

# Fundraising for Biodiversity



**Workshop background document for capacity building in the framework of the Life+ supported project, European Capitals of Biodiversity.**

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# 1. Background

In the framework of the LIFE+ supported project, *European Capitals of Biodiversity*, this background document has been prepared by IUCN to support a series of capacity building workshops for municipal staff in France, Germany, Hungary, Slovakia and Spain. This module aims to outline some of the main fundraising sources, mechanisms and instruments that can be employed by local authorities to raise funds for biodiversity related projects. Its precise objectives, expected outcomes, and target audiences are outlined below.

This document was updated with project examples taken from all European Capital of Biodiversity competitions. This update was done By Deutsche Umwelthilfe (DUH) after the end of all competitions.

## 1.1 Objectives and expected outcomes

In undertaking this module, participants should:

- Gain an awareness and understanding of the various funding and support mechanisms that are available to local authorities, specifically for biodiversity-related projects;
- Develop an ability to identify suitable funding sources for different components of local biodiversity projects; and
- Improve the quality of proposals, thus increasing the likelihood of securing desired funds.

## 1.2 Target audience

- Local and regional decision makers;
- City and regional managers;
- Heads of departments;
- Interested council members;
- Officers and experts of local and regional governments with responsibilities in the field of urban planning, strategic nature protection, environmental management and municipal services; and
- Fundraisers.

# 2. Sources of Funding

The successful management of biodiversity often requires external funding sources in addition to local resources. This module outlines some potential funding mechanisms for biodiversity-related projects at the sub-national level.

## 2.1 Grant programmes

Large organisations like the European Commission have many grant programmes accessible to sub-national applicants (see section on 'EU Funding' below). Most environmental ministries at national and sub-national level also offer grants to worthwhile biodiversity-related projects as do many political and industrial foundations. Eligible projects may concern a wide range of activities including research, scientific surveys, information dissemination, public awareness raising, community visits to natural areas, and the development of local biodiversity action plans and site management strategies.

## 2.2 Loans

Development banks may be willing to provide loans for infrastructure investments that enhance biodiversity and environmental health. However, proposals will have to clearly state how costs will be recovered in order to pay back the loan. An example of an eligible project could be the upgrading of a local wastewater treatment facility, which would improve water quality, enhance biodiversity and attract visitors. In such a case, money might be recuperated through enhanced tourism revenues and water charges.

### Box 1. MAVA Foundation

Based in Switzerland, the MAVA Foundation is a leading European conservation foundation dedicated to the protection of nature. The foundation focuses on promoting the sustainable management of natural resources and preserving biodiversity, particularly threatened species and their habitats. It provides over € 30 million annually in grants to conservation initiatives and operates through a network of strategic partnerships. The project prioritises support to the following three eco-regions (but not exclusively):

- The Mediterranean Basin;
- Switzerland and the Alpine Arc; and
- The West African coastal zone.

International, national, regional and local institutions and organizations, as well as individuals are all eligible to apply for MAVA grants which can be awarded for any of the following activities:

- Conservation projects;
- Applied scientific research;
- Training, information and education; and
- Capacity building projects.

Proposed projects must align with the foundation's vision and priorities if they are to merit consideration. For further details please visit: [www.mava-foundation.org](http://www.mava-foundation.org)

## 2.3 Private sponsorship

Businesses and generous individuals may be willing to provide funds for local projects such as the creation of nature trails and construction of biodiversity

information centres. Before parting with their money, private entities will usually insist on having clarity over the level and nature of any publicity or marketing that they will receive. Moreover they will want reassurance that the marketing can be handled properly. Raising funds among private sponsors can be a delicate issue requiring experience, knowledge and dedication. One simple error may be all it takes to destroy much hard-earned trust between you and a private sponsor so, resource permitting, it may be wise to designate a focal contact point that can concentrate solely on such relations.

### **Box 2. La Fondation pour une Terre Humaine (FTH)**

Based in Fribourg, Switzerland, FTH is a foundation which provides over EUR 350 000 per year in grants to worthwhile projects. FTH has two main objectives:

1. To defend the natural environment and biodiversity; and
2. To combat poverty and exclusion, especially concerning food quality and access to health care.

The foundation pursues these objectives by supporting initiatives that alter human behaviour and lead to social change. In particular, the foundation supports projects that:

- Inform people of the risks posed by degradation of biodiversity and the environment;
- Instigate behavioural changes that better respect the environment;
- Disseminate successful case studies to demonstrate that change is possible.

To date, the foundation has supported the following activities:

- Talks and discussions related to GMOs
- Crop diversity conservation
- Sustainable farming practices;
- Organic gardening practices;
- Promotion of alternatives to pesticides;
- Information dissemination;
- Campaigns to promote compliance with hunting legislation;
- Animal welfare, particularly livestock;
- Environmental impacts of trade agreements;
- Sustainable publishing;
- Awarding prizes to students for work on the environment;
- Environmental research;
- Promotion of green energy;

Further details, including application procedures and examples of past recipients can be found at: [www.terrehumaine.org/index.php?art=accueil&lang=fr](http://www.terrehumaine.org/index.php?art=accueil&lang=fr)

## **2.4 Volunteers**

Before writing any arduous proposals seeking funds, it is worth considering whether the goals of the project in question can be delivered by local volunteers. Recruiting volunteers for nature conservation can save a lot of money and resources. Moreover, engaging local people in biodiversity-related activities can induce in the

community a sense of ownership of local nature and a responsibility to protect it. Volunteers have the opportunities to learn about nature and socialise with one another. Outdoor hands-on activities can confer health benefits too. It may be worthwhile partnering with local nature conservation organisations or with environmental trainers to gain additional expertise and harness their ability to mobilise people. If open to persuasion, some companies may be willing to allow their staff to help out occasionally.

Make sure that there is something of benefit for the volunteers participating in your project and when recruiting, emphasise the selling points. Opportunities for education, social networking, ethical fulfilment, exercise and community involvement may prove very enticing to local people.

### **3. Successful Fundraising**

This section outlines some simple steps to help successfully guide you through the process of fundraising for biodiversity. Depending on the type of project, the desired level of funds, and the character of the sponsor, it is necessary to accordingly tailor the level of detail, placement of emphasis, and writing style of the application. Most official funding sources have their own application guidelines readily available which should be strictly adhered to. Paying close attention to the prescribed funding rules will help to prevent undesirable complications from arising and will augment your reputation as a reliable and trustworthy recipient of funds.

#### **A. Prepare a concept paper**

A concept paper usually comprises a few pages outlining the project. It should include any relevant background information on what has been done already, the main challenges, and why there is an urgency to act. The project objectives should be clearly stated, the planned activities should be listed and their impacts described. An estimated time schedule for the planned activities and their expected outcomes as well as a break-down of the estimated cost per major activity, or group of activities, should also be included.

#### **B. Identify funding sources**

Scan the various avenues for any funds that your project, or parts of your project, might be eligible for. Make a list of any international, national, regional, political or corporate grant programmes as well as any development banks or government agencies that offer loans. Identify businesses and wealthy individuals that may wish to 'green' their public image or boost their visibility.

#### **C. Match aspects of your project with potential funding sources**

Break your project down into sub-projects based on the objectives and activities, then match these sub-projects with suitable funding sources that you identified in the previous step. Sub-projects may be deemed suitable if their objectives and focus are akin to those of the pertaining funding source. Breaking the project down like this

allows you to better determine which of the various funding programmes are appropriate, and approach them in a targeted manner.

#### **D. Search for Partners**

For each sub-project, identify potential partners that might be interested in collaborating with you. Before approaching any of them, weigh up the case-specific costs and benefits of each potential partnership, and based on that analysis, rank the list of candidates.

It is by no means always necessary to form partnerships. Indeed partnering other organisations may increase paper work, legal fees, and may give rise to complicated inter-organisational disputes over the sharing of tasks and the receipt of credit. However, partnering the right organisation can have distinct advantages including, *inter alia*: access to new intellectual resources; the creation of synergies; access to new memberships and target groups; and the exchange of valuable ideas. Decisions on whether or not to seek partners and, if so, which partners to choose, must ultimately be exercised with informed discretion.

In the process of approaching partners, your initial concept paper should constitute a fundamental document.

#### **E. Prepare draft proposals**

Prepare draft proposal papers for each sub-project. If partners are involved then these papers should be produced in close collaboration with those partners. Some funding programmes accept provisional project proposals and provide feedback on your application so that you may refine it before the official deadline. If such an opportunity exists, be sure to take advantage of it.

#### **F. Submit project proposal**

Funding organisations often request applicants to fill out standard forms that may entail a set of very specific questions requiring detailed answers. Private sponsors on the other hand don't normally use such lengthy paperwork, but instead tend to progress through a series of personal meetings with potential beneficiaries. Nevertheless private sponsors will certainly require a clear statement of what benefits they can expect in return for supporting your project (e.g. web space, logo inclusion on published materials, publicity at press conferences etc.).

### ***3.1 Some tips to remember***

- Build in a mechanism to monitor your activities and demonstrate the according impacts, benefits and lasting successes. Ensure that this can be documented and described in a meaningful way.
- Spend time to set your goals and define pathways to achieving those goals. The more focused your thoughts are, the more convincing your proposals will be.

- Donors are more interested in supporting projects that are sustainable in the sense that they will endure, leaving some form of a lasting legacy, even after funding has ceased.
- Before the first project phase nears to an end, try to secure additional funds that will support the second project phase thereby ensuring a smooth transition.
- Take care that your project drafts are treated confidentially.
- The readier you are to contribute to a project, the easier it is to receive complimentary funding, so before approaching any donors, prepare thoroughly and mobilise your own resources.
- Be sure to allocate sufficient resources to project management. It may, at first, seem like an unnecessarily large expense, but project deliverables cannot be met without adequate management provisions.

### **3.2 General principles**

Friedrich (2009) identified a number of general principles worth bearing in mind when dealing with current or potential financial supporters.

- **You always deal with people, even if they represent an institution.** There will always be a person who has to approve the grant. Without being unnecessarily subservient, try to avoid upsetting donors, as doing will tarnish your appeal as a recipient. Try to build strong working relationships with donors, taking opportunities to meet in both formal and informal settings. Find reasons to stay well connected with your donors, perhaps by emailing them positive news or by sending “thank you” letters after meetings.
- **Donors and partners are well connected and talk to each other.** They have tight networks and can meet regularly at conferences where they may compare notes on potential funding beneficiaries. Be prudent in your discussions with donors as they may transmit your quotations without you knowing it.
- **People give money to an institution they know, trust and feel comfortable with.** There is often a subjective aspect to funding relationships. In allocating funds, donors exercise varying degrees of personal choice. This is particularly apparent in small foundations or with individual donors. It is therefore, very worthwhile to make efforts to convey good impressions.
- **It takes time and effort to build mutual trust in partnerships.** Building trust takes time, consistency and effort. Never put your donor in an embarrassing position and try to adhere to commitments and reporting deadlines because delays will blemish your credibility. If for some reason, such deadlines cannot be met, then be sure to inform your donors in good time and send a letter of apology.

- **Communicate your message truthfully, and as simply and clearly as possible.** Avoid acronyms and confusing jargon. Practice your “elevator pitch” so that you know what to say clear and concise language. Finally, pay tribute to your sponsors in relevant presentations, reports and public gatherings.

**Box 3: Approaching local businesses, Dubnica nad Váhom, Slovakia**

Best practice from the European Capitals of Biodiversity competitions

Oaks are closely linked to the town of Dubnica nad Váhom: the city’s coat of arms bear oaks and “dub” is the Slovak word for oak. However oaks have not been as abundant on the town’s territory as they used to be. This project was started to bring back these iconic oak trees back into the town.

Thirteen companies operating on the territory of the town and two citizens responded to the call “Returning oaks to Dubnica”. They all donated oak seedlings to the town. Together with the town of Dubnica nad Váhom, 40 seedlings of oak (*Quercus* sp.) were subsequently planted on the town’s territory.

Primary and secondary schools, the leisure time centre, the Pensioners’ Club, non-profit organisations and donators were involved in the planting, actively participating in the environmental event. The planted trees were then labelled with the name of the tree, year of planting and the name of the company which donated the seedling.

For further information on Dubnica nad Váhom please visit: [www.dubnica.eu](http://www.dubnica.eu)

**Box 4: Asking citizens for help, Münster, Germany**

Best practice from the European Capitals of Biodiversity competitions

The city of Münster is well known for being literally a green city full of trees, parks and green spaces. The old city centre, for example, is completely enclosed by a green promenade lined with rows of trees. The promenade is used by many citizens for recreation and sports every day, and is a major component of the green infrastructure of the city. Many trees along this promenade, especially around the iconic castle, were severely damaged in the storm Kyrill, which caused devastating damage across large parts of Western Europe in January 2007. Within minutes over 200 trees along the promenade of Münster were uprooted, or had to be felled afterwards for safety reasons.

As the city authority had no money to replace the trees, the city’s environmental department found partners with whom they started a promotion campaign to get the citizens involved. The aim was to find 200 dedicated citizens who would donate 1,000 Euros each for altogether 200 new trees. The campaign was an overwhelming success: within a short period of time, 210 citizens were mobilized to donate 1,000 Euros each. 210 new small-leaved lime trees (*Tilia cordata*) were planted. A charity brunch has been organized under those re-planted trees once a year ever since. Many more tree donations followed since Kyrill, and the citizens of Münster have helped planting trees all around the city.

For further information on the project please visit: [www.muenster.de/stadt/umwelt/promenade.html](http://www.muenster.de/stadt/umwelt/promenade.html)

## 4. EU Funding

### 4.1 EU Funding Opportunities

The European Commission provides funding to projects and initiatives that promote its policy priorities throughout the European Union and further afield. Table 1 outlines the objectives and scope of the various EU funding instruments for the period 2007-2013.

**Table 1.** Objectives and scope of assistance of the EU funding instruments (WWF 2005).

<b>Instrument</b>	<b>Purposes/ Objectives/Mission</b>	<b>Scope of assistance</b>
<b>ERDF</b> European Regional Development Fund	Reducing regional disparities and supporting structural development and adjustment of regional economies. Strengthening competitiveness and innovation, creating sustainable jobs, and promoting environmentally sound growth.	<ul style="list-style-type: none"> <li>• Productive investment</li> <li>• Infrastructure investment</li> <li>• Other development initiatives (services to enterprises, financing instruments...)</li> <li>• Environmental protection</li> <li>• Cooperation</li> </ul>
<b>ESF</b> European Social Fund	Full employment, improving quality and productivity at work and promoting social inclusion and the reduction of regional disparities in employment. Strong link to the European Employment Strategy.	<ul style="list-style-type: none"> <li>• Adaptability of workers and enterprises</li> <li>• Access to employment of job seekers and inactive people</li> <li>• Reinforcing social inclusion</li> <li>• Investment in human capital</li> <li>• Strengthening institutional capacity and the efficiency of public administrations</li> <li>• Innovative actions and cooperation</li> </ul>
<b>CF</b> Cohesion Fund	Convergence of least developed Member States.	<ul style="list-style-type: none"> <li>• Trans-European transport networks</li> <li>• Environmental projects</li> <li>• Sustainable development with clear environmental benefits: energy efficiency, renewable energy, clean urban transport</li> </ul>
<b>EAFRD</b> European Agricultural Fund for Rural Development	Sustainable rural development throughout the Community. Restructuring of the agricultural sector.	<ul style="list-style-type: none"> <li>• Improving the competitiveness of agriculture and forestry</li> <li>• Improving the environment and the countryside</li> <li>• Improving the quality of life in rural areas and encouraging diversification of economic activity</li> </ul>
<b>EFF</b> European Fund for Fisheries	Sustainable development of the fisheries sector and coastal fisheries zones.	<ul style="list-style-type: none"> <li>• Measures for the adjustment of Community fishing fleet</li> <li>• Aquaculture, processing, and trade of fisheries</li> <li>• Measures of collective interest</li> <li>• Sustainable development of fishing coastal zones</li> </ul>

<b>LIFE+</b> Financial Instrument for Environment	Development and implementation of Community environmental policy and of environmental legislation, as a contribution to promoting sustainable development.	<ul style="list-style-type: none"> <li>• Implementation and Governance of environmental policy</li> <li>• Information and Communication on environmental issues</li> </ul>
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The following section outlines those funds that are most relevant to biodiversity and for which local authorities are eligible to apply.

**Box 5: European funding for Great Bustard conservation, Dévaványa, Hungary**

Best practice from the European Capitals of Biodiversity competitions

The protection of the great bustard has been an important task in the surroundings of Dévaványa since 1976. The Dévaványa Landscape Protection Area of 3,600 ha was established at that time. When forming the landscape protection area the primary aim was the preservation of the great bustard population.

The declared habitat protection program of 2004 was aimed at this ambition. Funds provided by the European Union allowed to make the landowners and farmers interested financially in joining the protection of the great bustard. After legal compliance the farmers receive significant subsidies by the hectare. The income from the program for the great bustard protection can be planned every year, which means guaranteed income.

The farmers had to protect the nests discovered in their land and they had to commit to pay more attention to creating a better habitat for the great bustard by:

- Establishing appropriate vegetable culture for the great bustard: growing corn on 20 % of the territory, legumes on 20 % of the territory, rape (*Brassica oleifera*) on 10 %, leaving green fallow-floras on 20 % of the territory. The remaining 30 % land can be planted freely;
- Significantly decreasing the use of fertilizers and chemicals;
- Not using pesticides; and
- Delaying the harvest until after nesting time, using bird friendly harvesting techniques.

The success of the program can be demonstrated by the number of the farmers involved; at the beginning only a few people joined this program, while nowadays almost all the farmers are partners. The habitat protection of the great bustard harmonizes with the activities of the Körös-Maros National Park Directorate. The farming on the Great Bustard pilot area was established by the National Park, setting a good example for the farmers.

As a result of this cooperation, the great bustard population has increased 20% and the number of animals reaches 500 around Dévaványa. The most important achievement of this program is the changing attitude; because the farmers pay more attention to their natural surroundings. The project is running at least until 2014.

For further information on Dévaványa please visit: [www.devavanyavaros.mconet.biz](http://www.devavanyavaros.mconet.biz)

## **4.2 Structural funds**

EU structural funds are cohesion instruments designed to reduce the regional disparities in economic development. EUR 308 billion has been allocated for the period 2007-2013. The support a region can receive depends on its level of development. Poorer regions are eligible for greater financial support.

Available funding is determined by a measure of GDP per capita that is used to classify regions according to the objectives of “convergence”, “regional competitiveness and employment” and “European territorial cooperation”. The following three funds, channel financial support to recipient regions:

1. European Regional Development Fund (ERDF);
2. European Social Fund (ESF); and
3. Cohesion Fund

Aspects of these funds that bear relevance to both local authorities and biodiversity are detailed below.

### **4.2.1 European Regional Development Fund**

The ERDF aims to reduce regional disparities across the EU by supporting programmes that address regional development, economic change, enhanced competitiveness and territorial co-operation. In order to meet these objectives, environmental protection and risk prevention are among the funding priorities of the ERDF.

With the precise policy mix depending on the specificities of each Member State, the ERDF has, under the convergence objective, a number of biodiversity-related priorities:

- environment, including investments connected with water supply and water and waste management; waste-water treatment and air quality; prevention, control and fight against desertification; integrated pollution prevention and control; aid to mitigate the effects of climate change; rehabilitation of the physical environment, including contaminated sites and land and brownfield redevelopment; promotion of biodiversity and nature protection, including investments in Natura 2000 sites; aid to small and medium sized enterprises to promote sustainable production patterns through the introduction of cost-effective environmental management systems and the adoption and use of pollution-prevention technologies;
- prevention of risks, including development and implementation of plans to prevent and cope with natural and technological risks;
- tourism, including promotion of natural assets as potential for the development of sustainable tourism; protection and enhancement of natural heritage in support of socioeconomic development; aid to improve the supply

- of tourism services through new higher added-value services and to encourage new, more sustainable patterns of tourism;
- education investments, including in vocational training, which contribute to increasing attractiveness and quality of life;
- investments in health and social infrastructure which contribute to regional and local development and increasing the quality of life.

Under the “regional competitiveness and employment” objective, the ERDF focuses on assistance with sustainable development strategies. One of the three major priorities under this objective is as follows:

- environment and risk prevention, and in particular:
  - stimulating investment for the rehabilitation of the physical environment, including contaminated, desertified and brownfield sites and land;
  - promoting the development of infrastructure linked to biodiversity and investments in NATURA 2000 sites, where this contributes to sustainable economic development and/or diversification of rural areas;
  - stimulating energy efficiency and renewable energy production and the development of efficient energy management systems;
  - promoting clean and sustainable public transport, particularly in urban areas;
  - developing plans and measures to prevent and cope with natural risks (e.g. desertification, droughts, fires and floods) and technological risks;
  - protection and enhancement of the natural and cultural heritage in support of socio-economic development and the promotion of natural and cultural assets as potential for the development of sustainable tourism;

Under the “European territorial cooperation” objective, the ERDF focuses its assistance on the establishment and development of transnational cooperation, through the financing of networks and of actions conducive to integrated territorial development. Amongst the major priority areas are:

- environment: water management, energy efficiency, risk prevention and environmental protection activities with a clear transnational dimension. Actions may include: protection and management of river basins, coastal zones, marine resources, water services and wetlands; fire, drought and flood prevention; the promotion of maritime security and protection against natural and technological risks; and protection and enhancement of the natural heritage in support of socio-economic development and sustainable tourism;
- sustainable urban development: strengthening polycentric development at transnational, national and regional level, with a clear transnational impact.

### **Additional information**

For general information on the ERDF visit:  
[http://ec.europa.eu/regional\\_policy/funds/feder/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/feder/index_en.htm)

To view eligible regions for the ERDF, visit:

[http://ec.europa.eu/regional\\_policy/atlas2007/index\\_en.htm#](http://ec.europa.eu/regional_policy/atlas2007/index_en.htm#)

Regulation on the ERDF:

[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce\\_1080\(2006\)\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/feder/ce_1080(2006)_en.pdf)

#### **4.2.2 European Social Fund**

The ESF supports activities aimed at reducing unemployment levels and better integrating people into the labour market. Compared with the other structural funds, the ESF bears little relevance to biodiversity.

**4.2.3 Cohesion Fund** (Note - this fund is only available to 3 National Partner countries, namely, Hungary, Slovakia and Spain, so please delete and amend contents if appropriate.)

The Cohesion Fund mainly concerns trans-European transport networks and the environment. It is only available to Member States with less than 90% of the Community's average Gross National Income with couple of exceptions. The fund compliments the ERDF and forms multi-annual investment programmes. These programmes are managed in a decentralised manner, rather than being subject to the direct approval and oversight of the European Commission.

#### ***Additional information***

For general information on the Cohesion Fund, visit:

[http://ec.europa.eu/regional\\_policy/funds/cf/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/cf/index_en.htm)

Regulation on Cohesion Fund

[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/pdf/2007/cohesion/ce\\_1084\(2006\)\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2007/cohesion/ce_1084(2006)_en.pdf)

Community Strategic Guidelines for Cohesion policy

[http://ec.europa.eu/regional\\_policy/sources/docoffic/2007/osc/1180706\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2007/osc/1180706_en.pdf)

Commission publication "Cohesion policy: the 2007 watershed"

[http://ec.europa.eu/regional\\_policy/sources/docgener/informat/reg2007\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/reg2007_en.pdf)

#### **4.3 Regional Policy Instruments and Financial Engineering**

To assist Member States and regions in making better use of their finances three novel regional policy instruments were adopted for the period 2007-2013. The new instruments are designed to support public authorities and enterprises when they encounter problems with regard to co-financing. Of the three instruments, only one is relevant to biodiversity and local authorities, namely, JESSICA (Joint European Support for Sustainable Investment in City Areas).

JESSICA is an initiative of the European Commission, the European Investment Bank (EIB) and the Council of Europe Development Bank, which aims to promote sustainable investment in urban areas. It provides Member States and managing authorities a tailored solution to financing projects for urban renewal and development, using an appropriate combination of grants and loans, or other financial products as appropriate. (Rühle 2006)

Under the JESSICA initiative, operational programmes and the managing authorities will be able to:

- provide funding for a wide variety of public-private partnerships, or other urban development projects that are capable of repaying in the long-term the resources invested in it, in total or in part;
- avail themselves of a more simple and more flexible management of funds for urban development;
- achieve greater leverage from scarce grant resources for urban development, by attracting contributions from international financial institutions, banks, the private sector, etc.

#### ***Additional information***

Website on Jessica [http://ec.europa.eu/regional\\_policy/funds/2007/jji/jessica\\_en.htm](http://ec.europa.eu/regional_policy/funds/2007/jji/jessica_en.htm)

#### **4.4 Loans for Local Authorities**

The European Investment Bank (EIB) can offer favourable loans to small and medium sized enterprises, as well as local authorities for investments in infrastructure and environmental protection. Indeed, the EIB supports EU environmental policy and spends approximately one third of its financial resources on related projects, primarily in the following fields (Rühle 2006):

- a. Combatting climate change including through renewable energies, the protection of the environment and health;
- b. Preservation of natural diversity;
- c. Sustainable resource usage and processing of waste;
- d. Improvements of urban living quality for instance through public transportation or urban refurbishment.

#### **Additional information**

The European Investment Bank: [www.eib.org](http://www.eib.org)

Supported financial institutions: <http://www.eib.org/Attachments/lending>

## **4.5 Exclusively Environment-Related Funding: LIFE+**

The main European environmental fund is LIFE+. The fund helps to implement the 6<sup>th</sup> Environmental Action Programme of the European Community by:

- achieving a quality of the environment where the levels of pollution do not give rise to harmful effects on human health and the environment;
- stabilising greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;
- protecting, preserving, restoring and facilitating the functioning of natural systems, natural habitats, wild flora and fauna, with the aim of halting desertification and the loss of biodiversity;
- promoting better management of natural resources and waste, and encouraging a shift to more sustainable production and consumption patterns;
- developing strategic approaches to policy development, implementation and integration, including improving environmental governance and raising awareness. (Rühle 2006)

Local authorities may receive LIFE+ funds for developing or preserving Natura 2000 areas, or developing biodiversity programmes that have a European dimension.

LIFE+ comprises the following three components, each of which has great relevance to local authorities and biodiversity:

- A. LIFE+ Nature and Biodiversity** contributes to: the implementation of the Natura 2000 network; the assessment and evaluation of European biodiversity; understanding the effects of EU policies on biodiversity; supporting the design and implementation of biodiversity-related EU policies; and improving environmental governance and broadening stakeholder involvement. LIFE-Nature beneficiaries are predominantly regional or local authorities (62%). The maximum LIFE+ co-financing rate in this category can be as high as 75 percent, but is normally 50 percent.
- B. LIFE+ Implementation and Governance** contributes to: the innovation of new policy approaches; the improved understanding and evaluation of environmental policies; supporting approaches to monitor and assess the state of the environment; the implementation of Community environmental policy, particularly at local and regional levels; and support environmental governance. LIFE+ can co-finance projects in this category up to a level of 50 percent.
- C. LIFE+ Information and Communication** contributes to: information dissemination and environmental awareness raising; and provides support for such measures in the form of information, communication actions, conferences, and campaigns. LIFE+ can co-finance projects in this category up to a level of 50 percent.

The following types of activities may be covered by the LIFE+ fund:

- certain operational activities of NGOs that are primarily active in protecting and enhancing the environment at European level;

- developing and maintaining networks and computer systems directly linked to the implementation of Community environmental policy and legislation;
- studies, surveys, modelling and scenario building;
- monitoring;
- capacity building assistance;
- training, workshops and meetings;
- networking;
- best practice platforms;
- awareness raising campaigns;
- information and communication actions;
- demonstration of policy approaches and instruments; and
- specifically for the nature and biodiversity component:
  - site and species management and site planning, including the improvement of the ecological coherence of the Natura 2000 network;
  - the monitoring of conservation status, including setting up procedures and structures for such monitoring;
  - the development and implementation of species and habitats conservation action plans;
  - the extension of the Natura 2000 network in marine areas; and
  - the purchase of land under certain circumstances.

Examples of some past LIFE+ projects implemented at the local level are shown in Table 2.

**Table 2.** Past LIFE+ projects (European Commission 2010).

Urban projects on Nature & Biodiversity		
Project reference	Title	Comments
LIFE05 NAT/IT/000009	Safeguard of the threatened raptors of the Matera Province Website: <a href="http://www.liferapacilucani.it/index.php">www.liferapacilucani.it/index.php</a>	<ul style="list-style-type: none"> <li>• Make threatened birds of prey cohabit with a historical urban site of World Heritage value.</li> <li>• Matera and Montescaglioso, Italy</li> <li>• (Lesser Kestrel-<i>Falco naumanni</i>; Lanner falcon -<i>Falco biarmicus</i>; Egyptian vulture-<i>Neophron percnopterus</i> and Red kite-<i>Milvus milvus</i>)</li> </ul>
LIFE03 ENV/UK/000614	Sustainable Urban Planning Networks for green spaces	<ul style="list-style-type: none"> <li>• Stakeholder participation tools for urban green space planning</li> <li>• London, United Kingdom</li> </ul>

LIFE02 NAT/FIN/008468	Management of Urban Natura 2000 areas in SW Finland Website: <a href="http://www05.turku.fi/ympto/life/">http://www05.turku.fi/ympto/life/</a>	<ul style="list-style-type: none"> <li>• Management of protected natural sites in or near urban areas</li> <li>• Measures include (Car traffic restriction, natural trails to channel visitors, reduction of wave erosion of coastal meadows, rehabilitation of meadowland, forest area and habitat area)</li> <li>• Turku, Finland</li> </ul>
LIFE02 ENV/A/000282	Living River Liesing - Demonstrative Ecological Reconstruction of a Heavily Modified Waterbody in an Urban Environment Website:	<ul style="list-style-type: none"> <li>• Improving quality of life for local inhabitants by improving the quality of urban river and access to recreational associated areas</li> <li>• Vienna, Austria</li> </ul>
LIFE02 ENV/E/000200	Demonstration project on land use and environmental management of the physical planning in Gallecs as a biological and stable connector in the fringe space of Barcelona Metropolitan	<ul style="list-style-type: none"> <li>• Strengthening of the "buffer zone" between the urban fringe and the countryside</li> <li>• Creation of wetlands to avoid flooding and regulate heavy torrents</li> <li>• Management of urban quality</li> <li>• Local stakeholder participation</li> <li>• Barcelona, Spain</li> </ul>

For the 7 year period, 2007-2013, the LIFE+ programme has a budget of EUR 2.1 billion, of which 78% will be used to finance projects and 22% will be used to finance DG environment's operational cost. Of the 78% for projects, half will be allocated to the component LIFE+ Nature and Biodiversity; and half to the two other components.

Each year (for the period of 2007-2013) the European Commission will issue a call for proposals. Detailed information, videos, case studies, examples of best projects, and calls for proposals, are available on the LIFE+ website of DG environment shown below.

### ***Additional Information***

Official LIFE+ webpage:

<http://ec.europa.eu/environment/life/funding/lifeplus.htm>

Proposal of the European Commission:

[http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004\\_0621en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0621en01.pdf)

## **5. Payments for Ecosystem Services: a brief introduction**

From reliable flows of clean water to productive soil and carbon sequestration, ecosystems render a wide range of services to humans. Societies depend upon

these services for raw materials, production processes and for the stability of ecosystems, including the climate system. Table 3 shows the various types of ecosystem services.

**Table 3.** Types of ecosystem services (Millennium Ecosystem Assessment 2005).

	<b>Forests</b>	<b>Oceans</b>	<b>Cultivated / Agricultural Lands</b>
<b>Environmental Goods</b>	<ul style="list-style-type: none"> <li>• Food</li> <li>• Freshwater</li> <li>• Fuel</li> <li>• Fiber</li> </ul>	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Food</li> <li>• Fuel</li> <li>• Fiber</li> </ul>
<b>Regulating Services</b>	<ul style="list-style-type: none"> <li>• Climate regulation</li> <li>• Flood regulation</li> <li>• Disease regulation</li> <li>• Water purification</li> </ul>	<ul style="list-style-type: none"> <li>• Climate regulation</li> <li>• Disease regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Climate regulation</li> <li>• Water purification</li> </ul>
<b>Supporting Services</b>	<ul style="list-style-type: none"> <li>• Nutrient cycling</li> <li>• Soil formation</li> </ul>	<ul style="list-style-type: none"> <li>• Nutrient cycling</li> <li>• Primary production</li> </ul>	<ul style="list-style-type: none"> <li>• Nutrient cycling</li> <li>• Soil formation</li> </ul>
<b>Cultural Services</b>	<ul style="list-style-type: none"> <li>• Aesthetic</li> <li>• Spiritual</li> <li>• Educational</li> <li>• Recreational</li> </ul>	<ul style="list-style-type: none"> <li>• Aesthetic</li> <li>• Spiritual</li> <li>• Educational</li> <li>• Recreational</li> </ul>	<ul style="list-style-type: none"> <li>• Aesthetic</li> <li>• Educational</li> </ul>

‘Payments for ecosystem services’ (PES), a term used interchangeably with ‘payments for environmental services’ (PES), entails the maintenance of a flow of a particular ecosystem service such as clean water or carbon sequestration in return for something of economic value. A defining characteristic of any PES transaction is that the payment must induce a benefit that would not have occurred in “business as usual”. Furthermore, the service should be quantifiable and tied to the payment. Regular independent verification is typically required to ensure that sellers are taking actions to render specific ecological services additional to that which would have occurred in the absence of any payment. Indeed, buyers usually monitor compliance e.g. has hunting or deforestation really been contained as contractually agreed? If not, payments can be withheld.

Wunder (2005) identified five defining characteristics of PES:

1. PES constitutes a *voluntary* transaction in which
2. a *well-defined* environmental service (ES), or a form of land use likely to secure that service
3. is bought by at least one ES *buyer*
4. from a minimum of one ES *provider*
5. if and only if the provider continues to supply that service (*conditionality*).

There are a growing number of PES mechanisms in development, ranging from self-organised agreements and public payments, to regulation-driven open trading

systems such as the carbon market. Table 3 outlines some PES mechanisms specifically related to biodiversity protection.

**Box 6. A self-organised deal: Perrier Vittel, Rhine-Meuse watershed, France**

In the 1990s, Perrier Vittel (now owned by Nestlé), the world’s leading mineral water bottling business, encountered a marked degradation of water quality in its aquifers due to nitrate contamination caused by agricultural intensification. The company calculated that it would be far cheaper to invest in the promotion of environmentally sound farming practices in the region than it would be to construct a water filtration plant. As such, 600 acres of sensitive habitat were purchased and several long-term contracts were agreed with local farmers. These contracts obliged farmers to adopt less intensive pasture-based dairy farming, improve animal waste management, and reforest sensitive filtration zones. (Perrot-Maître 2006)

For more information see:

<http://www.katoombagroup.org/documents/tools/TheVittelpaymentsforecosystemservices2.pdf>

**Table 4.** Types of payments for biodiversity protection (Forest Trends *et al.* 2008).

<b>Purchase of High-Value Habitat</b>
<ul style="list-style-type: none"> <li>• Private land acquisition (purchases by private buyers or NGOs explicitly for biodiversity conservation)</li> <li>• Public land acquisition (purchases by government agency explicitly for biodiversity conservation)</li> </ul>
<b>Payment for Access to Species or Habitat</b>
<ul style="list-style-type: none"> <li>• Bioprospecting rights (rights to collect, test, and use genetic material from designated areas)</li> <li>• Research permits (rights to collect specimens and take measurements in designated areas)</li> <li>• Hunting, fishing or gathering permits for wild species</li> <li>• Ecotourism use (rights to enter the area, observe wildlife, camp, or hike)</li> </ul>
<b>Payment for Biodiversity-Conserving Management Practices</b>
<ul style="list-style-type: none"> <li>• Conservation easements (owner is paid to use and manage defined piece of land only for conservation purposes; restrictions are usually in perpetuity and transferable upon sale of the land)</li> <li>• Conservation land lease (owner is paid to use and manage a defined piece of land for conservation purposes, for a defined period of time)</li> <li>• Conservation concession (public forest agency is paid to maintain a defined area under conservation uses only; comparable to a forest logging concession)</li> <li>• Community concession in public protected areas (individuals or communities are allocated use rights to a defined area of forest or grassland in return for a commitment to protect the area from practices that harm biodiversity)</li> <li>• Management contracts for habitat or species conservation on private farms, forests, or grazing lands (contract that details biodiversity management activities, and payments linked to the achievement of specified objectives)</li> </ul>
<b>Tradable Rights under Cap &amp; Trade Regulations</b>
<ul style="list-style-type: none"> <li>• Tradable wetland mitigation credits (credits from wetland conservation or restoration that can be used to offset obligations of developers to maintain a minimum area of natural wetlands in a defined region)</li> <li>• Tradable development rights (rights allocated to develop only a limited total area of natural habitat within a defined region)</li> <li>• Tradable biodiversity credits (credits representing areas of biodiversity protection or enhancement, which can be purchased by developers to ensure they meet a minimum standard of biodiversity protection)</li> </ul>

### Support Biodiversity-Conserving Businesses

- Business shares in enterprises that manage for biodiversity conservation
- Biodiversity-friendly products (eco-labeling)

For more information on PES, the following documents are insightful:

Forest Trends, The Katoomba Group, and UNEP (2008). *Payments for Ecosystem Services Getting Started: A Primer*. UNON Publishing Services Section, Nairobi. Available at: [http://www.unep.org/pdf/PaymentsForEcosystemServices\\_en.pdf](http://www.unep.org/pdf/PaymentsForEcosystemServices_en.pdf)

Wunder, S. (2005). *Payments for Environmental Services: Some Nuts and Bolts*. CIFOR Occasional Paper, Jakarta. Available at: [http://www.cifor.cgiar.org/publications/pdf\\_files/OccPapers/OP-42.pdf](http://www.cifor.cgiar.org/publications/pdf_files/OccPapers/OP-42.pdf)

#### Box 7. Natural resin production, Coca, Spain

Example from the European Capitals of Biodiversity competitions

Since 1996 the local council of Coca has based its main forestry policies on bringing added value to forests by extracting natural resin, promoting the use of woodchips as a heat source throughout the Iberian peninsula, and stressing that forest owners should receive compensation for the externalities of their forests, particularly for the excess fixation of carbon from the atmosphere as part of today's emission trading.

Coca is currently town with the largest number of natural resin-producing pines in Europe. Its forests provide 95 % of all resin produced in Spain, with annual earnings of 120,000 € for public ownership, and jobs for 70 people in its forests. According to various scientific articles, the quality of Spanish resin is one of the best in the world.

Almost 85 % of the municipal boundary is formed by mountains, of which 70 % belong to the local authority. They hold the sustainable forest certificate. At present, work is in progress on building the European Reference Centre for Natural Resins, Forests and Raw Materials obtained from Forests (CEREBOSMA) in Coca.

The exemplary management of the mountains of Coca has allowed it to win many national and regional prizes: Prize of the Government of Castilla-León for the best population-establishment policies associated with forestry resources; two National Green Flag prizes in 2008 and 2010; 1st National Prize for Sustainable Rural Development; Mention of Honour in 2010 for the best-maintained forest in Spain, etc.

Coca is an example of a township that is committed to renewable natural resources, opening up a path in international terms, and consolidating of forestry as a basic sector of the Spanish economy.

For more information on Coca please visit: [www.coca-ciudaddecauca.org](http://www.coca-ciudaddecauca.org)

## 6. National Funding

National Partners, please add here the details of any relevant national funding mechanisms.

## 7. References

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