Chapter 8

Biodiversity in international development finance

This chapter discusses the opportunities and challenges of scaling up biodiversity-related development finance. It focuses in particular on Official Development Assistance (ODA) and the importance of leveraging private investment with public funds, using capital markets, co-financing, public-private partnerships and risk mitigation instruments. The chapter also underscores the need to better mainstream biodiversity into general development flows – and offers examples of how this can be done at a donor, national, sectoral and project level – as well as the importance of environmental and social safeguards.

An introduction to biodiversity in international development finance

Biodiversity-related development is traditionally financed by Official Development Assistance (ODA) outlays from donor country budgets. ODA refers to grants and concessional loans[1] for development and welfare purposes to a developing country (bilateral aid) or multilateral agency active in development (multilateral aid) (OECD, 2008). The main sources of multilateral aid are multilateral development banks, including the World Bank Group[2] (WBG), and the regional development banks (e.g. African Development Bank (AfDB)), and the agencies, funds and programmes of the United Nations. The Global Environment Facility (GEF), the official funding mechanisms of the CBD, is the largest source of multi-lateral biodiversity-related aid – i.e. ODA that finances activities that promote at least one of the three objectives of the CBD.[3] Box 8.1 highlights some examples of projects (partially) funded by biodiversity-related ODA.

Box 8.1. **Examples of ODA-funded projects for biodiversity**

France-Madagascar Debt-for-Nature Swap

In June 2008, the Government of Madagascar and the Government of France signed a debt-for-nature agreement. Under the agreement, USD 20 million in debt owed by Madagascar was allocated to the Madagascar Foundation for Protected Areas and Biodiversity, enabling it to achieve its endowment target of USD 50 million. This exchange was facilitated by the World Wildlife Fund. The Madagascar Foundation was set up in 2005 through a declaration signed by the goverment of Madagascar, Conservation International and the World Widllife Fund, as part of Madagascar's goal to triple the size of its protected areas network. Funds are directed towards activities that protect, maintain and expand the protected area network, including certain buffer zones and ecological corridors (CI, 2011; WWF, 2012).

Sustainable Financing and Management of Eastern Caribbean Marine Ecosystem

The Organisation of Eastern Caribbean States (OECS) countries have engaged in a project which aims to contribute to enhancing the long-term sustainability of protected area networks in the OECS region by establishing sustainable financing mechanisms; strengthening marine protected area networks; deploying a regional monitoring and information system for protected area networks. The project contributes to the Caribbean Challenge and to the participating governments adaptation agenda by making coastal and marine ecosystems more resilient to climate change through creating effectively managed protected areas that improve coral health and ecosystem integrity. This project is cofinanced by the GEF (USD 8.75 million); the recipient countries (USD 3.13 million); Germany's development bank (KFW) (USD 4.8 million) and other foundations (USD 4.47 million) (GEF Report No: AC5650).

Box 8.1. **Examples of ODA-funded projects for biodiversity** *(continued)*

Community Markets for Conservation (COMACO) Zambia

Since 2003, COMACO, a non-profit company stewarded by Wildlife Conservation Society (WCS) in consultation with Community Resources Boards of Luangwa Valley, Producer Group Cooperatives, District Council authorities, and key Government institutions, such as Zambia Wildlife Authority and Ministries of Tourism, Environment and Natural Resources, Agriculture, and Local Government has increased income opportunities for over 30,000 farmers by leveraging better prices for farmers who adopt conservation practices and abandon environmentally destructive practices (e.g. poaching or farming on steep slopes). This approach improves food security and household incomes, and allows people to remain more sedentary as farmers, without having to clear forests for new farm land. Seed capital for COMACO was provided by the Royal Norwegian Embassy (ODA), which has the largest donor investment in Zambia's wildlife sector, as well as by CARE International (non-ODA co-financing) (COMACO, 2011).

There are, however, also a range of other international financial flows to developing countries which have or could promote biodiversity conservation and sustainable use. These include, but are not limited to other official flows (OOF),[4] private flows at market terms (e.g. foreign direct investment (FDI) and bank loans); international migrant worker remittances (i.e. transfers of money by a foreign worker to his home town); and private grants from NGOs and foundations. The OECD Development Assistance Committee has begun to explore opportunities to extend the coverage of the Rio Markers to determine and monitor the extent to which some of these international financial flows help achieve biodiversity objectives.

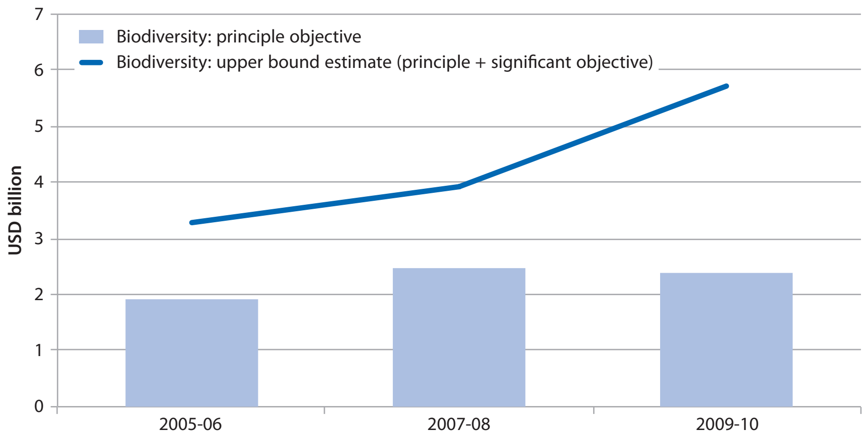
Potential to mobilise and scale-up biodiversity in international development finance

Biodiversity-related bilateral ODA increased from an average of USD 3.3 billion per year in 2005-06 to USD 5.7 billion per year in 2009-10.[5] Biodiversity-related aid where biodiversity was the principle objective increased from an average of 1.9 billion/year in 2005-06 to 2.4 billion/year in 2009-10, which is about 5% of total ODA (see Figure 8.1).

The largest volume of biodiversity-related multilateral aid flows through the GEF. Between 1991 and 2010, GEF allocated just over USD 3 billion for biodiversity-related projects. This is roughly equivalent to 16% of total biodiversity aid between 1980 and 2008 (Miller et al., 2012). GEF finance

Figure 8.1. **Biodiversity-related aid, 2005-10**

bilateral commitments, 2010 prices



Source: OECD (2011), *ODA for Biodiversity, OECD Creditor Reporting System online*, OECD, Paris, *http://stats.oecd.org/* (Development).

for biodiversity-related projects was about USD 150 million in 2010. The International Bank for Reconstruction and Development's (IBRD) investments in biodiversity projects have increased. On a five-year basis, IBRD annual investments to biodiversity averaged USD 33 million for 1998-2002 and USD 55 million from 2003-08 (CBD, 2010a). The International Development Association's (IDA) commitments to biodiversity, however, have decreased over the past two decades, despite steady increases in annual total commitments. The five-year averages show that IDA annual commitments to biodiversity decreased from USD 50 million for 1992-97 to USD 40 million for 1998-2002 and USD 38.7 million for 2003-08 (CBD, 2010a).

There is a considerable potential to mobilise new sources of finance for biodiversity-related development. The Leading Group[6] has made several proposals on "innovative" financing for development and has already mobilised an estimated USD 2.5 billion. While these have not been intended for biodiversity, there could be opportunities to adapt these mechanisms to fund biodiversity-related development.[7]

Table 8.1 summarises some of the international finance mechanisms that have or could potentially be used for biodiversity-related development. According to Girishankar (2009), these are categorised as:

- solidarity mechanisms: support sovereign-to-sovereign transfers and form the backbone of multilateral and bilateral ODA

- public-private partnerships mechanisms: leverage or mobilise private finance in support of public service delivery
- catalytic mechanisms: involve public support for creating and developing private markets (e.g. by reducing risks of private entry).

The Table further distinguishes between those mechanisms associated with raising funds for biodiversity-related development and financial solutions on the ground.

Table 8.1. **Financing mechanisms for biodiversity-related development**

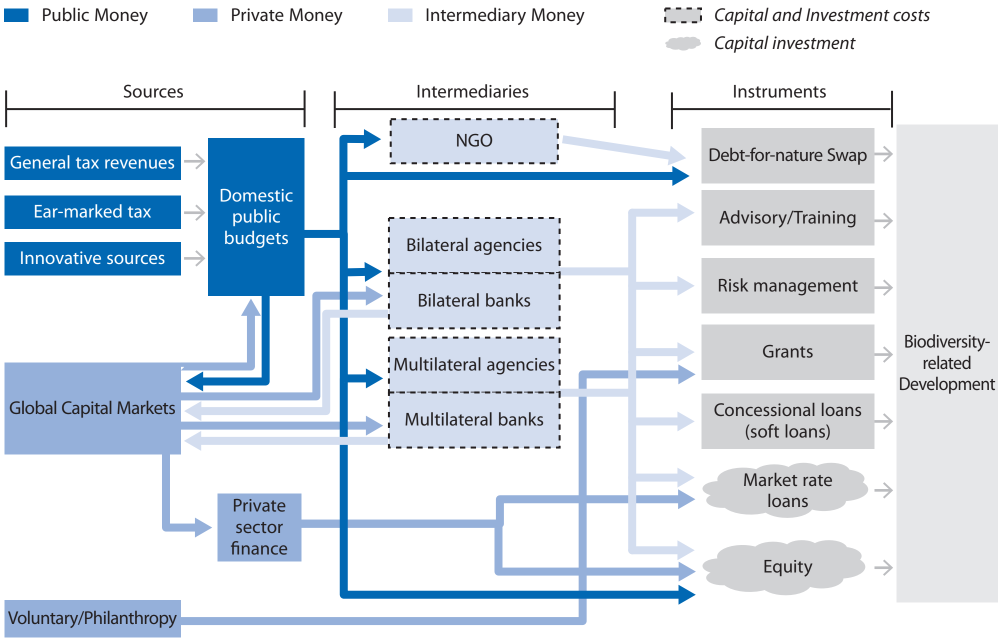
	Fund Raising	Financial solutions on the ground
Solidarity Mechanisms	• Developed country budgets fed by general tax revenues • Some private flows • National or global solidarity levies • National or global lotteries	• Transfers to public entities • Debt-for-nature swaps • Counter-cyclical lending
Public-private partnership mechanisms	• New bonds (e.g. local currency bonds; green bonds; frontloading) • Conservation Trust Funds • Bioprospecting and ABS agreements	• Privatisation of conservation (e.g. of PA management) • Risk mitigation instruments (e.g. guarantees and insurance)
Catalytic Mechanisms	• REDD+ Funds	• Leveraging private finance in biodiversity conservation and sustainable use through e.g. risk mitigation, local currency lending, microfinance, and equity instruments • Creating private insurance markets • Developing ecolabelling schemes

Source: Adapted from Girishankar, N. (2009), "Innovating Development Finance: From Financing Sources to Financial Solutions", *CFP Working Paper Series,* No. 1.

Figure 8.2 provides a simplified illustration of biodiversity-related development finance aid architecture.

There are opportunities to scale up biodiversity-related ODA through solidarity mechanisms such as national or international taxes and national or global lotteries. UNITAID,[8] for example, raises about Euro 160 million a year through an "air ticket levy".[9] In the United Kingdom, the Big Lottery Fund has contributed around GBP 213 (USD 310 million) for projects in developing countries since 1995, of which GBP 15 million was contributed in 2007 alone (Girishankar, 2009), and in 2006, a consortium of three charity lotteries in the Netherlands distributed Euro 300 million among Dutch civil society organisations including WWF (Gutman and Davidson, 2008).

Figure 8.2. **Biodiversity-related development finance flows (simplified)**



Source: Adapted from Buchner, B. et al. (2011), *The Landscape of Climate Finance,* Climate Policy Initiative, Venice.

Debt-for-nature swaps, where developing countries are relieved of their debt by creditor nations in exchange for investment in a mutually agreed biodiversity-related development project,[10] can mobilise considerable amounts of finance for biodiversity conservation. For instance, between its enactment in 1998 and June 2009, the US Tropical Forest Conservation Act supported 15 debt-for-nature swaps, which together will mobilise more than USD 218 million for tropical forest conservation (Bureau of Public Affairs, 2009). A single debt-for-nature swap may mobilise as much as USD 30 million (e.g. US-Indonesia debt-for-nature swap in 2011) (Bureau of Public Affairs, 2011). There is, however, a limit to the scalability of debt-for-nature swaps, as not all external debt is eligible for swaps – eligibility criteria must first be met before engaging in debt-for-nature swaps – and some creditors are reluctant to embark on debt-for-nature swaps (OECD, 2007).

Whenever possible, public funds should aim to leverage private investment. In this regard, donor agencies and financial institutions play an important role. The IBRD, for example, has generated more than USD 400 billion in loans with government contributions of only USD 11 billion, by raising funds on the global capital market. Some donor countries (e.g. Germany and France) have also raised funds on domestic capital markets to fund bilateral aid programmes. The German Development Bank (KfW), for example, contributed around 20% of Germany's ODA commitments in 2007 through bonds[11] and other funds (Girishankar, 2009).

While bonds are a well-established means to raise debt from the capital markets, recent years has seen the emergence of green bonds, which are variations wherein the issuer of the bond guarantees to use the money raised for specific environmental purposes (i.e. "ring-fencing"), thereby attracting impact and socially responsible investors. The World Bank has already issued over USD 2 billion in green bonds to finance climate change mitigation and adaptation, and in some cases, forest projects have been included in the portfolio of investments (World Bank, 2011). Green bonds could be tailored so as to provide a source of frontloaded finance for biodiversity-related development. Several proposals have been put forward, and a bamboo bond has recently been issued (Cranford et al*.,* 2011).

Conservation trust funds can also be an effective mechanism for mobilising private sector finance for biodiversity-related development. These can operate at a global (e.g. Nagoya Protocol Implementation Fund and GEF Earth Fund; see Box 8.2); regional (e.g. Mesoamerican Reef (MAR) Fund); and national level (e.g. the Mexican Nature Conservation Fund), pooling funds from international donors, national governments and the private sector. The Mexican Nature Conservation Fund, for example, has raised close to USD 100 million towards its endowment since it was established in 1994, with major donations from USAID, the Mexican government, the GEF, and philanthropic organisations such as the Lucile Packard Foundation and the Ford Foundation, amongst others (FMCN, 2005; WWF, 2012).

Private sector finance may also be mobilised in the form of project co-financing. The GEF, for example, has set a minimum benchmark target of a 1:1 ratio for co-financing, which comprises the total of cash and in-kind resources committed by the private sector, NGOs, governments, other multilateral or bilateral sources, the project beneficiaries and the concerned GEF agency. By the end of 2009, the GEF had provided USD 2.88 billion in grants for biodiversity and leveraged an additional USD 7.85 billion in total co-financing. This equates to a co-financing ratio of 1:3 (CBD, 2010a).

On the ground, public-private partnerships can provide opportunities to fill funding gaps and enable governments to improve the effectiveness of public service delivery. South African National Parks (SANParks), for example, granted exclusive rights to commercial use of lodge sites together with the surrounding parkland. The concessionaires pay SANParks an annual fee calculated as a percentage of the turnover bid during the tender process. In 2004 lodges, shops and restaurants generated concession fees of USD 13.5 million and lodges attracted private investment of USD 42.5 million. SANParks is now independent from government transfers for more than 75% of its operating revenue (Saporiti, 2006). Other park agencies have entered long-term concession contracts with private sector providers of biodiversity management, such as African Parks. African Parks has mobilised more than USD 23 million in private and public funds for future investments in the parks it manages. While it aims to be economically self-sufficient, grants were required to fund the initial investment (e.g. in environmental restoration) (Saporiti, 2006).

Barriers to private sector investment in biodiversity and sustainable use in developing countries include financial constraints and unfavourable risk-return profiles.[12] Grants, loans, and equity investments as well as risk mitigation instruments can help remove these barriers, thereby catalysing private sector investments. Microfinance loans, for example, are increasingly being used to engage the poor, who otherwise would not have access to credit lines (see Box 8.3).

Box 8.2. **The GEF Earth Fund**

The GEF Earth Fund, originally named the Public Private Partnership Initiative, was approved by the GEF Council in June 2007 along with funding of USD 50 million. The Earth Fund was established with separate trust fund arrangements to promote projects, technologies, and business models that will contribute to protection of the global environment. Three of these explicitly address biodiversity:

IBRD/Conservation International "Conservation Agreement Private Partnership Platform"

This platform was approved by the council in August 2009 with USD 5 million from the GEF Earth Fund, USD 5M contribution by CI and USD 10 million private co-financing. The objective of the Conservation Agreement Private Partnership Platform is to catalyse private sector participation in conservation of biodiversity and provision of ecosystem services through:

- streamlining product sourcing agreements between companies and communities;
- developing conservation partnerships at community level;
- loan finance to small and medium enterprises to ensure increased participation in product and service supply chains that benefit conservation and development.

Box 8.2. The GEF Earth Fund *(continued)*

UNEP/Rainforest Alliance "Greening the Cocoa Industry"

This platform was approved by the council in April 2010 with USD 5 million from the GEF Earth Fund, and a USD 15 million contribution by Mars, Kraft and other participants in the cocoa value chain. The objective of the platform is to incentivise improved production and business practices in major cocoa producing countries and cocoa companies through:

- widespread adoption of the Sustainable Agriculture Standard in 750 000 hectares of cocoa farms;
- providing farmers with access to quality training, extension and relevant support services;
- implementation of a global Rainforest Alliance certification programme for cocoa that includes biodiversity standards.

IDB/The Nature Conservancy "Public-Private Funding Mechanisms for Watershed Protection"

This platform was approved by the Council in April 2010 with USD 5 million from the GEF Earth Fund, and at least USD 15 million cash co-financing. The objective of the platform is to deploy public-private funding mechanisms ("Water Funds") as sustainable long-term instruments to promote private sector participation in the conservation of freshwater ecosystems and biodiversity of global importance:

- establish at least five Water Funds across Latin America and the Caribbean;
- secure increased private and public sector funding to pay for water and biodiversity related services;
- incorporate endowment funds for long-term sustainability.

Source: GEF (2010).

Box 8.3. Microfinance: Kamchatka, Russia

Microfinance is a key component of the GEF-funded project in Kamchatka Peninsula, which aims to promote sound conservation management approaches in four protected areas as a model for sustainable management. A Small and Medium Enterprises Support Fund (SMESF) has been set up to invest in biodiversity-friendly income-generating projects. A share of the revenues from the interest earned on credits is channelled to the protected areas of Kamchatka through the Kamchatka Krai Protected Areas Association. This micro-crediting mechanism supplies sustainable low-risk and low-cost investment in biodiversity management, revenue generation for the Kamchatka Protected Areas, and accessible financing for local entrepreneurs. By the end of 2009 the SMESF had become fully self-financed and by late 2009, the SMESF had issued 738 micro-loans to communities totalling around USD 8.7 million.

Source: UNDP (2012).

Private equity capital for biodiversity is relatively scarce. Examples of where equity investments have been used to promote biodiversity conservation include the Kijani Initiative, Africa; The Asian Conservation Corporation; EcoEnterprises Fund, Latin America; and The Terra Capital Fund, Latin America. These provide a model for scaling up equity flows for biodiversity. The Terra Capital Fund, for example, was capitalised at USD 15 million, including USD 4 million from IFC and USD 5 million from GEF to cover the incremental operating costs associated with biodiversity-related investments of the fund. The investment portfolio includes organic farming companies, a company that harvests and processes babassu coconut in the Amazon and a FSC-certified company that harvests hearts-of-palm in the Amazon river estuary. A Biodiversity Advisory Board provides investment criteria and advice on particular projects (IUCN, 2000).

Risk mitigation instruments are "financial instruments that transfer certain defined risks from project financiers (lenders and equity investors) to credit-worthy third parties (guarantors and insurers) that have a better capacity to accept such risks" (FT, 2009). While insurance is generally provided by the private sector (perhaps with public-sector support), guarantees tend to be provided by host country governments, multilateral organisations and development banks (Gaines and Grayson, 2009). The Central American Bank for Economic Integration, for example, recently launched a USD 1.5 million Regional Program of Credit Guarantees to provide incentives for investment and lending to "biodiversity friendly" small, micro- and medium-sized enterprises in five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) (IISD, 2012).

Key features for integrating biodiversity objectives into international development finance

In addition to scaling-up biodiversity-related international development finance, biodiversity objectives and considerations need to be better integrated or mainstreamed into general development finance flows.[13] There is already considerable literature on this, and related areas such as mainstreaming biodiversity in climate change policies, from which lessons can be drawn. Overall, it is important that the approaches to mainstream biodiversity into development finance are well-aligned with the five key principles of the 2005 Paris Declaration and the 2008 Accra Agenda for Action (see Box 8.4).

Better mainstreaming of biodiversity into development finance will require renewed efforts from both donor and recipient countries. From the donor country perspective, this can include raising the attention of relevant ministries, such as Planning and Finance Ministries, on biodiversity stakes for poverty reduction and development, orientating funding towards biodiversity-dependent sector activities, and developing focused biodiversity tools and instruments for screening project portfolios (CBD, 2009). Biodiversity issues can be better addressed in development finance through collaboration across agencies. This maximises the comparative advantages of different agencies and promotes better communication. Sweden, for example, has established a framework agreement between the Swedish International Development Co-operation Agency (SIDA) and the Swedish Environmental Protection Agency (SEPA). These two agencies co-ordinate in many developing countries where the environment has been identified as a priority (OECD, 2012).

Box 8.4. The Paris Declaration and the Accra Agenda for Action

The 2005 Paris Declaration lays out a practical, action-oriented roadmap to improve the quality of aid and its impact on development. It puts in place a series of specific implementation measures and establishes a monitoring system to assess progress and ensure that donors and recipients hold each other accountable for their commitments.

1. Ownership: Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions.
2. Alignment: Donors base their overall support on partner countries' national development strategies, institutions and procedures.
3. Harmonisation: Donors' actions are more harmonised, transparent and collectively effective.
4. Managing for Results: Managing resources and improving decision-making for results.
5. Mutual accountability: Donors and partners are accountable for development results.

The 2008 Accra Agenda for Action is designed to strengthen and deepen implementation of the Paris Declaration – it takes stock of progress and sets the agenda for accelerated advancement towards the Paris targets. It proposes the following three main areas for improvement:

Ownership: Countries have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more use of country systems for aid delivery.

Inclusive partnerships: All partners – including donors in the OECD Development Assistance Committee and developing countries, as well as other donors, foundations and civil society – participate fully.

Delivering results: Aid is focused on real and measurable impact on development.

From the recipient country perspective, efforts to better mainstream biodiversity into development finance need to occur at the national, sectoral, project and local levels. At the national level, it is important that biodiversity objectives, targets and indicators are included in Multi-Year Development Plans and Poverty Reduction Strategy Papers (PRSPs), and that transparent mechanisms are in place to hold national decision-makers accountable for biodiversity management. In a review of 54 PRSPs, Roe (2010) finds that "while there is clearly room for improvement, many of the PRSPs reviewed show an encouraging level of biodiversity integration including some sophisticated analysis of biodiversity – poverty linkages and clear articulation of the legislative and institutional framework required to maximise the synergies between biodiversity conservation and poverty reduction."

An effective approach for mainstreaming biodiversity into development finance at the national and sectoral planning level is to apply a biodiversity lens using a tailored Strategic Environmental Assessment (SEA) framework[14] (see Box 8.5). At the sectoral level, it is important to align regulations with conservation and sustainable use of biodiversity, and harness opportunities to incorporate biodiversity conservation and sustainable use measures into sectoral planning and implementation. At the project level, the short and long term benefits as well as threat and losses to biodiversity and related ecosystems services need to be assessed during the project identification phase. This will likely be accompanied by an Environmental Impact Assessment (EIA) during the project appraisal phase. Biodiversity-friendly measures should be prioritised and incorporated into project design, and relevant biodiversity indicators developed for monitoring and evaluating the success of the project.

It is important that stakeholders (including private sector and local communities) are engaged at all these levels – including in planning, monitoring and evaluation, and decision-making processes – and that social safeguards are in place to help ensure that development finance benefits rather than harms people (e.g. policies on involuntary resettlement, labour rights, and gender equality). While safeguard policies first emerged in development finance, starting with the World Bank in the 1970s and 80s, many are inadequate to address the realities of development finance today (Herbertson, 2012). As such, there has been recent demand to review and update them. Herbertson (2012) finds that at least seven multilateral development banks, three multilateral agencies and a bilateral development agency are currently undertaking safeguard reforms, or have undertaken them in the past five years.[15]

Box 8.5. The Sperrgebiet land use plan, Namibia

Background and objectives:

The Sperrgebiet is a biodiversity-rich, desert wilderness area in southwest Namibia, which also comprises a licensed diamond mining area. It has been a prohibited area since 1908. In 1994, the exclusive prospecting and mining licenses of the non-diamondiferous areas were relinquished and considerable interests arose in the area for a variety of conflicting uses. In consultation with Namdeb (the mining licence holder) and NGOs, the Government agreed that a land use plan should be formulated to ensure longterm sustainable economic and ecological potential in the fragile Sperrgebiet before it was opened up.

Approach:

An SEA-type approach was used to develop the plan, involving several steps:

- a thorough literature review with gaps filled through consultation with specialists;
- development of a series of sensitivity maps for various biophysical and archaeological Parameters;
- an extensive public consultation programme that included: public workshops, information leaflets and feedback forms, land use questionnaires, and a technical workshop with selected specialists;
- the establishment of a list of possible land use options for the area and their evaluation in terms of the environmental opportunities and constraints;
- formulation of a vision – that the entire Sperrgebiet should be declared a Protected Area;
- development of a zoning plan to provide a framework to guide immediate decisions regarding land use;
- a technical workshop including specialists to discuss and refine the draft-zoning plan;
- a preliminary economic analysis of the main land use options;
- development of an administrative framework outlining the legal processes required for land proclamation, the formation of a Management Advisory Committee and definition of its role, ecotourism models, zoning, future access control and integration into the surrounding political and economic structures. For each potential land use, guidelines were prepared outlining what needs to be included in a project-specific Environmental Impact Assessment and Environmental Management Plan.

Outcomes :

The Land Use Plan was finalised in April 2001. In April 2004, the Sperrgebiet was proclaimed a National Park. The recommendations of the Land Use Plan were accepted.

Source: Walmsley, SAIEA, South Africa in OECD 2006.

Notes

1. A loan is considered sufficiently concessional to be included in ODA if it has a grant element of at least 25%, calculated at a 10% discount rate.

2. The World Bank Group consists of five organisations: IBRD, IDA, IFC, MIGA, ICSID.

3. The three objectives of the CBD are: *i)* the conservation of biodiversity; *ii)* sustainable use of its components (ecosystems, species or genetic resources); *iii)* fair and equitable sharing of the benefits of the utilisation of genetic resources.

4. OOFs are official sector transactions which do not meet the ODA criteria, e.g. i) grants to developing countries for representational or essentially commercial purposes; ii) official bilateral transactions intended to promote development but having a grant element of less than 25 per cent; iii) official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose.

5. Activities that are considered to be biodiversity-related aid can be scored as significant or principal. The activity will score "principal objective" only if it directly and explicitly aims to achieve one of three objectives of the CBD.

6. The Leading Group was set up in 2006 as a platform for discussion, sharing information and promoting innovative finance mechanisms. For more information see: *www.leadinggroup.org*.

7. One of the suggestions put forward to the CBD in 2010, was to mobilise the Leading Group to consider ecosystem services and underlying biodiversity (CBD 2010b). The French Ministry of Foreign Affairs has since launched a study to explore opportunities to finance biodiversity with the Leading Group.

8. UNITAID is an organisation which aims to increase the treatment coverage for HIV, Malaria and Tuberculosis *www.unitaid.eu/*.

9. The air ticket levy can range from USD 1 for economy class tickets to approximately USD 40 for business and first class travel.

10. The rationale of debt swaps is that debt can be acquired at a discount. When creditors do not expect to recover the full nominal value of debts, they may be willing to accept less. In exchange for (partial) cancellation of the debt, the debtor government is prepared to mobilise the equivalent of the reduced amount in local currency for agreed purposes on agreed terms.

11. A bond is a tradable financial security representing a promise that the organisation that sold it will pay whoever holds the security a pre-specified interest payment at defined intervals over the bond's lifetime, and also pay the full face value of the bond upon maturity (Cranford et al.*,* 2011).

12. Risks to investment in developing countries include general political risk, currency risk, regulatory and policy risk, execution risk, technology risk and unfamiliarity risk (Brown and Jacobs, 2011).

13. Parties to the CBD agreed on decision XI/22 at COP-11 in Hyderabad. The decision entitled "biodiversity for poverty eradication and development" stresses the importance of biodiversity for poverty eradication and development and "[*i*]*nvites* Parties, all partners and stakeholders to integrate the three objectives of the Convention on Biological Diversity into sustainable development and poverty eradication programmes, plans, policies and priority actions, taking into account the outcomes of the Rio+20 Conference".

14. For guidance on good practice for SEA see OECD (2006).

15. *Multilateral development banks:* European Bank for Reconstruction and Development (2008); Asian Development Bank (2009); Forest Investment Program (2009); International Finance Corporation (2011); Forest Carbon Partnership Facility (2011); World Bank (in progress); African Development Bank (in progress). *Multilateral Agencies:* UN REDD (in progress); UN Environment Management Group (in progress); Global Environment Facility (in progress). *Bilateral donors:* German Development Agencies (2011).

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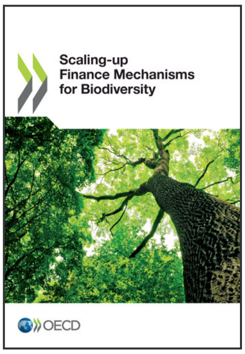

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