



***PAN-EUROPEAN BIOLOGICAL AND LANDSCAPE  
DIVERSITY STRATEGY***

Geneva and Strasbourg, 8 March 2005

STRA-CO (2005) 17

**COUNCIL FOR THE PAN-EUROPEAN  
BIOLOGICAL AND LANDSCAPE DIVERSITY STRATEGY**

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Ninth meeting  
16-17 March 2005  
Palais de l'Europe, Strasbourg  
Room 11, 9.30 am

**PROGRESS REPORT: THIRD PHASE OF THE EUROPEAN  
BIODIVERSITY RESOURCING INITIATIVE**

*Document prepared by  
the Swiss Agency for Environment, Forests and Landscape  
and  
European Centre for Nature Conservation*

### **Implementation is underway for the 3<sup>rd</sup> Phase of the European Biodiversity Resourcing Initiative**

The following is a progress report on the implementation of the 3<sup>rd</sup> phase of the European Biodiversity Resourcing Initiative (EBRI), presented by the Swiss Agency for Environment, Forests and Landscape and by the European Centre for Nature Conservation (ECNC). A reference is made to the preceding parts of the EBRI programme, for information. EBRI is a part of the Pan European Biological and Landscape Diversity (PEBLDS) process and of the Kyiv Financing Biodiversity Action Plan, and as such contributes to the implementation of the Kyiv Financing Biodiversity target: *“By 2008, there will be substantially increased public and private financial investments in integrated biodiversity activities in Europe, via partnerships with the finance and business sectors, that have resulted in new investment opportunities and facilities as outlined by the European Biodiversity Resourcing Initiative, taking into account the special needs of the countries of Central and Eastern Europe, Caucasus and Central Asia.”*

#### **EBRI – a structured response of PEBLDS to CBD decisions**

The EBRI was initiated in the framework of the PEBLDS, following the request at the Fourth Ministerial “Environment for Europe” Conference in Aarhus for the financial sector to increase their involvement in sustainable development issues. EBRI is also a European response to the growing interest within the CBD framework for additional financial resources, which, *inter alia*, has been reflected in COP6 Decision VI/16 (2002). Subsequently in COP-7 significant progress occurred towards further development of the global initiative on banking, business and biodiversity, as placed into context by the Note of the Executive Secretary (UNEP/CBD/COP/7/18) on *Financial Resources and Mechanism (Articles (20 and 21)*. In decision VII/21 (additional financial resources), paragraph 8, the Conference of the Parties: *“Invites Parties and Governments to develop and encourage biodiversity-related partnership arrangements with and among funding institutions and other stakeholders, including with banking and business sectors, in order to promote, inter alia, the development and implementation of initiatives such as the Global Initiative on Banking, Business and Biodiversity, in support of the achievement of the objectives of the Convention and agreed global targets.”*

#### **EBRI development through three phases up to the present time**

The purpose of Phase 1 of the EBRI, beginning in December 2001 at a workshop held in Geneva, was to establish an operational framework that would bring the needs for biodiversity resourcing in Europe together with the interests of the Banking Community and International Financial Institutions (IFI's), with the ultimate aim to increase the investments in bankable biodiversity activities in Europe.

At the end of 2002, the second phase of EBRI was initiated. The purpose has been to make information, expertise and project-related experience available to potential entrepreneurs in Eastern Europe, Caucasus, and Central Asia (EECCA). The means that have been worked on include the setting up of norms and criteria for the development of a biodiversity project portfolio, awareness raising, information transfer and training. In addition, a European Task Force on Banking, Business and Biodiversity has been established (a decision of the Budapest “Biodiversity in Europe” Conference, February 2002).

The leading principle of the second phase of the EBRI has therefore been “putting commitment into practice”. This second phase has been based on the discussions of the PEBLDS Bureau meeting that was held in Strasbourg, France, during September 2002. The Bureau considered the proposals for phase 2 [document STRA-CO (2002) 51], and determined that the second phase of EBRI would focus on:

- development of criteria and guidelines on bankable biodiversity relevant projects in support of the development of a European biodiversity investment fund, based on in-depth analyses;

- a banking and biodiversity clearing-house mechanism;
- establishment of a European Task Force on Banking, Business and Biodiversity;
- a stakeholder-oriented input into the Kyiv Ministerial Conference and the CBD COP6 follow-up and COP7 preparation;
- mobilizing and further developing expertise and experience on bankable biodiversity relevant projects with all relevant stakeholders, with a focus on the identification of a number of pilot projects which could assist in a practical kick-off.

In order to implement this decision, work has been undertaken through the financial sponsorship of several national and international agencies<sup>1</sup>.

During the course of executing the work programme for EBRI 2, the contribution to CBD events and, in particular, the 5<sup>th</sup> Environment for Europe ministerial meeting in Kyiv, led to the development of a Biodiversity Financing Action Plan in the framework of the PEBLDS process.

EBRI 3 prolongs the EBRI cycle under the theme: Developing the Entrepreneurial Dimension / Accelerating Market Activity. The five Modules that compose EBRI 3 are:

- Module 1. Implementation of EBRI 3 – an in-depth programme for the European Task Force on Business, Banking and Biodiversity
- Module 2. Biodiversity Investment CHM: Providing Information that Demonstrates the Economic Value of Biodiversity, and Encourages Entrepreneurial Activity Related to Biodiversity
- Module 3. Promoting the Business Case for Biodiversity: Managing Biodiversity to Avoid Risk and to Capture Added Value
- Module 4. Harmonising Fiscal Measures Related to Green Investment for Biodiversity at the European Level
- Module 5. Capacity Building: Developing Financial Intermediary Interest in Promoting Entrepreneurial Activity Related to Biodiversity

Support for Modules 1 and 2 is already assured by the Dutch Ministry of Agriculture, Nature and Food Quality; the Swiss Agency for Environment, Forests and Landscape; and Rabobank Nederland. UNEP-ROE and the UK Department for Environment, Food and Rural Affairs are considering their support for the remaining modules. ECNC is also exploring other avenues of possible financial support.

### **Summary of the focus of the 3<sup>rd</sup> phase of EBRI**

EBRI Phase 3 will therefore concentrate on the financing of biodiversity investment, guided by the experience of IFC in encouraging biodiversity-related investment in developing countries and those with economies in transition, which has revealed that accelerating market development is the key factor. Biodiversity values can only be realised by entrepreneurs if there are markets, which does not mean to transform markets but to accelerate market activity. For this reason, the European Biodiversity Resourcing Initiative has (1) to continue its emphasis on providing access to finance under appropriate conditions and (2) to make a priority of capacity development for both entrepreneurs and their financial intermediaries for specialised funding sources.

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<sup>1</sup> *The Swiss Agency for Environment, Forests and Landscape, the Ministry of Environment and Regional Development of Hungary, the Ministry of Agriculture, Nature and Food Quality of The Netherlands, the Department for Environment Food and Rural Affairs of the United Kingdom, Rabobank Nederland and the United Nations Environment Programme Regional Office for Europe.*

In this light, the European Bank for Reconstruction and Development (EBRD) has prepared a scoping study for the structure of a Biodiversity Technical Assistance Facility (BTAF) that would most likely precede the establishment of a full-fledged European Biodiversity Financing Facility. The BTAF could be operational within a relatively short period of time, as soon as support from the financial institutions associated with EBRI will be confirmed, with EBRD as the central partner in the organisation of the BTAF; the European Task Force on Banking, Business and Biodiversity would review the development of the BTAF towards a Biodiversity Financing Facility, a principal contribution to carrying forward the Kyiv Resolution on Biodiversity.

### **Further action on EBRI 3 for consideration by the PEBLDS Council**

Encouraging communication and collaboration among the parties involved with EBRI 3 through the European Task Force on Banking Business and Biodiversity is a priority. The members of the PEBLDS Council may wish to:

1. Take note of the ongoing EBRI process, in particular the scoping study prepared by EBRD on the establishment of a Biodiversity Technical Assistance Facility, as a preparatory step for a European Biodiversity Finance Facility.
2. Welcome the clear engagement of financial institutions to support biodiversity, such as is included among the priorities of the EIB Corporate Operational Plan 2005-2007.
3. Consider their level of active engagement in the EBRI process, notably in the support for the modules of the EBRI 3 work programme that remain to be financed (the EBRI 3 Work Programme is available through the EBRI Secretariat: [nowicki@ecnc.org](mailto:nowicki@ecnc.org)).
4. Inform the EBRI Secretariat through the PEBLDS Joint Secretariat about any intentions to promote biodiversity-related investments through bi-lateral or multi-lateral approaches, so as to promote mutual encouragement as well as sharing of knowledge with regard to the modalities to be adopted.