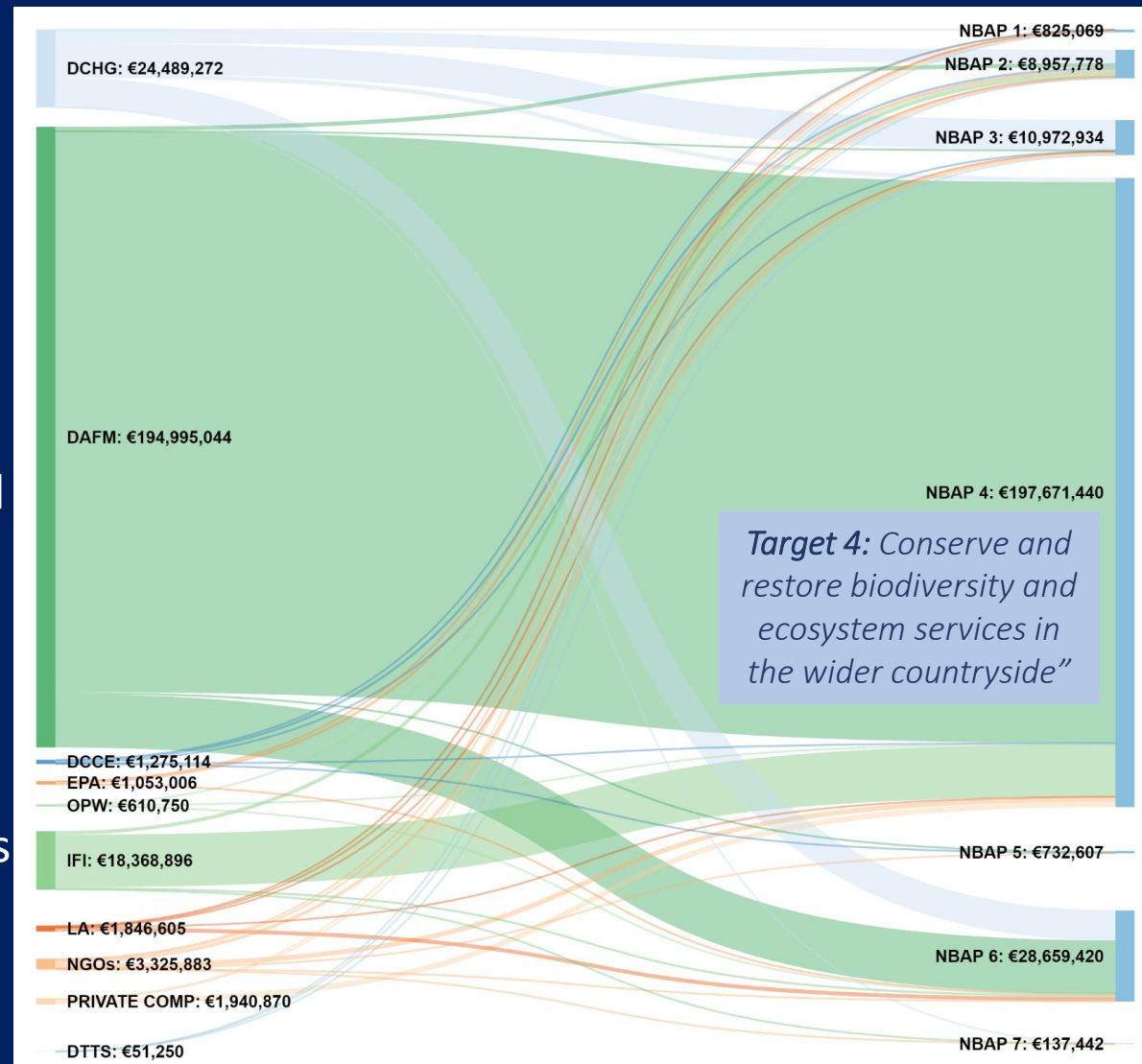
DCHG (or equivalents) budget



NBER – Results

Key findings

- Low expenditure
- Fluctuates with EU mechanisms and calls
- Important role of DAFM
- Mainly NBAP 4: Terrestrial
- NPWS shortfall
- Skewed towards gov. spending
- Skewed towards central gov. over Local Authorities



NBER – Limitations

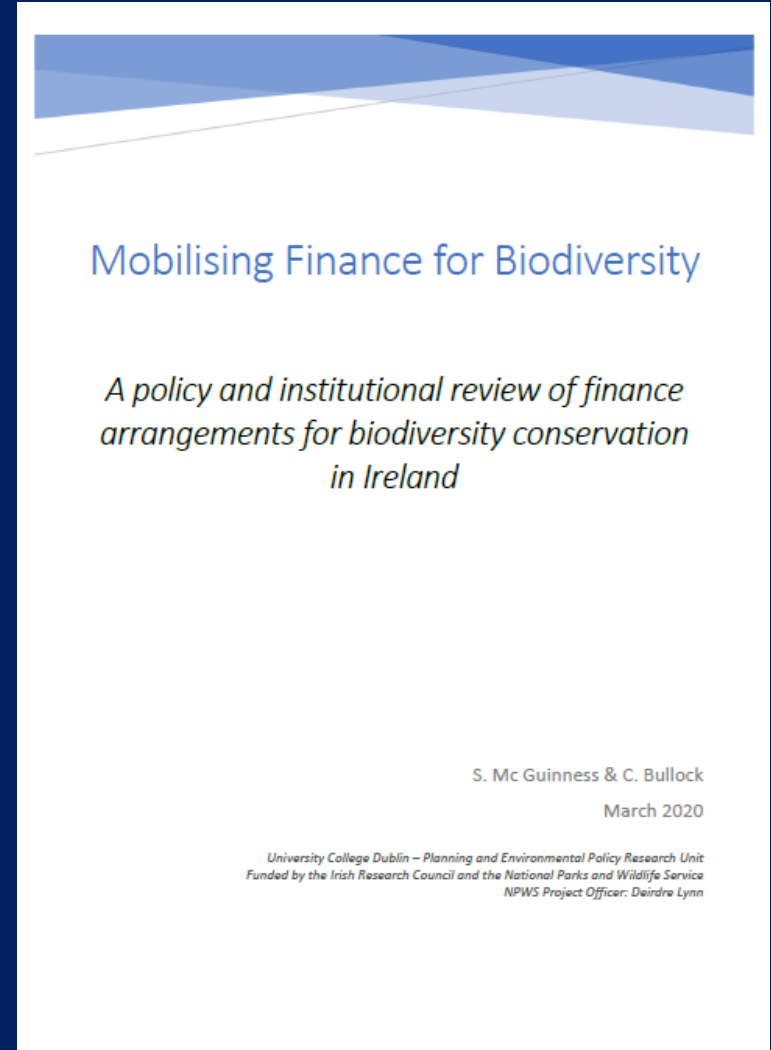
- Exclusion of distorting funds
 - CAP Basic Payment Schemes: Inclusion of 5% of this (c. €850 million/yr) would triple annual expenditure reported in NBER
 - EPA budget in period (€1.5 billion) largely focused on remediation and human health concerns.
 - Wastewater treatment: 5% of this would equal average annual budget of NPWS (€12 million)
 - **All of the above**: protecting the environment from our own actions. Barely *No Net Loss* (NNL), and very far from *Net Gain* (NG)
- Subsequent changes in prioritisation of funding
 - Outreach / engagement / education much higher priority
 - Commitment to peatlands through restoration (carbon tax) and compensation (CTCCS)

Policy and Institutional Review (PIR) – Approach

Aims

- Identify **drivers** of biodiversity loss
- Collate **legislation, policies** and **plans**
- Review existing **financial mechanisms**
- Identify **harmful subsidies**
- Analyse **capacity** of institutions
- Account for potential **synergies**
- Highlight potential future funding **sources**

Draft stage – awaiting final comments



Online soon: <https://biodiversityfinance.ucd.ie/>

PIR – Findings

Trends, drivers and value

- Continuing decline in species, habitats and env. quality
- Contradictory national strategies
- Despite this, vast natural capital still provided by native biodiversity
- Increased awareness, but greater political will and public support required

Policies and plans

- Growing suite of EU Directives and time-bound national strategies
- Many fail to meet targets through poor implementation and monitoring
- Resources not dedicated through absence of legitimacy
- Limited cross-sectoral cooperation in composition and enforcement
- Operate in isolation – Limited cross-compliance

PIR – Findings

Institutions and capacities

- Sectoral priorities do not effectively couple biodiversity and climate change
- Mainstreaming not well advanced
- Failure of State to meet many minimum EU requirements
- Public institutions involved in conservation are *chronically* underfunded

Financing biodiversity

- Biodiversity should be a requisite consideration in sectoral finance plans
- Should be conceptually reframed as binding investment in future cost-savings, as opposed to optional expenditure if budgets allow
- Acknowledge that *capacity* can lead to *funding*
- Greater extension to private sector sources and linkages

Financial Needs Assessment (FNA)

- Combines:
 - Financial results of the NBER
 - Policy and institutional analysis of PIR
- Key stage:
 - Ascertains the 'costability' of NBAP actions
 - Prioritises those important for biodiversity
 - Engages with stakeholders to obtain bottom-up projected costs
- Feb – Dec. 2020
- Submitted to NPWS, along with a Strategic Financial Plan
- Used in development of a **Resource Mobilisation Strategy**

FNA – Complications

- Variation in costing methods
 - Incremental
 - Activity-based
 - Results-based, etc.
- Term length
 - EU budget vs. NBAP vs. schemes vs. international targets
- Stakeholder cooperation/contributions
 - Varied, with overlaps in spending, remits and plans
 - Vital for legitimacy of findings and robustness of results
- Comparison with NBER?
 - Should not be made directly



Novel financial mechanisms

- Payments for ecosystem services
- Offsetting (with NG)
- Easements
- Green bonds and “standards” (e.g. peatlands, ISGB)
- Debt-for-nature swaps
- Credit / equity
- Wide and varying application globally



BIOFIN requires legitimacy

Legitimacy / value



Ownership / responsibility



Protection / action

- Finance historically impenetrable / inaccessible (potentially by design?)
- Biodiversity stakeholders should learn the language
- For the moment, money matters.



Your input matters

- Feedback sought on:
 - Professional views of the process
 - Feedback on work so far (NBER/PIR)
 - Additional sources of data / information
 - Important stakeholders not covered already
 - Interest in collaborating

[Email on final slide]

Please respond to the following Zoom poll:

What, in your opinion, is the most viable means of funding biodiversity in Ireland?

Thank you Questions?



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An Roinn
Cultúir, Oidhreacht agus Gaeltachta
Department of
Culture, Heritage and the Gaeltacht



IRISH RESEARCH COUNCIL
An Chomhairle um Thaighde in Éirinn