



**acba**  
African CSOs  
Biodiversity Alliance

# A REVIEW OF BIODIVERSITY FUNDING IN AFRICA

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# List of Acronyms

<b>ACBA</b>	African Civil Society Biodiversity Alliance
<b>AfDB</b>	African Development Bank
<b>AGSP</b>	African Green Stimulus Project
<b>AMCEN</b>	African Ministerial Conference on the Environment
<b>BIOFIN</b>	Biodiversity Finance
<b>CRS</b>	Creditor Reporting System
<b>CSO</b>	Civil Society Organization
<b>CTF</b>	Conservation Trust Fund
<b>DAC</b>	Development Assistance Committee
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GEI</b>	Global Environment Institute
<b>IMF</b>	International Monetary Fund
<b>IPLCs</b>	Indigenous Peoples and Local Communities
<b>LDC</b>	Less Developed Country
<b>NBSAP</b>	National Biodiversity Strategy and Action Plan
<b>NGO</b>	Non-governmental Organization
<b>NSA</b>	Non-state actors
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Overseas Economic Cooperation for Development
<b>PPP</b>	Public Private Partnership
<b>REDD</b>	Reducing Emissions from Forest Destruction and Degradation
<b>SSA</b>	Sub Saharan Africa
<b>UNDP</b>	United Nations Development Programme
<b>UNWTO</b>	United Nations World Tourism Organization

# Executive Summary

A review of biodiversity funding in Africa was commissioned by African Civil Society Biodiversity Alliance (ACBA) with financial support from the Global Environment Institute. The aim was to review biodiversity funding from all sources- multilateral, bilateral, foundations, public funding, private sector, trust funds etc. over a 10 to 15 year period where data permitted.

Based on the funding trends, the review was to recommend the likely impact on future funding for biodiversity in Africa and whether there are indications of recovery from the impact of COVID-19 pandemic. ACBA is a grouping of over 80 member organizations (CSOs) committed to the critical role biodiversity plays in African economies and wellbeing and cultural and spiritual identity. It provides a platform for the members to speak with one voice on issues of sustainable use of nature that contributes to conservation and equitable benefits from nature. It also facilitates sharing of lessons and creates opportunities for collaboration and the ability to influence regional, continental and global policy processes and key actors.

Owing to the multiple sources of data (with varying ways of reporting biodiversity funding and time periods), it was not possible to make aggregations for all of them. Nonetheless, the patterns that come out of the review will be very beneficial to all those desirous of understanding how biodiversity funding now and in future is positioned in the broader environment of development aid on one hand and socio-economic setting of Africa.

According to the State of Biodiversity in Africa, the continent is immensely rich in biodiversity and its living organisms comprise around a **quarter of global biodiversity** which supports the earth's largest intact

assemblage of large mammals. On the other hand, Africa is experiencing unprecedented rates of population growth, urbanization and agricultural development. Presently it is recovering from the impacts associated with the COVID-19 pandemic. The State of the Biodiversity Report showed that Africa is lagging behind other regions in terms of **improving knowledge** (Aichi target 19) and **financial resources** (Aichi target 20).

At a global level, an Overview of Global Biodiversity Finance Report OECD in 2020 showed that global biodiversity funding lies between US\$ 78-91 billion per year. Sadly however, governments spend about US\$ 500 billion per year in providing support that is **potentially damaging to biodiversity** that is **five to six** times more than total spending for biodiversity. If these harmful spending mainly in developed countries had been saved, it is possible that the worries the world and Africa have on biodiversity funding would be different.

The review has established that 78% of the world's biodiversity finance is generated in advanced economies while 22% is generated in emerging or developing countries. There is concern however, that even in regions like the European Union with relatively high levels of governance and large amounts of biodiversity finance, the 2020 biodiversity Aichi targets were not met. To avoid similar shortfall, Africa needs first, to improve governance and advocacy for **fair share** of global biodiversity finance, and second, to create enabling environment for **all society approach in biodiversity conservation and monitoring**. The implication is that going forward, **all countries** will have the responsibility to improve the **effectiveness of biodiversity spending**.

But for countries with weak governance and low funding, the challenge will be greater and will require support from all possible partners. This is more justified because most of the world's biodiversity exists in countries that require additional financial support to implement conservational programmes. The international community will have to make commitments to match the biodiversity funding for the global south that provides a lot of global benefits from biodiversity.

The concern for all developing countries now is that developed countries have abrogated their commitment to allocate 0.7% ODA/GNI of their GDP as assistance to developing countries. As of July 2022 during this study, only five countries were reaching the target. The average for all developed countries was only 0.33%. Had developed countries met the 0.7% target, poor countries would have stood to benefit from approximately US\$ 5.7 trillion in aid over the last 50 years, equivalent to US\$ 114 billion each year. Paradoxically, based on Creditor Reporting System Aid Activity database accessed during the study, the failure to reach the target of 0.7% is happening as Overseas Development Assistance is on the rise.

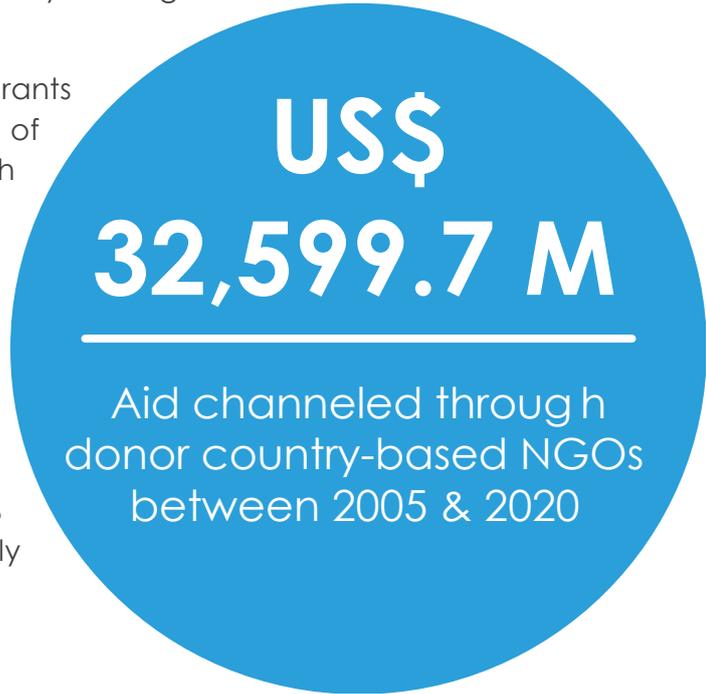
Out of the aid to developing countries, a total of US\$ 32,599.7 million was channeled through donor country-based NGOs between 2005 and 2020, while the aid that was channeled through other international NGOs and LDC-based NGOs was just US\$ 12191.3 million, representing 37.3%. The growth rate for both channels however, was negligible during the same period.

As developed countries failed to meet their target of allocating 0.7% of their GDP for ODA/GNI, Africa's debt continued to rise, putting more pressure on a continent whose tax revenue as percentage of GDP is still very low. Further, as Africa's debt rises, debt relief and debt-for-nature swaps were not forthcoming and instead had been falling since 2005. Africa debt only slightly fell after 2020, understandably during the COVID-19 pandemic.

A review of bilateral ODA to all LDCs and Africa in 2005-2020 and based on Rio markers showed all LDCs received US\$ 5,992.3 million on average annually at highest scenario and US\$ 3,927.5 million at the lowest. Africa received on average US\$ 1,775 million annually (29.6%) at the highest level and US\$ 1,054.7 million (26.8%) at the lowest level scenario. However, based on a five year moving average over the same period, biodiversity funding to all LDCs was growing higher than that of Africa.

With regard to bilateral biodiversity funding by grants between 2018 and 2020, it was found that a total of US\$ 1991.2 million was given to all LDCs out of which Africa got US\$ 558.8 million, representing 28.1%. As much as 57.8% of these grants were channeled through public institutions and, 19.4% was channeled through NGOs/CSOs.

The review has also established that biodiversity funding through **multi-laterals** between 2011 and 2020 has been stable, but falling slightly over time and with Africa receiving US\$ 87.77 million out of US\$ 1004.88 million to all LDCs, implying a portion of only 9% for Africa.



When it comes to philanthropic biodiversity funding between 2015 and 2020, all LDCs received US\$ 1056.1 million and Africa US\$ 252.1 million. For Africa, this represents 23.8% share of such funding. In 2020, there was a sharp increase in funding for both LDCs and Africa because Jeff Bezos committed US\$ 94 million through the Bezos Earth Fund for all the LDCs, of which US\$ 42 million will go to Africa. The trend shows that the financial flows from philanthropies to all LDCs were higher than that to Africa.

With regard to the **private sector** biodiversity funding between 2013 and 2020, it was found that all LDCs received US\$ 1093.4 million, of which US\$270.6 million was for Africa, making the latter's share 24.7%. However, the increase to all LDCs was higher than it was for Africa.

In a study by Daniel C. Miller looking at the global patterns of international aid for linked biodiversity and development between 1980 and 2008, it was found that whereas the biodiversity needs of countries was one of the factors determining the flows of biodiversity funding, it was not as strong as that of governance. The implication is that improving governance in LDCs and Africa in particular should be looked at as one of the enablers for accessing biodiversity funding.

The review also shows that LDCs spent US\$ 1.1 billion for biodiversity between 2008 and 2017 but it was low representing 0.3% of their GDP or 1.25% of their national budgets. This low level of biodiversity expenditure is partly explained by low revenue base in these countries.

A key finding is that between 2018 and 2020, only 32% of aid funds generally were managed by partner country governments, private sector and NGOs combined. In 2011 it had also been found in another study that out of all ODA flows being channeled through CSOs, developing country-based

CSOs received only 6.5% while 64.8% was channeled through donor country based CSOs. This pattern compels LDC-based CSOs to align with donor-based CSOs for funding even though they may not share equal interest or values for the type of projects they may implement jointly.

A second concern is that for all development aid, an average of 9% is lost through overheads regardless of the channels, but the leakage is higher for multi-laterals (12%) but lower for bilateral (7%). This leakage accounts for a significant reduction in the impact of each dollar disbursed. Related studies generate evidence, which suggests that finance reaching the local level, as part of a coherent approach delivers effective, efficient and sustainable results that enhance the impact of each dollar disbursed. Under the circumstances, there is strong case for all LDCs to advocate for accessing funding directly and more so to reduce the administrative layers between the sources of financing and the local communities.



However, LDCs must equally invest in information management systems that can assist them in identifying funding opportunities. They also need to understand biodiversity values (and their linkages to other sectors) as the basis for making a strong case for biodiversity funding. Some of the emerging opportunities for biodiversity funding include the US\$ 5.25 billion GEF 8 replenishment, pledge of US\$232.5 million by China through Kunming biodiversity fund for developing countries, the Bezos Earth Fund and funding from multiple climate funds that also offer co-benefits to biodiversity.

Finally, governments and non-state actors in Africa have been affected by the COVID-19 pandemic. It is gratifying that most economies have opened up following relaxation of lock down restrictions. But it will take some time to go back to the pre-COVID-19 period. To help economies recover, the African Environment Ministers established the African Green Stimulus Package. It is intended to bring about a unifying continental response by enhancing and forging partnerships between African countries, intergovernmental organizations, the private sector and NGOs as well as international financiers and investors for a sustainable green recovery for Africa.

Given that COVID-19 affected all sectors globally, recovery may take long. Secondly, there will be competition for resources among sectors. In order not to marginalize sectors like biodiversity that offer **public goods**, it would be a noble strategy for development agencies to prioritize biodiversity. Already, this review has shown that trends in development aid to Africa and biodiversity is not encouraging and is inadequate to address the global biodiversity crisis. Second, NGOs in Africa will need direct access to biodiversity funding.





# 1. BACKGROUND

## 1.1 Introduction

1. Finance will be among the priority concerns when the United Nations Convention on Biological Diversity launches the post-2020 framework for global biodiversity conservation (Global Biodiversity Framework) in Canada in December 2022. This will not come as a surprise because the planet is facing its sixth mass extinction, with consequences that will affect all life on Earth, today and for centuries to come. Humans have destroyed or degraded vast areas of the world's terrestrial, freshwater and marine ecosystems, and are pushing many towards ecological tipping points. Since 1990, primary forests, which includes some of the most bio-diverse habitats, declined by over 80 million hectares (an area larger than Turkey). Over one million plant and animal species, a quarter of the world's species, face extinction. These declines are driven by land and sea-use change, over-exploitation, climate change, pollution and spread of invasive alien species.
2. Failure to halt and reverse biodiversity loss undermines ecosystem integrity and poses a risk to the economies, businesses, the financial sector and society as a whole. Biodiversity and ecosystem services, such as crop pollination, water purification, nutrient cycling, flood protection and carbon sequestration, underpin human well-being, societal resilience and sustainable development. The Dasgupta Review (2021) illustrates that the economy is embedded within nature. The loss of biodiversity presents a risk to human security, be it food, health, energy or financial security, and is becoming ever more prominent on political and economic agendas. For Africa, the risk is significant – the most recent assessment of the state of the continent's natural resources concludes that:

*Nature's contributions to people in Africa are economically, socially and culturally essential in providing the continent's food, water, energy, health and secure livelihoods, and represent a **strategic asset** for sustainable development and achievement of the 2030 Sustainable Development Goals.*

3. On a positive note, in the last 10 - 15 years, there has been a significant increase in our understanding of biodiversity and ecosystems and their importance to the quality of life of every person. There is also greater understanding about which policies, practices, technologies and behaviors can best lead to the conservation and sustainable use of biodiversity and the achievement of many of the Sustainable Development Goals, the Aichi Biodiversity Targets and the Paris Agreement on Climate Change. However, because biodiversity is still being lost despite that understanding, it calls on all the parties to the Convention for Biological Diversity (CBD) to shift from business as usual approaches to transformative ones.
  4. The main implication from the above revelations is that Africa must join the rest of the global community to address the drivers of biodiversity loss. While the drivers for this loss are many and varied, of particular interest is Aichi Target 20: **'Mobilizing resources from all sources'**. Target 20 sought 'the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011–2020, and notably that by 2020 at the latest ... **mobilization of financial resources ... should increase substantially**'. This target too was not met which frustrated the implementation of the necessary interventions.
  5. In the Convention on Biological Diversity (CBD) negotiations which are currently underway contributing to the finalization of the post-2020 Global Biodiversity Framework, African state parties have indicated that if they and other countries from the Global South are to fully participate in its implementation, then additional resources need to be made available to match the level of ambition.
  6. The Global Environment Facility (GEF) is currently the largest global funding mechanism for biodiversity with significant funding coming from national governments, bi-lateral and multilateral sources and the private sector. During the Convention on Biological Diversity (CBD) negotiations there have been suggestions to create another Fund and the directors of African protected areas have proposed the creation of an African Fund to support conservation efforts in the protected and other conserved areas and that Indigenous Peoples and Local Communities (IPLCs) should also benefit from this fund. Finance Development Banks like the African Development Bank (AfDB) also provide some funding to its members for biodiversity and climate change.
  7. One concern is that IPLCs and national Non-governmental organizations (NGOs) experience significant barriers to accessing biodiversity funds and this should be addressed. Most large scale and multi-lateral funding processes are too complex, requiring intermediaries that mean funds do not always reach the grassroots, where it is needed.
- In a recent survey of its members, the African CSO Biodiversity Alliance (ACBA) revealed that financing to national CSOs is mostly accessed through International NGOs and that the limited access to financing is one of the biggest constraints discouraging African CSOs from making a pledge to reduce biodiversity loss through Voluntary Commitments. In fact some members have made it part of their Voluntary Commitment to address the recurrent constraint of sustainable financing.

8. In reviewing biodiversity funding, it is important to acknowledge that it is now accepted that it is no longer possible to address the climate and biodiversity emergencies separately. This creates opportunities to access biodiversity funding from other sources, such as Adaptation Fund, the Green Climate Fund (GCF) and the private sector.

A few ACBA members have tapped into financing from market-based instruments such as carbon trading to implement their programmes and projects.

## 1.2 Overall Goal of the study and scope of work

9. In the above context, African Civil Society Biodiversity Alliance (ACBA) applied for and received a grant from the Global Environment Institute (GEI) to undertake a review of biodiversity funding in Africa. The review seeks to establish the trends in biodiversity funding to Africa and the potential implications of this on the ability of the continent to contribute to halting and reversing biodiversity loss in a manner that is inclusive, fair and empowering of all actors. African Civil Society Biodiversity Alliance (ACBA) is a grouping of 80 member organizations (CSOs) committed to the critical role biodiversity plays in African economies and wellbeing and cultural and spiritual identity. It provides a platform for the members to speak with one voice on issues of sustainable use of nature that contributes to conservation and equitable benefits from nature. It also facilitates sharing of lessons and creates opportunities for collaboration and the ability to influence regional, continental and global policy processes and key actors.
10. The overall goal of the study is to undertake a desk review of biodiversity funding in Africa from all sources (multi-lateral, bi-lateral, foundations, private sector, CSO own revenue, public funding, development finance institutions, Trust funds) and highlight trends over a 10 to 15-year period.
11. The specific tasks are:
  - **Undertake a desk review of biodiversity funding in Africa and highlight the global context for biodiversity funding to Africa**
  - **What are the threats and opportunities for biodiversity funding in Africa**
  - **Identify the main funding mechanisms and sources indicating the magnitude of funding by source**
  - **Differentiate between national and international sources of funding for biodiversity and indicate trends over the past 10-15 years**
  - **Where feasible identify the proportion of funding disbursed to state parties versus to non-state actors**
  - **What are the main constraints faced by governments and non-state actors in accessing biodiversity funding**
  - **Based on funding trends indicate likely impact on future funding for biodiversity in Africa and whether there are indications of recovery from impacts of the Covid-19 pandemic.**

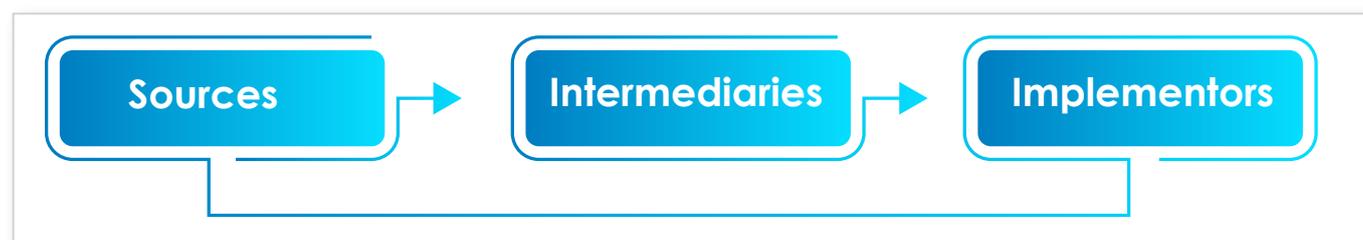
## 1.3 Methodology

12. The report is predominantly based on literature review as well as a survey that involved ACBA member organizations, in preparation for submitting Voluntary contributions. The data on biodiversity has been accessed from the Creditor Aid Database . This dataset contains bilateral commitment data on aid in support of environment sustainability and aid to biodiversity, climate change mitigation, climate change adaptation and desertification from the Development Assistance Committee (DAC) Creditor Reporting System (CRS) database.
13. In their reporting to the DAC CRS, donors are requested to indicate for each activity whether or not it targets environment and the Rio Conventions (biodiversity, climate change mitigation, climate change adaptation and desertification). A scoring system of three values is used, in which aid activities are “marked” as targeting environment as the “principal objective” or a “significant objective”, or as not targeting the objective. The environment marker identifies activities that are “intended to produce an improvement in the physical and/or biological environment of the recipient country, area or target group concerned” or “include specific action to integrate environmental concerns with a range of development objectives through institution building and/or capacity development”. A large majority of activities targeting the objectives of the Rio Conventions fall under the DAC definition of “aid to environment”. The Rio markers permit their specific identification.
14. In addition, framework that has been used to respond to the study is shown in Figure 1.1 below. It shows broadly the sources and channeling of biodiversity funding, the recipients and the main financing instruments used. To note further, there is no restriction that a player in the framework is confined to one role. Governments, local governments, NGOs, Private sector etc., can raise, channel or utilize biodiversity funding. Such a complex framework can complicate tracking of biodiversity funding and its effectiveness.

## 1.4 Structure of the Report

15. This report is organized under the following chapters
  - Chapter 1:** Introduction
  - Chapter 2:** Global context of biodiversity funding to Africa
  - Chapter 3:** Trends and pattern of international biodiversity funding in Africa
  - Chapter 4:** Africa's funding of biodiversity
  - Chapter 5:** Tracking biodiversity funding through some channels of delivery
  - Chapter 6:** Main constraints for biodiversity funding for government and non-state actors
  - Chapter 7:** Impact of COVID-19 on biodiversity funding
  - Chapter 8:** Opportunities for biodiversity funding

Figure 1.1: The biodiversity finance landscape



SOURCES	INTERMEDIARIES	IMPLEMENTERS
Public <ul style="list-style-type: none"> <li>• Government budgets (revenue from taxes, fees and charges)</li> </ul> Private <ul style="list-style-type: none"> <li>• Household revenues and savings</li> <li>• Corporate revenues and savings</li> </ul>	Public <ul style="list-style-type: none"> <li>• Ministries</li> <li>• Public agencies and funds</li> <li>• Development finance institutions (national, bilateral, multilateral)</li> <li>• Global Environment Facility (GEF) and multilateral funds</li> </ul> Private <ul style="list-style-type: none"> <li>• Institutional investors</li> <li>• Asset managers</li> <li>• Commercial banks</li> <li>• Philanthropic foundations</li> </ul>	Public <ul style="list-style-type: none"> <li>• Local and central government</li> <li>• Protected area agencies</li> <li>• Public utilities</li> </ul> Private <ul style="list-style-type: none"> <li>• Conservation NGOs</li> <li>• Private companies</li> <li>• Households and communities</li> </ul>
FINANCE INSTRUMENTS AND MECHANISMS		
<ul style="list-style-type: none"> <li>• Grants, subsidies and transfer</li> <li>• Concessional debt</li> <li>• Commercial debt</li> <li>• Equity and own funds</li> </ul>	<ul style="list-style-type: none"> <li>• Payments for ecosystem services</li> <li>• Biodiversity offsets</li> <li>• Water quality trading and offsets</li> <li>• Forest and land use carbon offsets</li> </ul>	

**Source:**

Adapted from (Hainaut et al, 2018), *Landscape of climate finance in France, low –carbon investment 2011-2017*, IC4E-Institute for Climate Economics



## 2.

# GLOBAL CONTEXT OF BIODIVERSITY FUNDING TO AFRICA

### 2.1 Understanding biodiversity finance

Biodiversity finance is defined by the United Nations Development Programme Biodiversity Finance Initiative (UNDP BIOFIN) as the "... practice of raising and managing capital and using financial and economic mechanisms to support sustainable biodiversity management. It is about leveraging and effectively managing economic incentives, policies, and capital to achieve the long-term well-being of nature and our society" (UNDP 2018). The goal of biodiversity finance is to create economic incentives within both public and private financial sources to preserve the world's biodiversity and stock of natural capital and subsequently guarantee a sustainable flow of ecosystem services for the future.

### 2.2 Biodiversity status, responses and categories of funding needs in Africa

According to the Global Biodiversity Outlook-4, the mid-term review of the **Strategic Plan for Biodiversity 2011-2020**, provided a global assessment of progress towards the attainment of the Plan's global biodiversity goals and associated Aichi Biodiversity Targets, but **contained limited regional information**. However, the State of Biodiversity in Africa: A mid-term review of progress towards the Aichi Biodiversity Targets which is the second edition of the State of Biodiversity in Africa report and serves as a near mid-term review of progress towards the **Strategic Plan for Biodiversity 2011-2020 for the African region**, provides Africa's insight and contribution of its biodiversity for the rest of mankind.

The report makes a strong statement that Africa is immensely rich in biodiversity and that its living organisms comprise around a **quarter of global biodiversity** which supports the earth's largest intact assemblages of large mammals, which roam freely in many countries. **On the other hand** Africa is also experiencing unprecedented rates **of population growth, urbanization and agricultural development**, which create immense challenges in reconciling human well-being with environmental and economic prosperity. These factors have been briefly described in Box 2.1 to give a broader political economy in which challenges of biodiversity funding in Africa must be understood.

The key messages about the State of Biodiversity in Africa and the pressures upon it are that:

- **Overall, biodiversity in Africa continues to decline, with ongoing losses of species and habitats, driven by a combination of human-induced factors.**
- **Africa's freshwater and terrestrial ecosystems and their biodiversity are especially threatened.**
- **Africa continues to experience deforestation and forest degradation.**
- **The negative impacts of climate change on species and ecosystems are exacerbating the effects of all these pressures.**
- **The regional reports show that Africa is lagging behind global progress in terms of improving knowledge (Target 19) and financial resources (Target 20).**

**Box 2.1****Africa's rates of population growth, urbanization and agricultural development**

*As of 1 July 2021, the population of Africa reached close to 1.37 billion, and its share of the world population increased from 9% in 1950 to the current estimate of 17.2% in 2021 and is projected to reach nearly 39.4 % in 2100. Africa has been the fastest-growing continent by population since the year 1967. The continent's annual population growth rate is very high, at 2.45% in 2021, and is projected to remain above 2 % for the next 20 years. As Africa's population grows, the World Bank has reported that despite the poverty rate in Africa decreasing from 56% in 1990 to 40% in 2018, the number of poor continues to rise. This implies that the poverty rate in Sub-Saharan Africa has not fallen fast enough to keep up with population growth in the region and 433 million Africans are estimated to live in extreme poverty in 2018, rising from 284 in 1990.*

*According to Africa's Urbanisation Dynamics 2020: Africapolis, Mapping a New Urban Geography, Africa's urban population in 2015 was 567 million people compared to 27 million in 1950. Africa is projected to continue having the fastest urban growth in the world. The continent's population is projected to double between now and 2050 and two-thirds of this growth will be absorbed by urban areas. This means that Africa will be home to an additional 950 million. While this urbanization will bring developmental opportunities, these should continue to be viewed in context of the larger question on urbanization and its relationship to the environment. Expanding spontaneous urbanization, densification of territories and strong demographic growth mount pressure on existing policies protecting the environment, reconciling urbanisation and sustainability and building resilient adaptation strategies. This is becoming a major challenge for development policies in Africa and biodiversity issues, including those on funding.*

*With regard to agriculture, a new study, published in Environmental Research Letters provides the first comprehensive assessment of how the increasing international demand for commodity crops is affecting sub-Saharan tropical forests. Since 2015, agricultural production in Africa has grown at the fastest rate globally. By 2025, cropland in the region is predicted to expand by more than 10%.*

*According to the study, rates of deforestation in Africa remain well below those in Southeast Asia and South America; however, since 2000 the continent has lost an area of primary forest approximately the size of Iceland. Due to the regions complex land tenure and subsequent property conflicts, multinational companies are more likely to acquire land by clearing intact forest. Africa could avoid the deforestation that large-scale monoculture has caused in regions such as Southeast Asia by implementing policies that focus on forest conservation and local land controls but for Africa to manage such transition amidst both high population growth rate and poverty levels is logically calling for a lot of financial resources. So, the continued demand for adequate biodiversity funding and its effective use must be analyzed from these dimensions*

Nonetheless the report identifies a number of important responses which have taken place since 2011.

- **African countries are working collaboratively to address particular Aichi Biodiversity Targets.**
- **There is a growing portfolio of international support for African countries to achieve the Aichi Biodiversity Targets.**
- **African countries are using ecosystem service valuation and investment in REDD+ to achieve the Aichi Biodiversity Targets.**
- **Many African countries have already achieved their 17% terrestrial protected area targets, and many others are working towards this target on land, as well as on the 10% marine protected areas target on the sea.**
- **Africa is making increasing use of ecosystem based conservation and restoration of natural resources**

Looking to the future, the short run and medium term measures needed to fund biodiversity are:

- **Mobilize resources from private and global funds.**
- **Address the information deficit.**
- **Mainstream biodiversity across government sectors.**

## 2.3 Current biodiversity funding globally and concerns of harmful expenditure

According to 'A Comprehensive Overview of Global Biodiversity Finance' Report by OECD in 2020, and based on currently available data, global biodiversity finance is estimated at USD 78 - 91 billion per year (**2015-2017** average). This estimate comprises:

- **Public domestic expenditure: USD 67.8 billion per year**
- **International public expenditure: USD 3.9 - 9.3 billion per year**
- **Private expenditure on biodiversity: USD 6.6 - 13.6 billion per year.**

Sadly, governments spend approximately USD 500 billion per year in support that is **potentially harmful** to biodiversity i.e. **five to six times** more than total spending for biodiversity. The total volume of finance flows that are harmful to biodiversity (i.e. encompassing all public and private expenditure) is likely to be many times larger.

The report recognized the multiplicity of data sources for biodiversity finance, and in some cases inconsistencies between some and duplications in other cases. It thus called for improvement in harmonizing systems for collecting, tracking and harmonizing reporting of biodiversity finance in future. However, the report did not give a **breakdown** on how the above biodiversity funding was distributed across the regions of the world let alone among the different stakeholders(governments, private sector, CSOs/NGOs, IPLCs, etc.).

Accordingly, the report calls for broadening of data sources and standardization of data collection approaches to improve the understanding of biodiversity funding. Many of the sources of data (which are accessible) were also used in this Report but specifically to relate to the African perspective.

## 2.4 Broad understanding of biodiversity funding, geographical sources and distribution

According to the Little Book of Investing in Nature, 2021, around 78% of the world's biodiversity finance is generated in advanced economies, while about 22% is generated in emerging or developing economies.

In terms of delivery, 59% of total generated biodiversity finance is spent on ecosystems within developed countries, while the remaining 41% is deployed to emerging or developing economies. Only a few major government spending programmes in the United States, Europe and China account for over 50% of generated global biodiversity finance (Luck et al. 2009).

Unfortunately, even in economic regions such as the EU-that are highly developed, have relatively high levels of environmental governance, and have large amounts of biodiversity finance – did not meet their the 2020 biodiversity targets. The implication is that going forward; **all countries will still have the responsibility to improve the effectiveness of biodiversity spending.**

Most of the world's biodiversity exists in countries that require further financial support to implement conservation programmes. Less than 19% of all biodiversity finance, or approximately USD 9.8 billion, is transferred internationally to emerging and developing economies, in roughly even proportions to Africa, Asia, Latin American, and the Caribbean. The Report asserts that overall, **current financial flows have proved insufficient for countries to meet their national biodiversity targets**, and the funding available for biodiversity has yet to make a significant impact on low-to-middle-income countries, which are home to the global biodiversity hotspots. Furthermore, populations in these countries have greater dependency on ecosystem services for their wellbeing and livelihoods, especially through their reliance on the agriculture, forestry, fisheries and tourism sectors. Critically, addressing the global biodiversity financing gap means not only meeting the funding needs but also effectively delivering finance to these biodiversity hotspots.

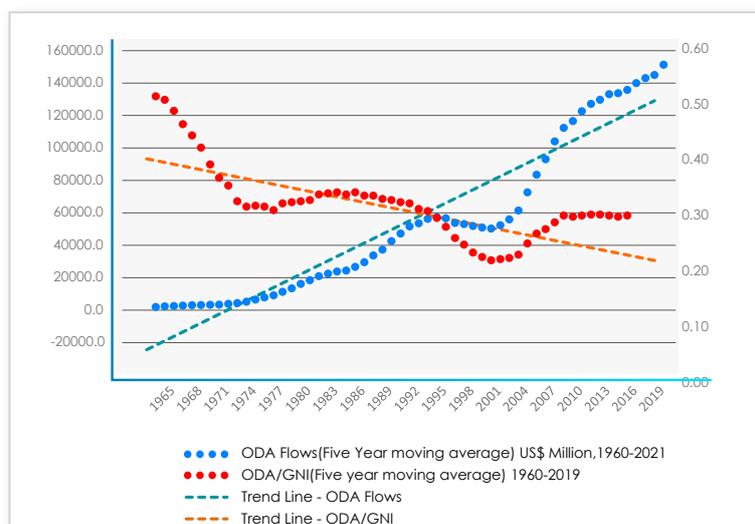
## 2.5. Global aid commitments to developing countries decline as ODA flows increase

In order to understand the challenges of biodiversity funding to Africa, one has to first study the general pattern of aid commitments to developing countries. In 1970, the developed countries committed to give 0.7% of their GDP as ODA assistance to the developing countries and this target has been repeatedly re-endorsed at the highest level at international aid and development conferences. In 2005, the 15 countries that were members of the European Union agreed to reach the target by 2015. In addition, the 0.7% target served as a reference subsequent commitments including the 2005 political commitments to increase ODA from the EU, the G8 Gleneagles Summit and the **UN World Summit** (on biodiversity).

As of July 2022, only five countries reported reaching the target, led by Luxembourg (0.99), and followed by Norway (0.93), Sweden (0.92), Germany (0.74) and Denmark (0.7). The next set of countries with an average of 0.50 ODA/GNI among them are Netherlands(0.52), France(0.52),Switzerland (0.51),UK (0.50) and Finland (0.47).The average for all developed countries is still low, at 0.33<sup>1</sup>. But ODA has been increasing and the GNI target of 0.7% (as a commitment from developed countries) **has been declining (Figure 2.1)**.

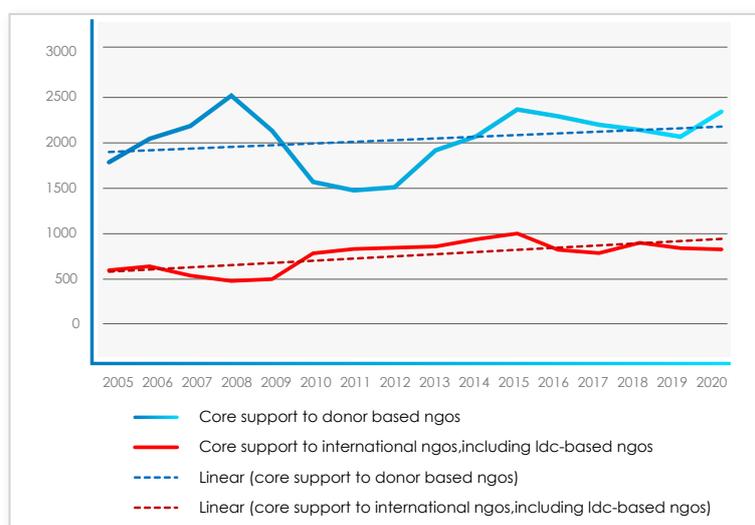
The implication is that as Africa continues to lobby and advocate for improved funding to biodiversity, the engagement has to be broadened not to miss further pursuing developed countries to meet their percentage of ODA/GNI targets. Poor countries have lost out on \$5.7 trillion in aid over the last 50 years - equivalent to \$114 billion a year - because rich countries have reneged on their “solemn promise” to deliver 0.7% of their national income in international aid<sup>2</sup>.

**Figure 2.1: Relationship between ODA flows and ODA/GNI 1960-2021**



Between 2005 and 2020, the core support aid to donor country-based NGOs totalled US\$ 32599.7 million while the flows to international NGOs, including LDC-based NGOs was US\$ 12171.3 million, representing 37.3%. The growth rate for both was negligible.

**Figure 2.2: Trends of ODA flows to NGOs in developed and developing countries (US\$ Million)**



<sup>1</sup> <https://public.flourish.studio/visualisation/9232070/>

<sup>2</sup> <https://www.oxfam.org/en/press-releases/poor-countries-denied-57-trillion-aid-because-rich-countries-50-year-failure-deliver>

## 2.6 Case Study of European Union declining aid to Africa, 2005-2018

The European Union, one of the economic blocs that has supported and continues to support Africa including in the area of biodiversity funding has been studied to further understand the patterns of developed countries funding to Africa. The subsequent overview of the regional distribution of development funding to Sub-Saharan Africa in Table 2.1 based on the 'EU Aid Explorer' platform has been used as one of the case studies to understand the general environment in which biodiversity funding has been shaped in the past and how it is likely to continue unfolding.

On positive note, in **absolute terms**, EU aid disbursed to Africa showed steady increase between 2005 and 2018 but the picture changes when one looks at **proportion** to Africa during the same period. The picture shows that aid to Sub-Saharan Africa **declined from around a third to nearly a quarter of total EU aid**. It is reported that an increasing share of EU aid is going to **other regions, including Europe (Turkey in particular)** as well as the Eastern and Southern Neighborhood. So, all in all, the declining percentage shows that the growth in absolute amounts was outpaced by the EU's development policy engagement in other parts of the world<sup>3</sup> (see table below)

To note further, whereas it is reported and greatly appreciated that EU aid contributed to Africa's articulation of climate change issues and remained stable for general environment protection and for CSOs during 2013-2018 period, the decline for **tourism sector** (and for some of the protected and conserved areas) is worth noting.

It declined generally from US\$ 10,692 million in 2013 to US\$ 0,339 million in 2014, rose marginally to US\$ 1,364 million in 2015 but fell again to US\$ 0,578 million in 2016. It rose to US\$ 2,577 million in 2017 and fell again to 2448 in 2018.

**Table 2.1: EU Aid to Sub-Saharan Africa as percentage of total EU aid**

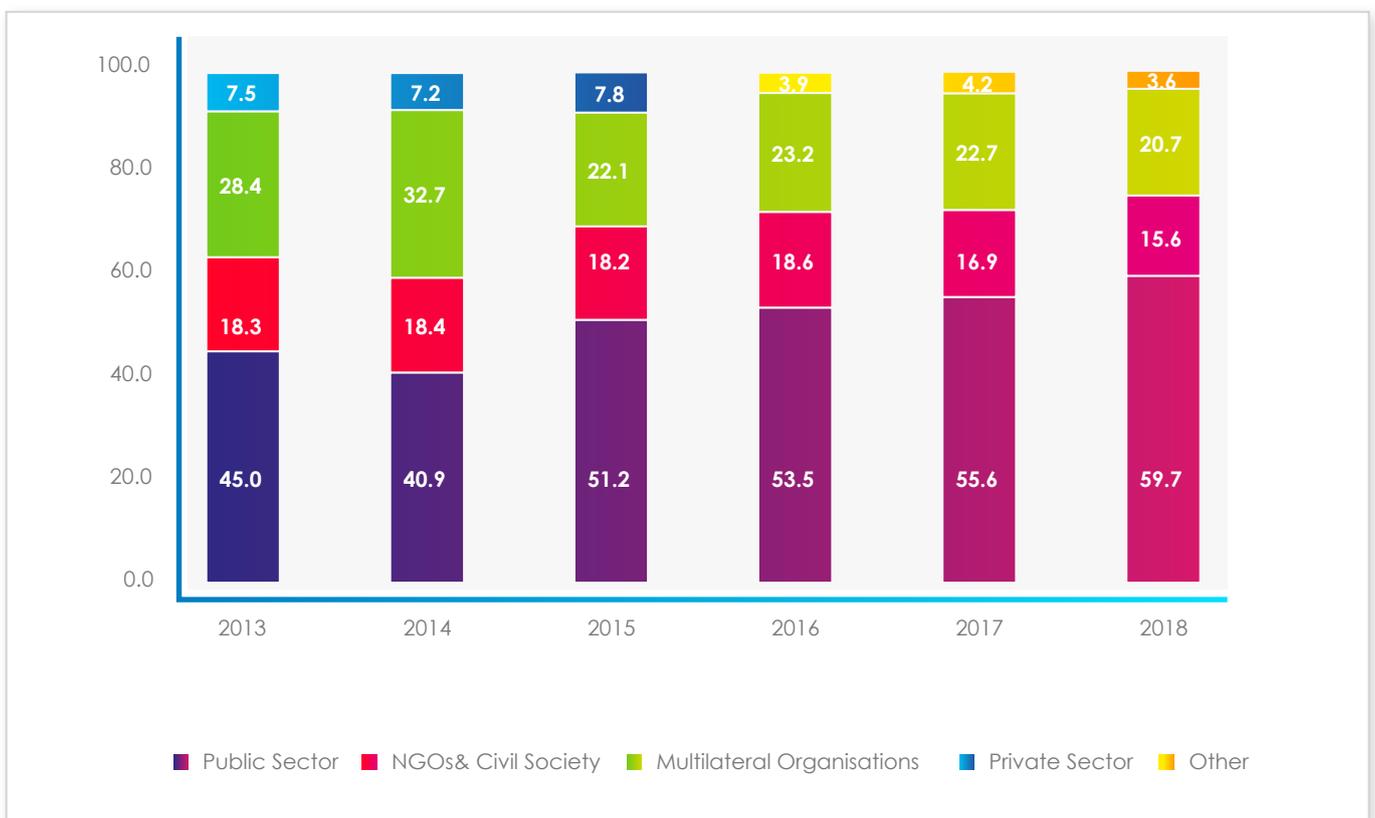
	TOTAL EU AID DISBURSED	EU AID DISBURSED TO SSA	EU AID TO SSA AS % OF TOTAL AID DISBURSED
2005	9.549,880	3.570,081	37.38%
2006	10.417,788	3.654,800	35.08%
2007	10.559,230	3.913,389	37.06%
2008	11.037,417	4.229,285	38.32%
2009	11.577,821	4.226,494	36.51%
2010	11.615,893	4.341,017	37.37%
2011	15.550,810	4.216,369	27.11%
2012	16.755,072	4.690,327	27.99%
2013	15.194,932	4.141,872	27.26%
2014	16.198,484	4.652,603	28.72%
2015	16.106,343	4.189,126	26.01%
2016	19.198,101	4.653,934	24.15%
2017	18.706,086	4.699,116	25.12%
2018	19.664,049	5.393,876	27.43%

3 Alexei Jones, Niels Keijzer, Ina Friesen and Pauline Veron (2020) EU development cooperation with Sub-Saharan Africa 2013-2018: policies, funding, results

When it comes to the EU's channeling of development aid, Figure 2.3 shows, among others, that:

- **The public sector (which includes both the donor's and the recipient's administration) is the dominant delivery channel, and that its ratio has increased in the period 2013-2018**
- **Aid delivered to and through ngos & civil society proved to be more or less stable (averaging 17.7% Over a six year period)**
- **The use of the private channel in the latter years in the figure needs to be observed in future particularly with regard to how the private sector might compete with the channel for ngos and csos**

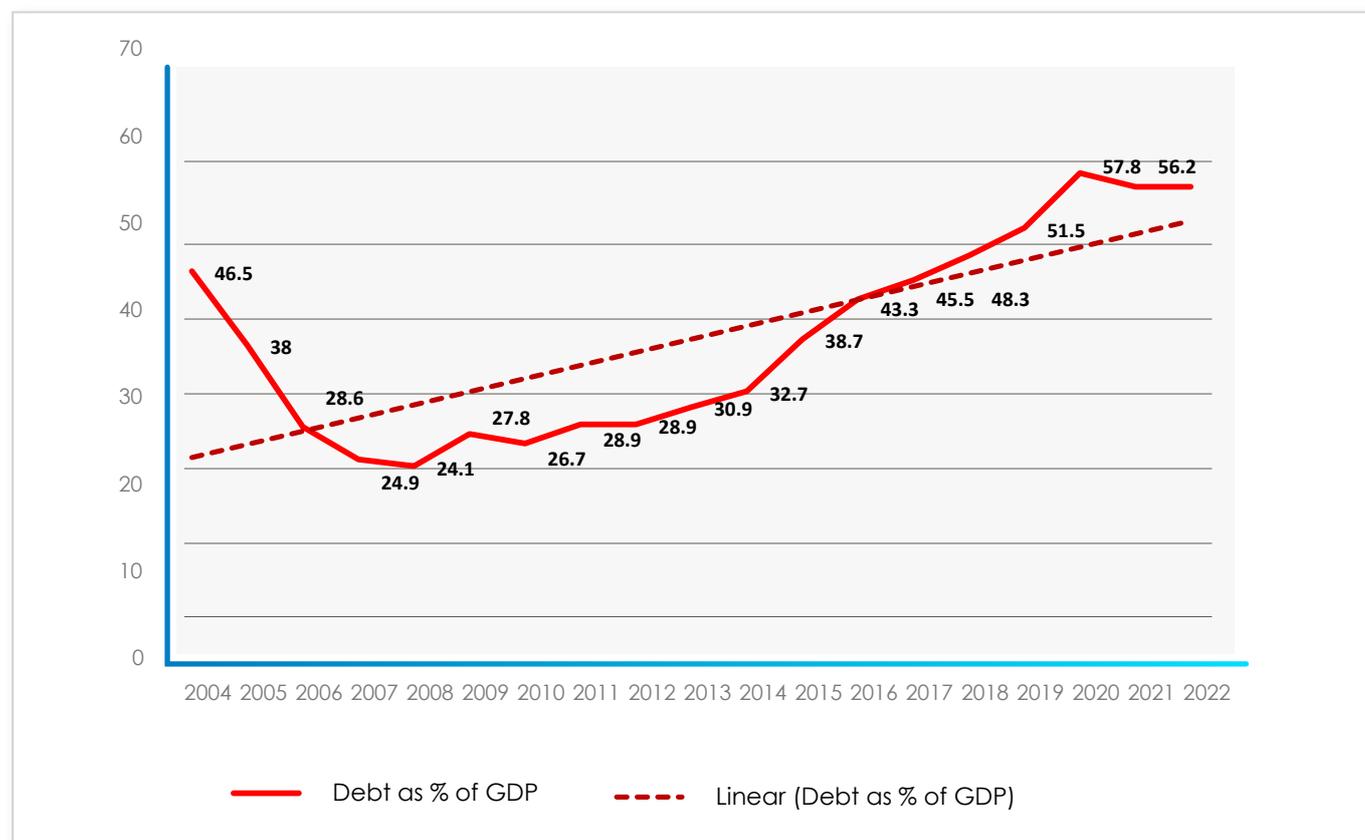
**Figure 2.3:** Principal delivery channels of EU aid to SSA (% of total), 2013-2018



## 2.7 Africa's debt is high and growing

Another context in which one has to understand the dilemma of Africa with regard to financing generally is that the debt burden is very high and growing as seen in Figure 2.4. This implies that part of the funding countries generate which would otherwise also benefit biodiversity conservation go into loan repayments.

**Figure 2.4: Growth of Africa's debt, 2004-2022**



## 2.8 Debt for nature swaps are not forthcoming

As Africa debts rise, relief or debt for nature swaps are not forthcoming. A debt-for-nature swap is a financing instrument that cancels all or part of a country's external or commercial debt, converts it to local currency, and uses the funds for conservation. Debt-for-nature swaps have been instrumental in financing biodiversity conservation since the early 1990s. Debtor countries generally accept debt-for-nature swaps as they tend to alleviate country debt at a lower than nominal debt value. In other words, subject to negotiation between parties, repayment represents only a fraction of the original debt while still providing significant funding for conservation. As the term implies, debt for nature swap is conditional, that is, relief is given to benefit only nature or conservation. On the other hand, debt relief generally is defined as both debt forgiveness, either in part or in full, as well as debt restructuring and need not be conditioned to conservation.

Beside GEF contributions, bilateral debt swaps make up a substantial proportion of the capital of existing conservation Trust Funds (CTFs). According to the 'Rapid Review of Conservation Trust Funds', 56% of the capital received by the 40 largest CTFs has come from bilateral debt reduction programmes (cfa, 2008), through the tropical forest conservation act (tfca) and

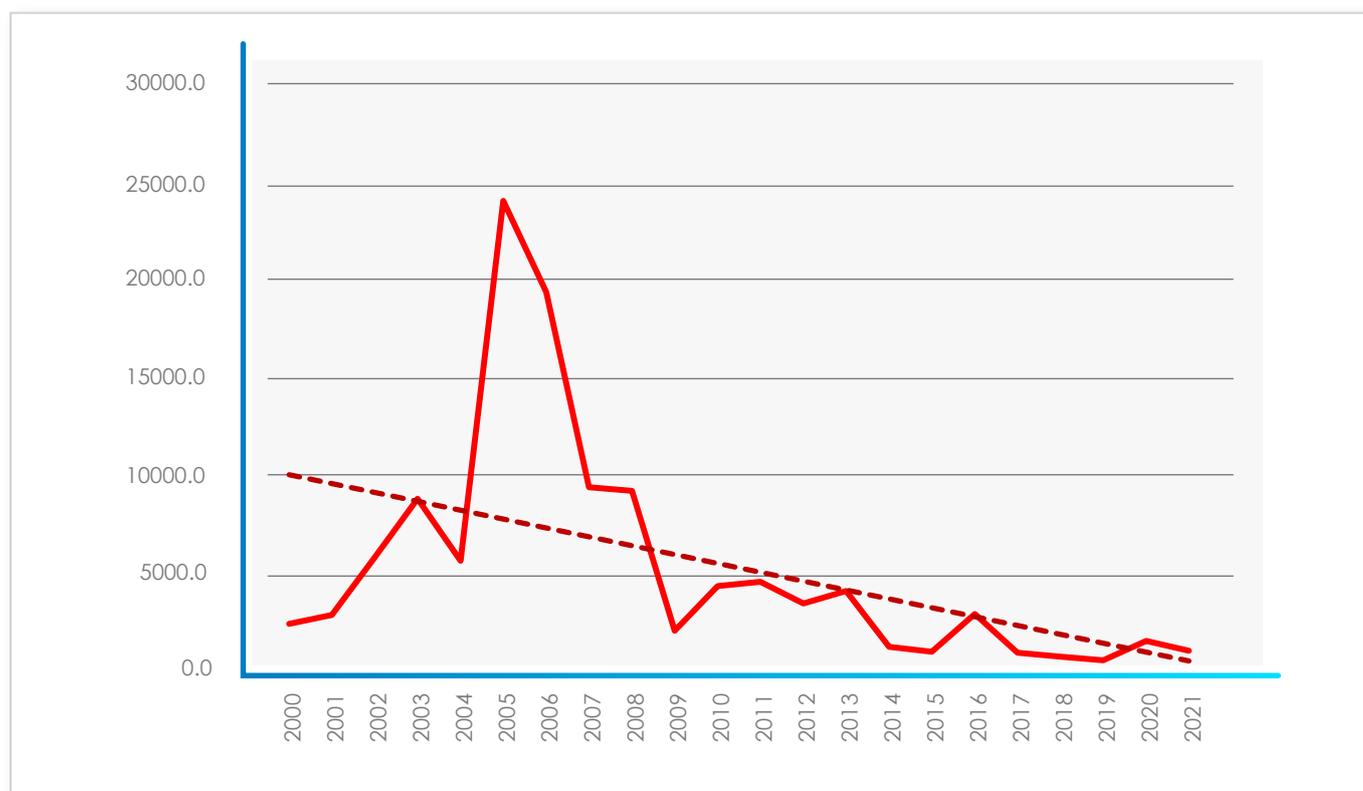
enterprise for the Americas Initiative (eal) programmes. The United States is the largest source of bilateral debt swaps accounting for around two-thirds of all transactions, followed by Germany.

There is concern that debt relief by developed countries has seen a very sharp decline particularly after 2008. (Figure 2.5). Before that, debt relief was favoured by high commodity prices up to 2008 when there was there was financial crash. Out of the 36 low income countries that had been favoured under debt relief, 29 were from Africa.

After the 2008 financial crisis halted debt relief, external and domestic borrowing in Africa continued to increase. Most of these Sub-Saharan African countries operate below their potential tax revenue generation, accelerating the rate of debt accumulation. The COVID-19 pandemic has put upward pressure on debt accumulation across the African continent. The debt burden of Sub-Saharan Africa in 2020 increased by 4.5% more than the earlier projections.

On average, SSA countries lost 9.3% of revenue projected in 2020 because of economic disruption caused by COVID-19. Therefore, in the longer run, any loss of revenue during the pandemic may make repayment difficult and the debt burden unsustainable for many of these countries. The main implication is that in the short to medium term, the financing of all sectors in Africa may suffer. Further, it implies that approaches for funding biodiversity in Africa under such circumstances will have to be innovative and affirmative

**Figure 2.5: Trends in debt-for-nature swaps, 2000-2020**



# 3.

## TRENDS & PATTERN OF INTERNATIONAL BIODIVERSITY FUNDING IN AFRICA

### 3.1 Trends and proportionality of bilateral ODA to biodiversity for Africa 2005-2020

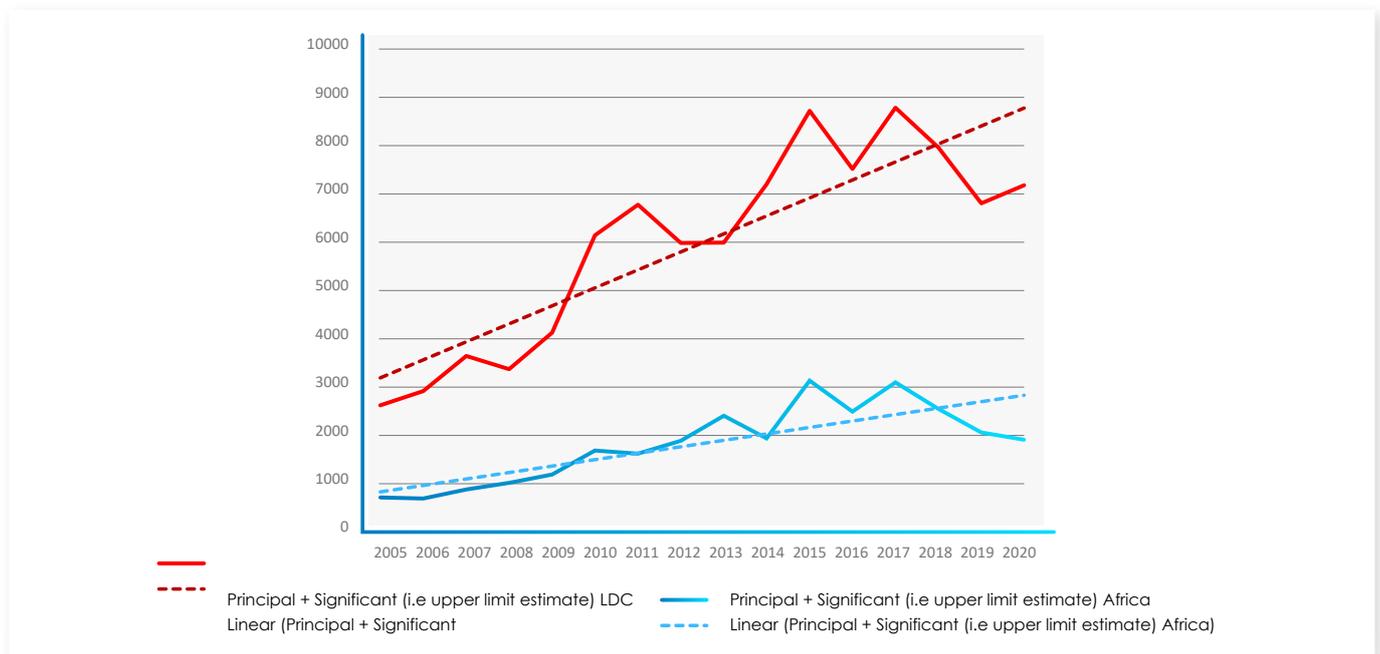
Based on the methodology described in Chapter 1 of this report by which donors qualify biodiversity funding, Table 3.1 presents the low and high scenarios of biodiversity funding from bilateral ODA for the period 2005-2020 for all Less developed countries (LDCs) and Africa in particular. For Africa, at the lowest ,biodiversity funding averaged US\$ 1054.7 million per year while at the highest it was US\$1774.5 million over the period 2005-2020 with proportionality ranging between 26.8% at lowest and 29.6% at the highest.

**Table 3.1: Low and high biodiversity bilateral ODA to LDCs and Africa, 2005-2020**

Bilateral ODA for biodiversity based on RIO markers	ALL DEVELOPING COUNTRIES		AFRICA		
	Absolute amount in US\$ million (2005-2021)	Average in US\$ per year in million (2005-2021)	Absolute amount in US\$ million (2005-2021)	Average in US\$ per year in million (2005-2021)	Proportionality of bilateral ODA to Africa
Principal	40816.8	2551.0	9196.0	574.8	22.5%
Significant	55059.6	3441.2	19196.2	1199.8	34.8%
Principal +40% significant	62840.6	3927.5	16874.5	1054.7	26.8%
Principal +Significant	95876.4	5992.3	28392.2	1774.5	29.6%

On the other hand, Figure 3.1 gives the trend for the same period for LDCs and Africa, based on the high scenarios and a five year moving average. It is evident that the growth of biodiversity funding to all LDCs was higher than that of Africa, although both registered declines in recent years particularly after 2017.

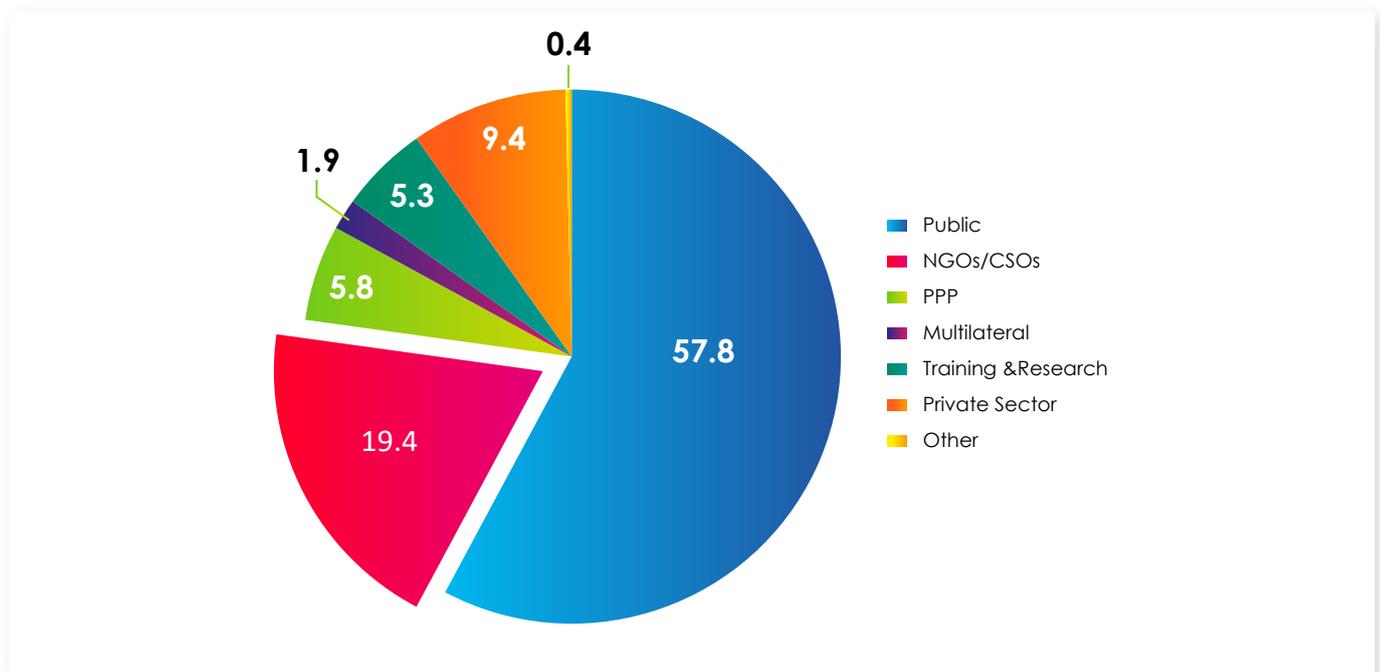
**Figure 3.1: Trends of bilateral biodiversity funding to LDCs and Africa, US\$ millions, 2005-2020**



### 3.2. Bilateral biodiversity funding by grants 2018-2020

It was established that the OECD database started showing the bilateral ODA by grants by sector and channel of delivery in 2018. In the period 2018 to 2020, a total of US\$ 1991.2 million was given to all LDCs out of which Africa got US\$ 558.8 million representing 28.1%. With respect to channel for biodiversity delivery, Figure 3.2 shows that much of grants to biodiversity to Africa were channeled through public institutions taking 57.8%, followed by NGOs/CSOs with 19.4%.

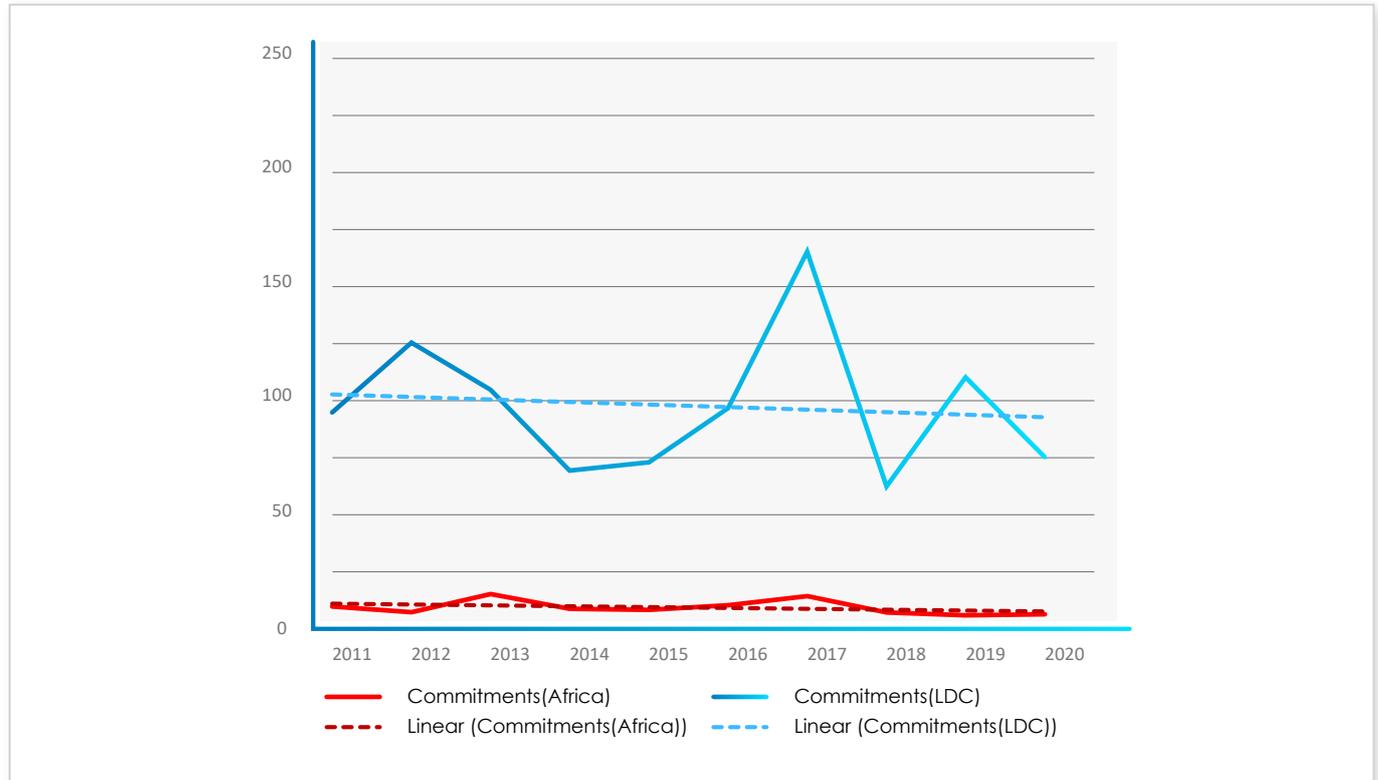
**Figure 3.2: Channels of bilateral biodiversity grants to Africa, 2018-2020**



### 3.3 Biodiversity funding through Multinationals 2011-2020

Figure 3.3 shows that multilateral commitments for biodiversity to both LDCs and Africa in particular between 2011 and 2020 has not drastically improved, and has slightly been on the downward trend. In absolute terms, all LDCs got US\$ 1004.88 million out of which Africa got US\$ 87.77 million, which is only 9%

**Figure 3.3:** Trend of multilateral funding of biodiversity to LDCs and Africa , 2011-2020

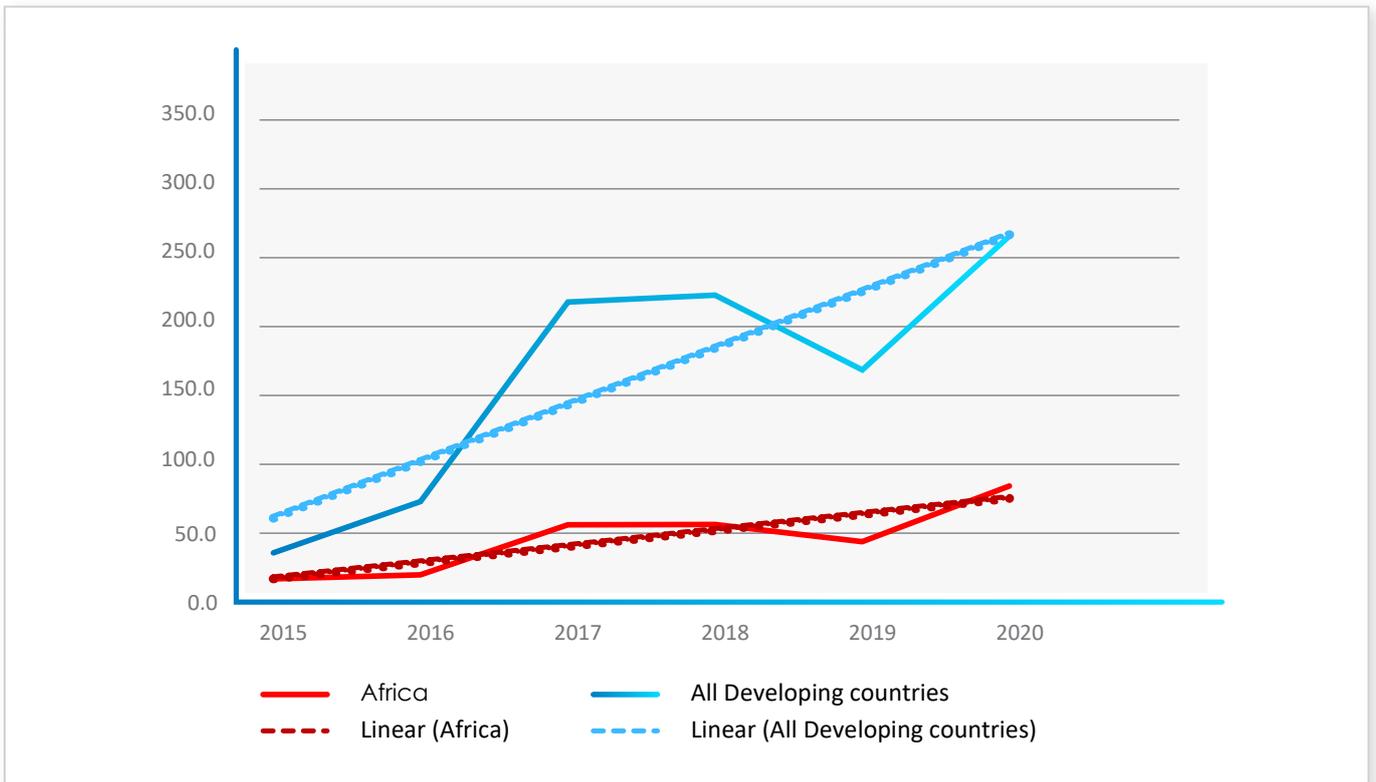


### 3.4 Biodiversity funding by Philanthropies, 2015 - 2020

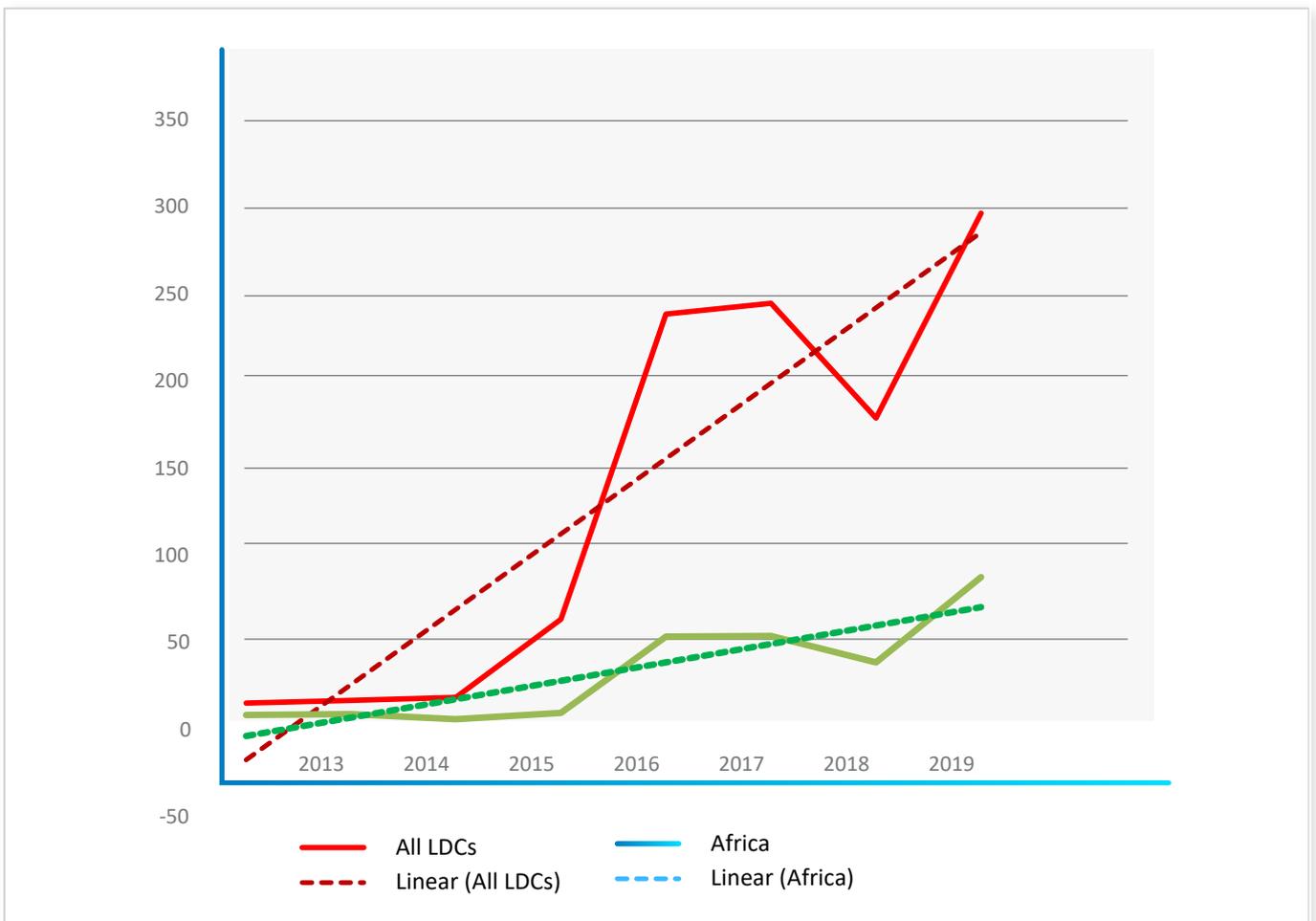
Between 2015 and 2020, philanthropies funding to biodiversity was US\$ 1056.1 million for all developing countries and US\$252.1 million for Africa, making 23.8% share to Africa. In 2020, there was a sharp increase for both all developing countries and Africa because Jeff Bezos committed US\$ 94 million to the Bezos Earth Fund for all developing countries, of which US\$ 42 million was for Africa. The top 10 philanthropies to Africa are given in Figure 3.5 but their focus on biodiversity differs. To note however, MAVA Foundation is closing by end of October,2022<sup>4</sup>

4 <https://mava-foundation.org/about-us/faq-closing/>

**Figure 3.4:** Trends of biodiversity funding flows by philanthropies, US\$ millions, 2015 - 2020



**Figure 3.5** Top ten philanthropies for all developing countries, US\$ millions 2015-2020



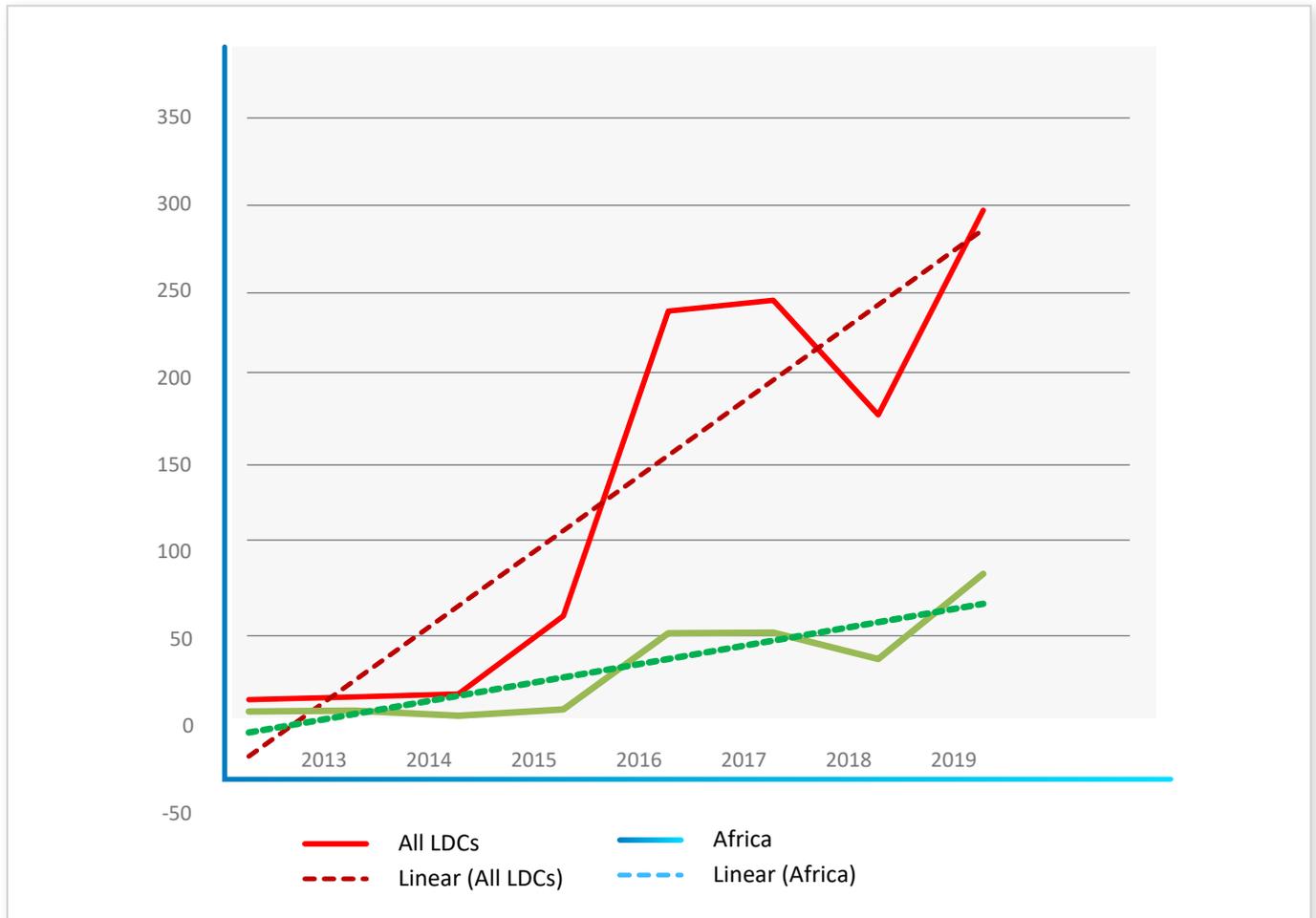
**Table 3.2:** Illustrative examples of philanthropies funding details

FOUNDATION	BRIEF DESCRIPTION	2020 FUNDING	MAIN CHANNELS	MAIN GEOGRAPHICAL FOCUS	TOP RECIPIENTS
The United Postcode Lotteries	The United Postcode Lotteries are a significant provider of core/ unrestricted support to organisations working on development issues and beyond, such as environmental protection, climate change, human rights, gender equality and social cohesion	USD 357.4 m	NGOs	Africa and Asia. USD 48.7 million was allocated to Africa and USD 14 million to Asia, accounting respectively for 14% and 4%	Central African Republic, India and the Democratic Republic of the Congo.
The Bezos Earth Fund	The foundation is committed to fighting climate change and protecting nature.	USD 376.6 m		America, Africa and Asia. USD 44.7 million was committed to America, USD 42.4 million to Africa and USD 33.3 million to Asia, accounting respectively for 12%, 11% and 9%	
The Oak Foundation	Preventing Child Sexual Abuse, Environment, International Human Rights, Issues Affecting Women, Learning Differences, India, Zimbabwe and Brazil.	USD 155.2 m		Asia (USD 35.4 million) and Africa (USD 23.8 million), accounting respectively for 23% and 15%	Brazil, India and the People's Republic of China.

### 3.5 Biodiversity funding by private sector, 2013 - 2020

Between 2013 and 2020, the private biodiversity funding to all LDCs was US\$ 1093.4 million, out of which US\$ 270.6 million was for Africa, which accounts for 24.7%. However, the increase over the same period was higher for all LDCs than it was for Africa, based on the trend line

**Figure 3.6:** Trend of private biodiversity funding for LDCs and Africa (US\$ million) 2013-2020)



### 3.6 Global Patterns of international aid linked to biodiversity

In a study by Daniel C. Miller entitled "Explaining Global Patterns of International Aid for linked biodiversity and development" for the period 1980 to 2008 and based on Aid database, the findings summarized in Table 3.4 revealed that:

- A total of 9445 projects had been funded, out of which 6,021 (64%) received strict biodiversity conservation aid and 3,424 (36%) received mixed bio diversity conservation and development aid
- Although mixed projects were less numerous, they accounted for 72% of the total biodiversity aid given during the period (US\$ 13.4 billion)
- Bilateral donors allocated the majority of strict aid (61%) while multilaterals provided 80% of all mixed funding (US\$ 10.7 billions)
- The average size of mixed projects was US\$ 3.92 million while the average strict project size was US\$ 847,600 only

**Table 3.4** Biodiversity aid by type and donor category, 1980-2008 (Constant year 2000 US\$)

PROJECT TYPE	NO. OF PROJECTS	TOTAL AID (US \$ BILLION)	BILATERAL	MULTILATERAL	% BILATERAL	MEAN PROJECT (US)
Strict Biodiversity conservation aid	6,021	5.1	3.1	1.9	61	0.847 million
Mixed bio diversity conservation for developmental aid	3,424	13.4	2.7	10.7	20	3.92 million
<b>Total</b>	<b>9,445</b>	<b>18.5</b>	<b>5.8</b>	<b>12.7</b>	<b>31</b>	<b>1.924 million</b>

The overall conclusion and summary from the comprehensive study was that:

- **Bilateral aid tended to be directed toward strict conservation and multilateral aid toward mixed conservation and developmental aid ( because bilateral donor government are responsible to environment constituency at home who want to sell the diversity of the global public good of biodiversity conservation and strict conservation is seen as a more obvious means to demonstrate this commitment).**
- **With regard to the factors that determine the targeting of aid, the study found that aid follows the biological needs and that both strict and mixed biodiversity aid are also associated with open, accountable government contexts but overall, the effect of governance is stronger than that for biodiversity.**



## 4.

# AFRICA'S FUNDING OF BIODIVERSITY

UNDP's BIOFIN programme has for some time been working with countries to create sustainable finance solutions to not only protect biodiversity, but let it flourish. It was launched in 2012, at the CBD COP 11 and charged to develop a bottom-up approach to build evidence-based national biodiversity finance plans pursuant to implementing national biodiversity strategies and action plans. The Biodiversity Expenditure Reviews is one of four primary outputs of the BIOFIN process and methodology and is the basis for the data collected and analyzed to document governments' progress to biodiversity funding here. BIOFIN defines biodiversity expenditure as "any expenditure whose purpose is to have a positive impact or to reduce or eliminate pressures on biodiversity".

In a study entitled 'The effectiveness of national biodiversity investments to protect the wealth of Nature'<sup>5</sup>, and based on a sample of 26 BIOFIN participant countries (out of 41) and four non-participant countries using a similar methodology, it was found that they had an average gross domestic product (GDP) of US\$587 billion and a population of 83 million. These countries allocated about US\$1.1 billion to biodiversity expenditures, representing about 0.3% of the GDP or 1.25% of the national budgets.

Based on UNDP BIOFIN estimate of government spending on biodiversity from 30 countries, it was reported that biodiversity expenditure over the last decade has been going up, both in absolute terms and as shares of national expenditures (budgets) and national income (GDP). It is shown in Figure 4.1. However, the average expenditure for biodiversity over the period is well below approximated global needs of 0.5% of GDP to reach the Aichi targets suggested by the CBD report<sup>6</sup>.

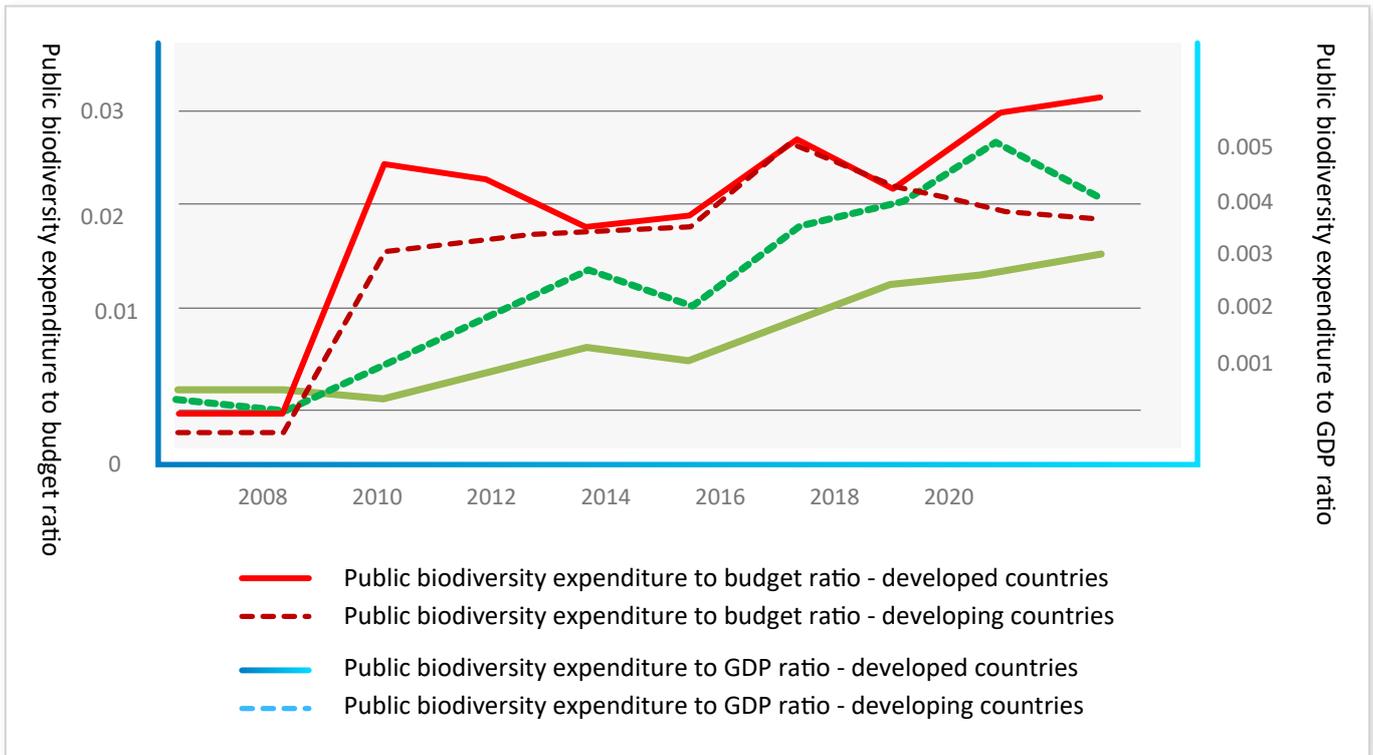
In short, countries are not yet spending sufficiently in relation to biodiversity needs across many

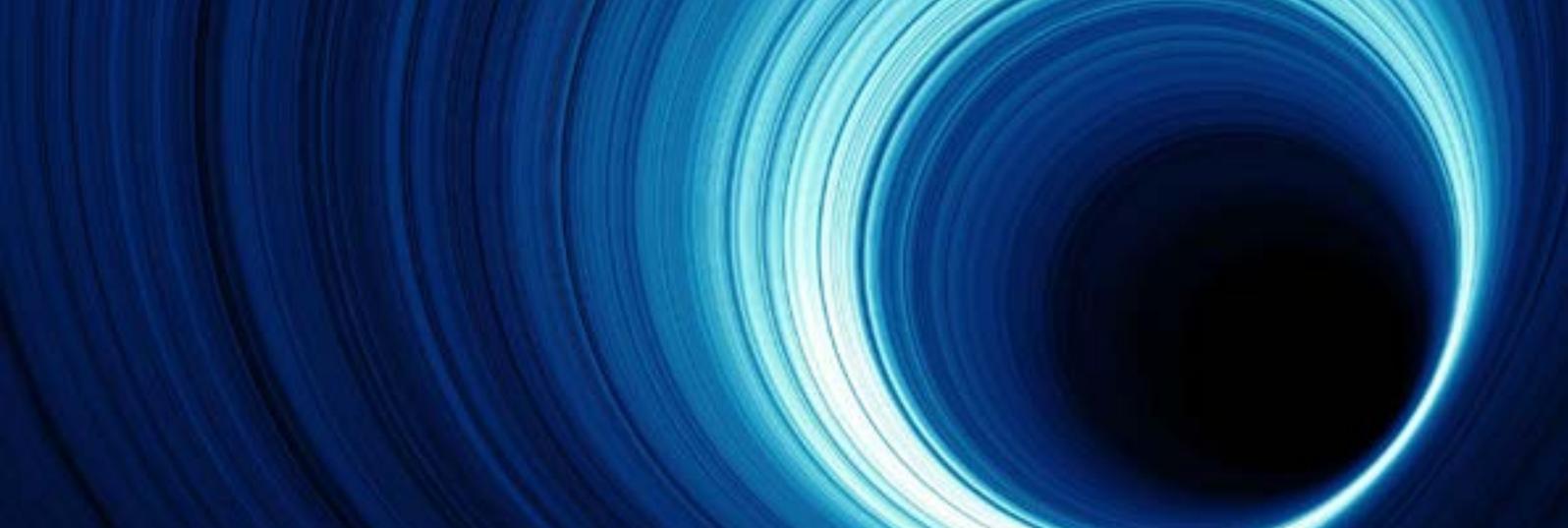
<sup>5</sup> <https://www.nature.com/articles/s41559-020-01372-1>

<sup>6</sup> Deutz, A. et al. Financing Nature: Closing the Global Biodiversity Financing Gap: Full Report (Paulson Institute, Nature Conservancy and Cornell Atkinson Center for Sustainability, 2020).

countries but the picture is worse for developing countries, a category in which many of African countries fall. To note, African countries are still constrained in raising internal revenue. The tax to GDP ratio for 30 countries increased by 1.8 percentage points only, from 14.8% in 2010 to 16.6% in 2019<sup>7</sup>.

Figure 4.1 Public biodiversity expenditure as a proportion of budget and of GDP trends, 2008- 2017





# 5.

## TRACKING BIODIVERSITY FUNDING THROUGH SOME CHANNELS OF DELIVERY

### 5.1 Tracking general aid from source to recipient government and NGOs

The broad consensus in the international development community is that “country ownership” is a good thing. According to the Paris and Accra agreements on aid effectiveness, developing countries should set their own strategies for poverty reduction and donors should align behind these objectives and use local systems for aid delivery. Ownership is meant to reflect alignment between donor and partner, and help build capacity. A better measure of “ownership” is asking who manages the spending

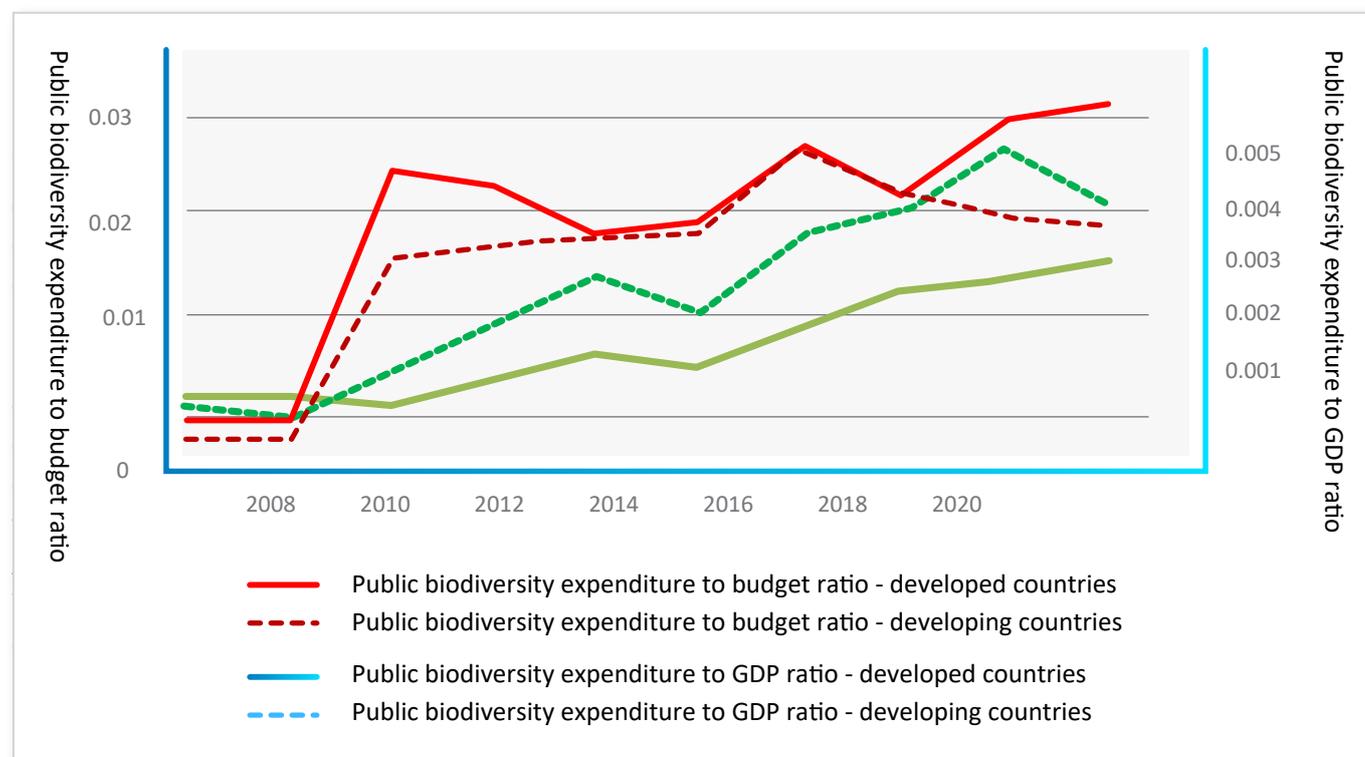
The first panel of figure 5.1 shows trends over time in the channel of aid, including finance from bilateral and multilateral donors<sup>8</sup>. The second panel shows trends over time in the delivery for total development finance, including finance from bilateral and multilateral donors.

In short, the figure suggests that, for aid in 2020:

- **22% is channeled through donor governments**
- **10% is executed by private firms or NGOs in donor countries**
- **29% is executed by partner country governments**
- **3% is channeled through private firms or NGOs in developing countries,**
- **20% of development finance is earmarked bilateral aid implemented by multilaterals**

Only 32% of aid funds are managed by partner country governments, private sector firms and NGOs combined. The picture is slightly better when it comes to development finance as a whole (which includes non-concessional investments): 43% of all official flows are implemented by partner country institutions<sup>9</sup>

**Figure 5.1: Most aid does not pass through recipient governments or any other local organization**



## 5.2 Loss of development aid through overhead costs of categories of delivery channels

In a study by William Easterly and Tobias Pfutze, 2008 on 'Where does Money Go'<sup>11</sup>, it was found that data on operating costs of aid agencies, among other leakages of aid, has neither been readily available nor standardized to objectively compare leakages of aid through different channels. Even though the study recognized the shaky nature of the data, it shed some light on overhead costs. The findings were that:

- For the total international aid effort, the ratio of administrative costs to official development financing is about 9%.
- Multilateral aid agencies have significantly higher administrative budgets than bilateral aid agencies which is explained entirely by higher salary budgets, which in turn are explained partly by higher salaries and benefit in multilateral agencies.
- The average of overhead costs for multilateral was 12% compared to 7% for bi-laterals
- There was tremendous variation across agencies with UN agencies having the highest ratios of operating costs to aid by a large margin. UNDP was the worst, spending much more on its administrative budget than it gives in aid. Australia, Italy, Japan and Norway showed the lowest overhead costs by this measure.

<sup>9</sup> <https://www.cgdev.org/blog/how-much-foreign-aid-reaches-foreign-governments>

<sup>10</sup> <https://www.oecd.org/dac/peer-reviews/Aid%20for%20CSOs%20Final%20for%20WEB.pdf>

<sup>11</sup> [https://ciaotest.cc.columbia.edu/wps/bi/0001712/f\\_0001712\\_907.pdf](https://ciaotest.cc.columbia.edu/wps/bi/0001712/f_0001712_907.pdf)

The main message is that many recipients of biodiversity funding can have a bigger share of funding if they accessed the funds directly than through other parties. On the other hand, biodiversity funders could have a stronger impact on biodiversity by delivering financing directly to local CSOs. A similar study on Climate Finance published by IIED (Soanes Et. Al 2017), generated evidence, which shows climate finance reaching the local level, as part of a coherent approach to climate action – delivers effective, efficient and sustainable results that enhance the impact of each dollar disbursed.

The Climate Financing researchers found that less than 10% of climate finance committed from international climate funds by 2016 was prioritized for local-level activities. The IIED researchers estimate that out of the US\$17.4 billion total, less than 10% (\$1.5 billion) was approved for locally focused climate change projects between 2003 and 2016.





## 6.

# MAIN CONSTRAINTS FOR BIODIVERSITY FUNDING FOR GOVERNMENT AND NON- STATE ACTORS

Most countries indicated in their fourth national reports to the CBD Secretariat that **limited capacity, both financial and human**, were a major obstacle to the implementation of the Convention<sup>12</sup>. CBD Parties under Aichi Target 20 had set that 'By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization should increase substantially from the current levels. However, they all fell short of the targets'.

Other commonly reported problems include: a lack of institutional, financial and technological resources and capacity to implement NBSAPs; a lack of appropriate and harmonized biodiversity indicators to assess conservation needs and NBSAP progress; data and information deficiencies; and national budgetary constraints in a region with many least developed countries. Other constraints are lack of readily available information on Africa's biodiversity, which presents a barrier to accurately assess the status and trends, threats, and conservation needs for biodiversity in Africa<sup>13</sup>. With such a list of problems, both governments and NSAs fail to justify why they should get more biodiversity funding.

As African governments and NSAs take interest to broaden their funding sources, for example for nature based solutions and enterprises, they face other specific barriers. These fall into three main categories:

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<sup>12</sup> <https://www.cbd.int/doc/strategic-plan/targets/T20-quick-guide-en.pdf>

<sup>13</sup> <https://www.cbd.int/gbo/gbo4/outlook-africa-en.pdf>

- **Failures to correct for the wedge between the social and private costs of stakeholders' decisions, which promote overuse or overharvest;**
- **The lack of data and measurement standards for measuring impact and biodiversity risk; and**
- **Issues with small-scale or otherwise noncommercial biodiversity investment opportunities which make private sector financing challenging<sup>14</sup>.**

In a recent study by Synchronicity Earth and Maliasili to understand key barriers and challenges to funding local conservation organizations in Africa from the perspective of grantee **and** donor, the findings confirm many of the above barriers and challenges. Local organizations reported the following top barriers of challenges:

- **92% of CSOs identified lack of core/unrestricted funding as a barrier**
- **73% of CSOs identified insufficient funding as a barrier**
- **71% of CSOs said that short-term project funding is a barrier**
- **52% of CSOs identified onerous proposal and reporting requirements as a barrier**

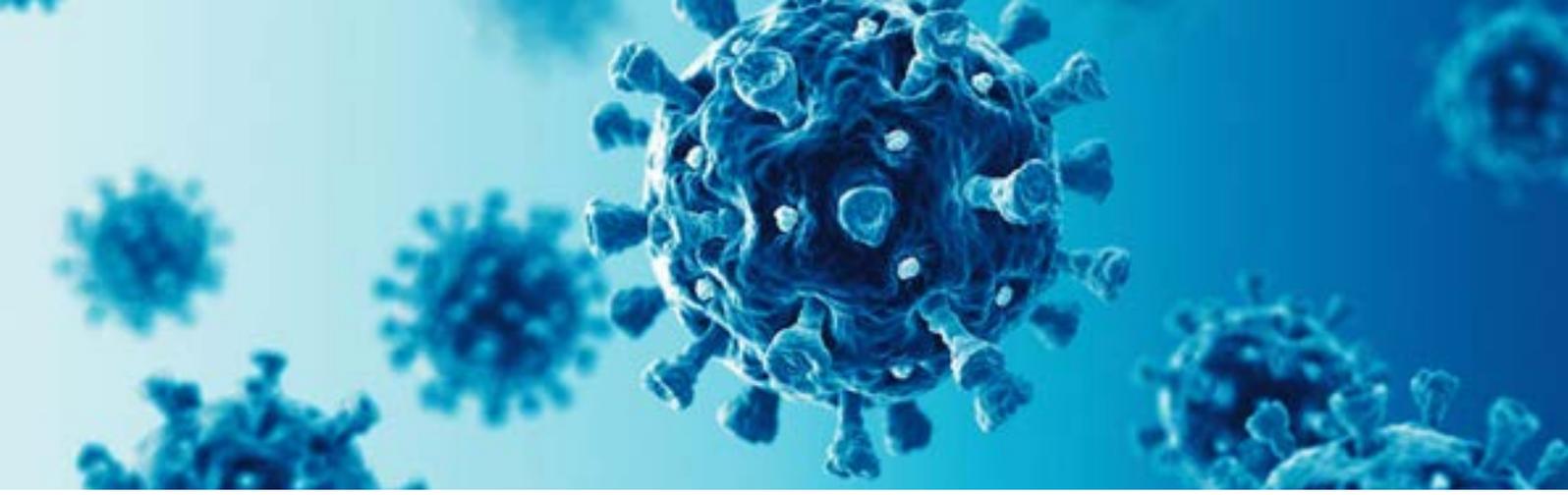
On the other hand, among funders, the most prominent barrier to funding more locally-based organizations in Africa was the **transaction costs** related to finding and building relationships with local groups, as well as in making larger numbers of grants to small organizations. Additional challenges include the ability of African organizations to **provide high quality proposals and** reporting as well as gathering **the data or metrics that funders and their boards expect**.

The study concluded that 'by keeping funding short-term, project based and heavily restricted, while failing to contribute to organizational overheads, the aid chain is not just failing to support or provide autonomy to local civil society, but is also actively preventing greater strength and sustainability to be built across it around the world'. It also asserted that conservation field has typically focused on the total amount of funding to conservation but has 'overlooked, now clearly of growing importance, how funding is **structured, designed, and delivered**' (Paul, R., J. Chick, E. Sulle and F. Nelson, 2022).

The main message from these findings is that in as much as governments and non-state actors in Africa have to address some of their own challenges, the biodiversity funding architecture globally has to be restructured to be accommodative for the participation of many diverse players operating at different scales and to offer win-win solution to both grantees and funders.

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<sup>14</sup> <https://thedocs.worldbank.org/en/doc/916781601304630850-0120022020/original/FinanceforNature28Sepwebversion.pdf>



# 7.

## IMPACT OF COVID-19 ON BIODIVERSITY FUNDING

The COVID-19 pandemic affected virtually all sectors and the biodiversity conservation sector at local, regional and global levels (Corlett et al., 2020). The negative impacts of the pandemic outweighed the positive ones. (Muhumuza and Balkwill, 2013; Roe et al., 2015; Corlett et al., 2020). In the same vein as previous disease outbreaks, COVID-19 led to the inability to manage protected areas and carry out conservation programs because of the total lockdown and reduced income streams from tourism (Corlett et al., 2020).

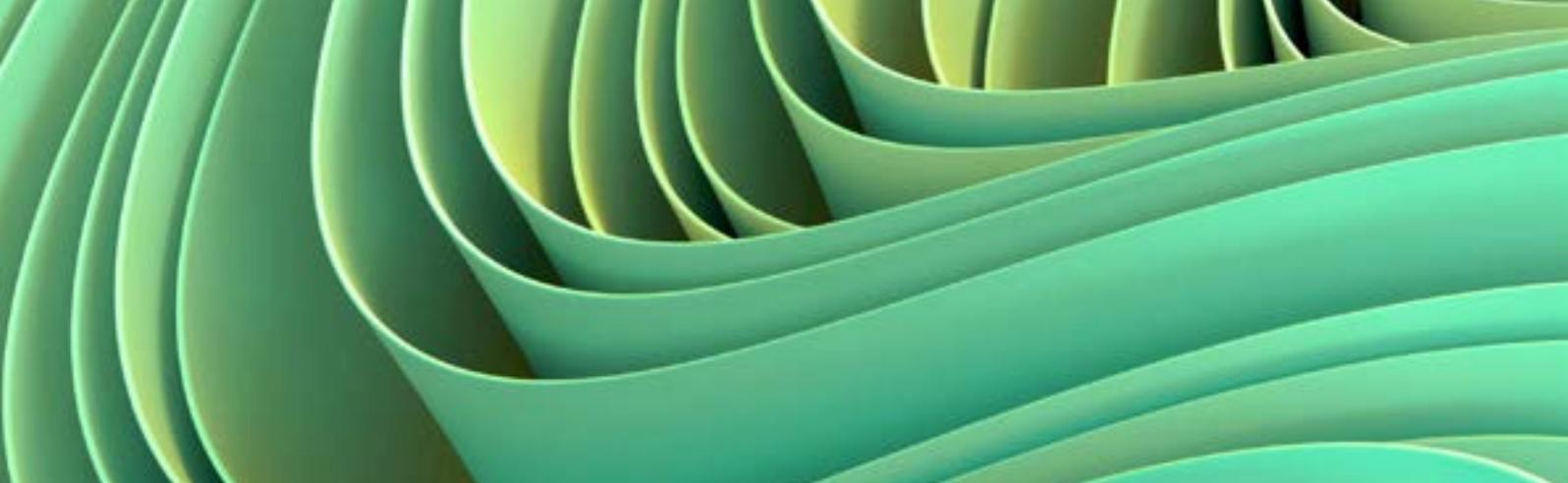
Economically, pandemics imposes high financial costs on both government and conservation organization. The highly trained staff lost to a pandemic is devastating in developing countries where conservation capacity is limited. Tourism revenue is the source of funding for protected area agencies. It provides the means for livelihood improvement of local communities and national development through foreign exchange (Anand and Kim, 2021). Loss of tourism revenues in protected areas leads to joblessness through staff dismissal (Weaver and Makiwa, 2020) and non-organized monitoring programs. Presently, there is insufficient data on the impact of the COVID-19 on tourism revenues in various countries.

The fluctuation of the tourist number in the world can better explain the dynamics of tourism revenue. According to UNWTO (2020), 100% of countries with tourism destinations introduced travel restrictions because of Covid-19, and the pandemic caused a drastic decrease in tourist numbers (290–440 million) at a rate of 20–30% during 2020 globally.

In the face of repeated waves of the COVID-19 pandemic and multiple lockdowns, governments in sub-Saharan Africa were cut off from much-needed sources of revenue-due to both the freeze in economic activity as well as tax forbearance measures implemented to help businesses survive. High frequency data available up until December 2020 reveals how the pandemic caused a median 15% drop in monthly tax revenues in mid-2020 relative to the year before<sup>15</sup>

The International Monetary Fund (IMF) has estimated that from the start of the COVID-19 pandemic to 2023, Africa stands to lose as much as \$290 billion. This has the potential to devastate progress towards the SDGs, increasing poverty and community susceptibility to climate change and resulting in further loss of biodiversity due to intensified pressure on natural resources.





## 8.

# OPPORTUNITIES FOR BIODIVERSITY FUNDING

African governments and non-state actors alike in Africa will have to continuously be on the lookout for all types of opportunities for biodiversity funding, which may vary by type of beneficiary and by geographical location. In this section a few opportunities are described. They are not exhaustive but rather an indication of opportunities that exist. However, eligibility criteria to these funds will apply to governments and non-state actors.

- **African Green Stimulus Programme (AGSP)**

**In response to COVID-19, the** African Environment Ministers at the 8th Special Session of the African Ministerial Conference on the Environment (AMCEN) in December 2020 and by African Heads of State at the 35th Ordinary Session of the Assembly of the African Union in February 2022 established the African Green Stimulus Programme (AGSP). It is an innovative African-led initiative to support the Continent's recovery response in a sustainable manner to the devastating socio-economic and environmental impacts of the COVID-19 Pandemic and to support the Continent's longer-term sustainable development objectives. The Programme is intended to bring about a unifying Continental response by enhancing and forging partnerships between African countries, Intergovernmental Organisations, the Private Sector and Non-governmental Organisations as well as international financiers and investors for a sustainable Green Recovery for Africa.

- **GEF funding**

Twenty-nine countries have jointly pledged more than \$5 billion for the Global Environment Facility, providing a major boost to international efforts to protect biodiversity and curb threats from climate change, plastics, and toxic chemicals through collaborative action this decade. The new GEF-8 replenishment, totaling \$5.25 billion, increases the GEF's funding by nearly 30% compared to its most recent four-year operating cycle. It comes at a critical moment for developing countries whose ability to tackle worsening environmental challenges has been strained by fiscal pressures from the COVID-19 pandemic and rising inflation. The GEF is the primary source of financing for biodiversity protection globally and is the only multilateral fund working across all aspects of environmental health.

Biodiversity protection represents the biggest share of the GEF's eighth programming period, known as GEF-8, which will run from July 2022 to June 2026. This support will be vital to the achievement of the Leaders' Pledge for Nature, which aims to reverse biodiversity loss by 2030 through safeguards of land and ocean territory with globally important biodiversity<sup>16</sup>.

- **China pledge to biodiversity funding at COP 15**

China will donate 1.5 billion yuan (US\$232.5 million) to set up a new fund to help developing countries protect the variety of plant and animal life in the world. China will take the lead and contribute 1.5 billion yuan to set up the **Kunming Biodiversity Fund** to support biodiversity development of developing countries<sup>17</sup>.

- **Funding by philanthropies**

It has already been shown for example how philanthropies are increasingly investing in nature. For example, Jeff Bezos committed US\$ 94 million to the Bezos Earth Fund for developing countries

Joint climate change and biodiversity funding

Climate change and nature loss are mutually reinforcing with human driven causes<sup>18</sup>. Countries need to identify and strengthen some of the existing financing mechanisms that promise to offer co-benefits to climate change and biodiversity. For example, actions such as nature-based solutions can save money and time-as well as deliver on biodiversity and climate change objectives-by dedicating climate finance to biodiversity conservation and increasing commitments to advance financing mechanisms that tackle both challenges. Boosting cooperation and strengthening financing for synergistic approaches at the international, regional and national levels offers opportunity for more integrated climate-biodiversity governance at the national and local levels. It also breaks culture of working in silos which spreads financial resources thinly.

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16 <https://www.thegef.org/newsroom/press-releases/countries-pledge-record-support-global-environment-facility>

17 <https://www.scmp.com/news/china/science/article/3152055/cop15-chinas-xi-jinping-pledges-us232m-new-fund-protect-world>

18 [https://climatechampions.unfccc.int/wp-content/uploads/2022/03/CC-report\\_Draft-4.pdf](https://climatechampions.unfccc.int/wp-content/uploads/2022/03/CC-report_Draft-4.pdf)

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