Federal Ministry
for Economic Cooperation
and Development

STRATEGIES 166

Biological Diversity

Contents

Summary

Biological diversity (biodiversity) is the diversity of life on Earth, ranging from the diversity of genetic material or of animal and plant species to the diversity of ecosystems. Biodiversity management encompasses all the activities intended to implement the objectives of the Convention on Biological Diversity (CBD) including the Cartagena Protocol on Biosafety (CPB), and those activities whose overall impact helps to safeguard the sustainable lifestyles of affected populations (Chapter 1).

The goal of German development policy in this domain is to support partner countries in developing and implementing sustainable strategies for the conservation and use of their natural resources (Chapter 2). Particularly for the (poorest of the) poor, biodiversity is often a resource base of vital importance, which they rely upon to meet their long-term needs for food, medicine, energy and drinking water supplies and as a source of income. When natural systems become degraded, therefore, – including as a result of climate change – these people feel the direct impacts and are often even forced into raising the pressure on the remaining natural resources since they lack any alternative means of obtaining food or income.

Sustainable development is only possible if the functionality, productivity and regenerative capacity of natural resources are safeguarded in the long term, and the widest possible range of development options are kept open. At the World Summit on Sustainable Development in 2002 the international community set itself the target of significantly reducing the current rate of biodiversity loss by the year 2010 (known as the 2010 target). A major contribution should thereby be made to **implementing the Millennium Declaration** and **achieving the Millennium Development Goals** (MDGs).

The present strategy paper builds on the lessons learned from past international and German bilateral development cooperation in the domain of biodiversity (Chapter 3). The core philosophy is to make a connection between conservation of biodiversity and poverty reduction, for poverty remains both a cause and a result of the destruction of natural resources. Drawing on the lessons learned from past cooperation, concrete **recommendations for action** are set out which should contribute to the achievement of the internationally agreed goals (Chapter 4).

Furthermore, recommendations for action are formulated for **cross-sectoral mainstreaming of the theme of biodiversity** which include guidance for other sectors where these have impacts on biological diversity (Section 4.1). Particular concerns are the application of the principles of the Paris Declaration on Aid Effectiveness, the successful balancing of conservation targets on the one hand and interests in use and/or development on the other, and the importance of full participation of all stakeholders in the relevant decision-making processes. Reference will be made to the necessity for carrying out environmental impact assessments and strategic environmental assessments. Furthermore, biodiversity is an important field of action in its own right for German development policy, the priorities of which include protected area management, access to genetic resources and equitable benefit-sharing as well as biological safety (Section 4.2).

The most important target group with regard to biodiversity are those populations who are directly dependent on biological diversity. The network of possible partners ranges from international organisations and public administrations to the owners and users of biodiversity, civil society organisations and the private sector (Chapter 5).

1. Introduction

1.1 Function of the strategy

The present strategy clarifies the role of the biodiversity domain, including biosafety, in relation to key concerns of German development policy. It is a development policy directive from the Federal Ministry for Economic Cooperation and Development (BMZ) for the design of official German development cooperation in the domain of biodiversity. It updates the BMZ sector strategy of 1997, "Preserving Biodiversity through Nature Conservation".

The strategy serves as a **guideline for country and regional programmes and for the priority strategies** of German development cooperation and its positioning in the international debate. Beyond this it provides a basis for decision-making on the identification, appraisal, planning, implementation, management and evaluation of development cooperation projects and programmes with a bearing on biodiversity. The strategy is binding upon the institutions of official German development cooperation; it acts as a point of reference for German non-governmental organisations (NGOs) and the private sector.

1.2 Definition and scope of the domain of support

Biological diversity (biodiversity) as defined in this strategy paper is the diversity of life on Earth, from genetic diversity to the diversity of animal and plant species to the diversity of ecosystems.[1] Biodiversity management is a sub-domain of the development-policy priority "Environment and Sustainable Use of Natural Resources".

This domain of support covers all measures which contribute directly or indirectly to achieving one or more of the three objectives of the **Convention on Biological Diversity (CBD)** – conservation and sustainable use of biodiversity, and equitable sharing of the benefits arising from the use of genetic resources. It includes measures taken in the field of biological safety in order to implement the **Cartagena Protocol on Biosafety (CPB)**. This protocol to the CBD is binding in international law and contributes to ensuring an adequate level of protection in the handling of genetically modified organisms (GMOs).

The domain of support encompasses activities at local level, contributions to institution building, policy coherence and awareness raising at national level, and contributions to shaping the international framework. It incorporates not only measures within the independent field of action of biological diversity but also activities in other sectors which have a bearing on the conservation and use of biodiversity. Measures purely for nature and species conservation fall outside the scope of the strategy because in the development policy context, biodiversity-related activities are only eligible for support if their overall impact contributes to safeguarding valuable habitats for and sustainable ways of life of the affected population.

The strategy paper on biological diversity applies across all ecosystems. Where the sector strategy paper **"Forests and Sustainable Development"** (2002) makes its own provisions for the forest ecosystem, these more specialised provisions take precedence over the present strategy. Close links also exist with the sector strategy paper on "**Rural Development**" (2001). This also deals with mea-

1 Art. 2 CBD.

sures relating to the CBD work programme on agrobiodiversity and the UN International Treaty on Plant Genetic Resources for Food and Agriculture. Due to the relationship between cultural and biological diversity and the resultant key role of indigenous and local communities, the sector strategy paper **"Development Cooperation with Indigenous Peoples in Latin America and the Caribbean"** (2006) is also complementary to the present strategy.

2. Overall Objectives and the Significance of Biodiversity in the Development Policy Context

2.1 Significance of biodiversity as part of the guiding vision of globally sustainable development

German development policy is geared towards the aim of global sustainable development, which is concerned with safeguarding the development opportunities of the present generation without curtailing those of future generations. It is important that equal consideration is given to the **four dimensions of sustainability** – economic efficiency, social justice, ecological sustainability and political stability – and that poverty reduction measures do not concentrate solely on improving the economic lot of the poor (the economic dimension). Rather, sustainable development is only possible when the functional, productive and regenerative capacity of natural resources (the ecological dimension) are safeguarded in the long term, so that the greatest possible number of development options are kept open. Creating decent living conditions for people in partner countries on a lasting basis makes a vital contribution to global future security.

Biological diversity is vital to human life. Plants, animals and micro-organisms are the medium of biogeochemical cycles, purify water and air, maintain fertile soils and a comfortable climate, serve human nourishment and health and are a resource for innovation. According to the Millennium Ecosystem Assessment[2] (2005), humans have altered ecosystems more rapidly and extensively in the last fifty years than in any other comparable period in the whole of human history. This has brought about a substantial and largely irreversible process of biodiversity loss on Earth. According to scientific estimates, 80% of the world's naturally occurring genetic and biological resources are found in developing countries. For the people living there, this biodiversity constitutes the resource base upon which they rely

2 The Millennium Ecosystem Assessment is a scientific work programme initiated by UN Secretary-General Kofi Annan and carried out by agencies including UNEP and the World Bank under the auspices of the General Assembly of the United Nations. It was concluded in 2005. Its purpose is to report on the status of ecosystems and give a prognosis of their future development as well as the resultant consequences for human well-being.

for their long-term supplies of drinking water, food, medicine, energy, for the maintenance of fertile soils and as a source of income. The rapidly advancing loss of biodiversity therefore poses a dramatic risk to the lives of poor people in particular by undermining their economic, social and cultural livelihood base. At the same time, living in poverty frequently forces people to overuse natural resources. The increasing loss of biodiversity thus jeopardises the development potential of present and future generations, both in developing and in industrialised countries.

The goal of German development policy in the domain of biological diversity is to support developing countries in developing and implementing sustainable strategies for the conservation and use of their natural resources. The aim is to achieve harmony between often divergent interests in conservation and use, i.e. to safeguard the conservation of biodiversity whilst giving due consideration to the potential for economic and social development as a result of sustainable use. For this to happen, the people affected must receive an equitable share of the monetary and non-monetary benefits accruing to others (particularly companies and scientists from industrialised countries) from the use of genetic resources. This is the only way in which the living conditions of populations dependent upon biological diversity can be improved and a tangible contribution made to poverty reduction and sustainable development. The twin imperatives are targeted promotion of the domain of biodiversity and thoroughgoing mainstreaming of sustainable resource management into other sectors and priorities.

2.2 Context and significance of biodiversity for implementation of the goals of German development policy

The overarching reference framework for the strategy paper is provided by the **Millennium Declaration** adopted in the year 2000 by heads of state and government at the UN Millennium Summit, and the **Millennium Development Goals** (MDGs) deriving from it. The Millennium Declaration articulates a comprehensive international policy agenda with the overall goal of safeguarding global sustainability. All the fields of action and targets it contains are interdependent; they support and qualify one another. Hence the significance of biological diversity extends beyond the field of action of "Protecting our common environment" from the Millennium Declaration, and beyond **MDG 7** – "Achieving environmental sustainability". Due to the manifold benefits of natural resources, conserving biodiversity contributes to safeguarding global sustainability and to achieving various MDGs.

For instance, the conservation and sustainable use of biodiversity is crucial to **halving the proportion of people in extreme poverty** by the year 2015 (**MDG 1**). For many of the world's poorest people, the biodiversity in their environment is the basis of their livelihoods. In the context of local **economic development**, on the one hand, value chains based on biological resources can make an important contribution to poverty reduction for these usually rural populations. Particularly for poor sections of the population, the sale of products obtained from biological resources is often the sole means of generating income to support their families. Similarly, biodiversity is closely linked to livelihoods based on tourism. On the other hand, biodiversity with its multitude of species and genes is the basis of important **ecosystem services**. These include the availability of safe

drinking water,[3] erosion protection, maintaining soil quality and pollinating crops. Consequently it is only possible to boost economic capacity on the basis of functional ecosystems.

Biodiversity holds great potential to contribute to food security for a growing world population, and hence to the **eradication of hunger (Target 2 under MDG 1)**. For hundreds of millions of people – especially in developing countries – natural species diversity plays a very prominent role both in meeting their nutritional needs directly and as a basis for earning their livelihoods. Another aspect of significance is the diversity of agricultural crop varieties and livestock breeds, known as agrobiodiversity, which has already declined by 75% in the past 100 years. Biodiversity supplies the plant and animal genetic resources which are necessary for agricultural production that is adapted to local conditions and of requisite quality. In future it will only be possible to produce adequate quantities of food if crop plants are sufficiently adaptable to climate-related environmental change or the risk of pest attack. The vital prerequisite is a sufficiently large, agriculturally usable gene pool – in other words, the highest possible level of agrobiodiversity.

Women and men often make use of different resources, or the same resources in different ways, and thus have different types of knowledge about biodiversity management. Furthermore, their rights of use tend to differ along traditional lines. Women and girls play a separate and important role in the conservation and sustainable use of biological diversity. The dramatic loss of biodiversity hits them especially hard: they lose access to resources over which they originally had autonomous control. Furthermore their traditional tasks such as preparing food, fetching water for the family and gathering firewood take up more and more time as they have to travel longer distances to access the resources. This often makes it impossible for girls to attend school (relevant to **MDG 2**[4]) and further increases the women's already heavy workload. The conservation of biodiversity therefore also makes a contribution to **promoting gender equality** and **empowering women (MDG 3).**

Biodiversity is of crucial importance for **medical care** whether people live in industrialised or developing countries. It provides a vast reservoir for the development of active substances for the treatment of known and as-yet-unknown diseases that might occur in the future. Every single species that is lost represents a further restriction of the potential available to humankind to develop new medicines, which has a bearing on the achievement of **MDG 4**, **MDG 5** and **MDG 6**.[5] Particularly for the poor, medicinal plants are often the only available and affordable means of treating illnesses. Beyond this, biological diversity plays an important role in **preventative health care**. Stable and intact ecosystems prevent **environmentally-induced illnesses.** Not only are the poorest members of the population in developing countries the most susceptible to environmentally-induced illnesses (caused for instance by water or air pollution or agricultural toxics) but they also have few means of controlling illnesses when they occur.

Supporting developing countries with their implementation of the CBD ultimately contributes to **MDG 8**, the goal of developing global partnerships and supporting developing countries to achieve the common goals.

Conservation and sustainable use of biodiversity is also a significant aspect for the field of action of **"Peace-building"** from the Millennium Dec-

3 Relevant to MDG 7, Target 10: To halve by 2015 the proportion of people without sustainable access to safe drinking water and sanitation.

4 MDG 2: To achieve universal primary education.

5 MDG 4: To reduce child mortality; MDG 5: To improve maternal health; MDG 6: To combat HIV/AIDS, malaria and other diseases.

laration. The progressive degradation of natural resources often contributes to conflicts (over resource use) and migration flows, and sometimes it is even the trigger. On the other hand, in crisis situations the available natural resources, be they forests or protected areas, often provide refugees with their sole means of survival.

In addition, there is a link with the field of action of **"Good Governance"** from the Millennium Declaration, because the prerequisites for conservation and sustainable use of biological diversity are, in many cases, adequate governance structures which create enabling institutional and legal frameworks. With this in mind, the efforts of governance projects can be given a clear thematic orientation.

The strategy also implements the **resolutions of the United Nations Conference on Environment and Development** (UNCED, Earth Summit) held in Rio de Janeiro in 1992. At that summit the international community agreed to tackle the conservation of biodiversity as a global challenge, and at the same time acknowledged the national sovereignty of states with regard to the conservation and sustainable use of biological diversity. From this derives the common but differentiated responsibility of states for conservation and sustainable use of biodiversity in the context of the ecological, economic, social and of course the political dimension of sustainable development. This principle was reaffirmed at the **World Summit on Sustainable Development** (WSSD) held in Johannesburg in 2002, including a series of resolutions on biological diversity.[6] Special importance is accorded to the target of significantly reducing the current rate of biodiversity loss by the year 2010 (known as the **2010 target**). This target is an indicator for the achievement of the MDGs. At its summit on the European sustainability strategy in the year 2001, the European Union (EU) had already resolved to put a complete stop to the loss of biodiversity by the year 2010.

In ratifying the **UN Convention on Biological Diversity (CBD)** signed in Rio de Janeiro, Germany undertook to support developing countries in implementing the Convention. The same is true of the Cartagena Protocol on Biosafety which entered into force in September 2003. The present strategy also takes account of intersections between the CBD and relevant provisions and decisions under the UN Framework Convention on Climate Change (UNFCCC), the UN Convention to Combat Desertification (UNCCD) and the UNCED Statement of Principles on Forest Management (Forest Principles).[7]

In particular, attention is increasingly drawn to the reciprocal **link between biodiversity and climate.** Climate change exacerbates the loss of biodiversity caused by changes in bioclimatic conditions (e.g. resulting from dry periods, erosion, sea-level rise) or by changes in functional relationships within ecosystems themselves. Current estimates predict that by 2050 up to 30% of animal and plant species will become extinct if climate change continues at its current pace. Any negative impacts of climate change on the functionality of natural systems will be felt most immediately by the poor, who rely on biodiversity to support their entire livelihoods. They are often forced to place greater pressure on the remaining natural resources since they lack alternative means of obtaining food or income – thus creating a vicious circle. On the other hand, ecosystems such as forests, marshes and coral reefs store massive reserves of carbon and thus play a substantial role in regulating the climate. Ecosystems – particularly intact ecosystems characterised by high biodiversity – can buffer the impacts of climate change (adaptation) and diminish its causes (mit-

6 Art. 44 of the Johannesburg Plan of Implementation contains a series of resolutions relevant to biodiversity, one example being the mandate to negotiate an international regime on access and benefit-sharing within the framework of the CBD.

7 The overall objective of the Rio Forest Principles is "management, conservation and sustainable development of all types of forests".

igation). Due to this interdependence between climate change and biodiversity, the activities of German development policy in the domain of biodiversity contribute to reducing the impacts of climate change. Equally, care must be taken to ensure that measures conceived for climate protection do not impair the regulating function of biodiversity.

There is a fundamental tension between the CBD and the international treaties on protection of intellectual property rights (especially **WTO/ TRIPS**). For instance, the TRIPS Agreement does not stipulate compliance with CBD rules on access to genetic resources and equitable benefit-sharing and on the use of traditional knowledge (Art. 15, 8j CBD) as a precondition for the granting of a patent. As a result, legally effective intellectual property rights in genetic resources or traditional knowledge can be granted even without the consent of those given sovereignty over them by the CBD. In this way the TRIPS Agreement can be detrimental to the implementation of the CBD.

Finally, the German federal government's **Program of Action 2015**[8] provides for measures in the domain of biodiversity.[9] Likewise the **Coalition Agreement** of November 2005 affirms a reinforced commitment to the conservation and sustainable use of biological diversity.[10]

8 Program of Action 2015 "Poverty Reduction - a Global Responsibility; The German Government's Contribution Towards Halving Extreme Poverty Worldwide".

9 Under Priority Areas for Action 3.2: "Realizing the right to food and implementing agrarian reform", and 3.6: "Ensuring access to vital resources – fostering an intact environment".

10 Line 6849 ff.: "*Preserving biological diversity for future generations is imperative to ensure our planet's sustainable development. We want to set new priorities and launch fresh initiatives designed to help the developing countries preserve biodiversity and promote the development-friendly use of resources.*"

3. Experience and Lessons learned

3.1 Previous international cooperation

The relentless loss of biodiversity on a global scale and the associated deterioration of livelihoods, above all for rural populations in developing countries, have led to a shift in perception of the problem. In place of projects which used to concentrate predominantly on aspects of nature conservation, the **fundamental idea of combining the conservation of biodiversity with poverty reduction** has become established some time ago. Fighting poverty is a constant element of modern nature conservation, since poverty is both a cause and a result of the degradation of natural resources. Growing importance is being assigned to the creation of alternative sources of income and the participation of the local population as integral components of projects and programmes. So far these new approaches have, however, not yet managed to reverse the prevailing trend of global biodiversity loss.

On the multilateral level the World Bank, UNDP and UNEP are the most important actors in the domain of biodiversity, not only in their role as implementing organisations for projects of the Global Environment Facility (GEF), the financing mechanism for the CBD, but also by virtue of their own projects and programmes. Germany is the third-largest donor to the GEF.

The European Community is a party to the CBD and the CPB, as are all EU member states. The Commission Communication of May 2006, "Halting the loss of Biodiversity by 2010 – and beyond" acknowledges the global conservation of biodiversity as a key area to which greater weight must be attached within European development cooperation. Effective mainstreaming of the theme of conserving biodiversity, capacity building efforts, and coordination and cooperation between member states are thought to be important approaches for improving the contribution of European development cooperation.

Lack of coherence in donor action arises from time to time because donors involved in the domain of biodiversity are not parties to the CBD and/or the CPB in their own right. Particularly in the area of biological safety, projects are repeatedly carried out which do not correspond to the objectives of the CPB.

Global initiatives have been launched in the attempt to coordinate development-policy approaches on biodiversity on the international level. One such undertaking is the **Equator Initiative**[11] which Germany joined in 2003.

The growing involvement of private foundations, the private sector and other non-governmental actors in the sector also poses new challenges for development cooperation.

3.2 Previous German bilateral cooperation

The theme of conservation and sustainable use of biodiversity has long been of major significance in German development cooperation. Since 1985, 450 projects and programmes have been carried out with objectives directly or indirectly re-

11 The Equator Initiative is an alliance of different state, civil society and private sector donors initiated by the United Nations Development Programme (UNDP). It supports local communities with sustainable livelihoods in their endeavour to combat poverty and conserve biodiversity.

lating to the conservation and sustainable use of biodiversity. Currently (2008) BMZ is supporting around 150 such projects and programmes, some within the scope of bilateral development cooperation and others through the sector programme "Implementing the Biodiversity Convention" (since 1993). An additional group of projects focus specifically on the protection of tropical rainforests. In the area of biological safety, Germany is one of the few European bilateral donors. In order to do justice to the growing importance of regional processes for sustainable conservation of biodiversity, BMZ also supports **regional approaches**.[12] Many of the projects and programmes supported by Germany have succeeded in improving public participation in regional policy planning, land-use planning and resource management, as well as utilising the potential for decentralisation and paving the way for important governance decisions. Experiences are reviewed effectively and the lessons learned are made available both to the public at large and to sectoral institutions. Against this backdrop, an extensive body of first-hand knowledge has been built up, which forms the basis for deriving the following recommendations for action for the purposes of future programme and project planning.

12 E.g. the African Union (AU) in relation to biological safety; the Caucasus region via the cross-border trust fund for protected areas of ecological significance in the region.

4. Recommendations for Action

Biological diversity is not just a field of action in its own right but also a cross-sectoral theme that should be taken into consideration under all relevant development cooperation projects and programmes. Conserving biodiversity is of wide-ranging importance for sustainable development. The task is now to reinforce support for the achievement of internationally agreed targets and conventions, which should also include systematic utilisation of synergies with other sectors and targets.

4.1 Cross-sectoral approaches for biodiversity conservation

In order to heighten awareness and increase the willingness of partner countries to conserve biodiversity, the following principles drawn from past experience should be taken into account in designing future measures with a bearing on biodiversity in all sectors of German development cooperation.

- **Policy coherence** is a key prerequisite for the conservation of biodiversity. Only by anchoring the issue as a cross-sectoral theme (e.g. in trade policy, debt relief, National Biodiversity Action Plans and National Strategies for Sustainable Development) at national and international level will it be possible to secure the long-term protection and sustainable use of biodiversity. Past international and bilateral cooperation in the domain of biodiversity shows that the conservation of biodiversity is seldom treated with the requisite importance in the process of national policymaking in the partner countries. The causes of this are varied: firstly there may be an absence of political will due to potentially conflicting conservation and use interests. Conditions in the economic environment, in particular, can militate against the conservation of biodiversity. Secondly there is also a lack of understanding that biodiversity is an important precondition for achieving policy goals outside environmental priority areas. German development cooperation must therefore support measures geared towards **greater attention to biodiversity management in the policies, plans and programmes of partner countries**, such as Poverty Reduction Strategy Papers (PRSPs) and National Strategies for Sustainable Development, both within the environmental policy context and in other policy areas. Above all, this can be achieved by involving the environmental authorities in the PRSP process and by incorporating the national biodiversity strategy and the associated programme of implementation[13] into the country's development goals. In the context of drafting PRSPs it is necessary to examine where the strategy creates possible synergies and how to promote them.

- Furthermore, in order to boost the effectiveness of efforts to conserve biodiversity, the principles of the **Paris Declaration on Aid Effectiveness** should be brought into play. Biological diversity in the partner countries can only be conserved if the countries themselves assume ownership of the issue and give it due consideration when formulating their development pri-

13 National Biodiversity Strategy and Action Plan under the framework of the CBD.

orities. Donors must align their support measures with national development strategies and organise effective sharing of tasks among themselves as part of closer donor harmonisation.

- Long-term conservation of biodiversity is only possible where overuse is prevented and an effective balance is struck between **conservation objectives** and **interests in use and development**, especially those in the local population. Measures for the conservation of biodiversity only gain acceptance from local populations if they can see that their own existential interests are reflected. In certain cases they should be guaranteed a fair share of the gains arising from the use of natural resources (benefit-sharing). Of particular importance here are approaches to **create alternative sources of income** and to **harness the value of biodiversity**. German international development policy must increasingly be directed towards generating income through the development of products based on natural resources, opening up new markets and making use of certification systems. These present openings for private sector involvement (**PPP**), of which more use should be made in future, in keeping with the relevant recommendations for action and provided that companies are supportive of the implementation of multilateral environmental agreements. In the event of conflicts over use, an assessment should be made of any additional need for specific action with regard to **conflict prevention**.

- Conflicting interests in conservation and use can only be reconciled successfully if all stakeholder groups (state agencies, NGOs, civil society and the private sector) are enabled to participate comprehensively in relevant planning, decision-making and implementation processes from an early stage. The preconditions for this should also be established within the framework of general reform processes (democratisation, decentralisation, development of economic market structures) which enable greater civil society participation. Participation of this nature presupposes, however, that groups within society have become sensitised to the significance of biodiversity. Therefore German development cooperation supports information and lobbying work among (political) decision-makers with the goal of anchoring the cross-sectoral theme of biodiversity in other sector policies. An equally important aspect is **public relations (PR) work and awareness-raising in partner countries**, including work with children and young people (e.g. in schools).

- With regard to women‘s and men‘s different roles in the management of natural resources, the effective **involvement of women** is critical to project and programme success and should be actively promoted.

- A major barrier to the conservation and sustainable use of natural resources is the **unequal distribution of land and use rights**. Securing rights of this kind for population groups dependent on biological resources is an important step in securing their interest in long-term sustainable resource use, and a basis for their subsequent entitlement to a share of any benefits accruing from use. By the same token, unresolved issues surrounding rights of use and property rights exacerbate the pressure on resources and encourage law-breaking in the form of illegal use of biodiversity. Implementation of and compliance with existing laws and traditional rights on resource conservation must therefore be sought, ideally by means of flanking development

policy measures, while **uncertainties over rights of use, land tenure and property rights** must be eliminated. Traditional local land rights and inherited rights of use must not be infringed. Conflicting interests can be negotiated through to resolution in the context of participatory regional policy planning and land-use planning processes.

- In the context of agricultural projects, the need for special attention to the conservation of agrobiodiversity must be borne in mind, since the marked **expansion of industrial agriculture** which concentrates on the production of a few varieties only is partly responsible for the decline in biodiversity.

- Wherever activities involve the **use of genetic or biological resources or traditional knowledge**, Art. 15 and Art. 8j of the CBD and the Bonn Guidelines on ABS[14] are to be applied. These make access dependent on the prior informed consent of the affected community and on equitable sharing of benefits, and govern the detailed formulation of access agreements as well as the role and obligations of state parties and other relevant actors.[15]

- Finally, **adverse effects on biodiversity are to be prevented** or minimised throughout all projects and programmes. According to CBD Art. 14 an **environmental impact assessment (EIA)** is to be carried out **prior to all projects**. Only on this basis should decisions be made about the realisation of corresponding measures. Where support is positioned above the project level (e.g. macroeconomic or PRSP consulting, SWAps, budgetary aid) and provided there is a policy dialogue with the partner country on the use of the funds, performance of a **strategic environmental assessment (SEA)** should be urged and supported, as called for by the corresponding OECD-DAC Guidelines of 2006 and the Paris Declaration. The results of the SEA should then be taken into account in decision-making regarding support and in the detailed formulation of the policies, plans and programmes to be supported.

4.2 Approaches for addressing biodiversity as a realm of action in its own right

Beyond this, the following guidance applies to biodiversity as an independent field of action:

Inadequate anchoring of the theme of biodiversity as a cross-sectoral task in other sectoral policies in cooperation countries can often be attributed to the fact that the competent authorities carry relatively little weight as institutions in the national context. Measures must therefore be aimed at **strengthening** the relevant **state institutions** in order to ensure **mainstreaming** of the theme within the relevant policies and strategies. Equally, this is a prerequisite for securing appropriate financial and human resources for the authorities responsible for implementing laws and policies relevant to biodiversity. Moreover, the political significance of the theme can be upgraded by means of **strengthening civil society**.

14 Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising out of their Utilization.

15 For activities concerning the use of medicinal plants from partner countries, the International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants developed by WWF in collaboration with other organisations is an important basis. www.floraweb.de/map-pro.

The **approach** pursued by German development cooperation of working towards sustainable biodiversity management on a variety of levels (international, regional, national, sub-national, local) has proved very successful.

- On the **international** level the partner countries are supported in **building negotiation capacity** so that they can represent their own interests effectively as contributors to the drafting of international environmental agreements. This represents a major challenge due to the multitude of relevant negotiation processes with implications for the domain of biodiversity (CBD, WTO/TRIPS; WIPO etc.) and is an important concern for German development cooperation. Approaches involving the regional exchange of information, South-South exchange, and targeted preparation of delegations from developing countries for international negotiations have been effective.

- German development cooperation gives due recognition to the growing importance of **regional** integration, and hence regional institutions and organisations, by supporting and developing cross-border approaches to solving problems.

- At **national level** support is provided to actors in partner countries for the implementation of international environmental agreements, the creation of enabling frameworks and for specific local activities in selected areas.

Combining individual implementation-oriented projects and competence-building and awareness-raising measures in the developing countries with policy advice on the macro-level has proved particularly effective. From another viewpoint, concrete implementation of international agreements can be carried out as an element of projects. A programmatic approach of this kind should be tied to measures in the areas of good governance and democratisation/decentralisation as well as trade and industry promotion.

4.3 Thematic priorities

Within the domain of biodiversity, the issues of protected area management, access to genetic resources and equitable benefit-sharing including benefits deriving from traditional knowledge and biological safety have emerged as the key themes with which partner countries at present need support in the framework of development cooperation. Further themes may emerge in the context of current developments, such as biodiversity and climate change.

a) Protected area management

Owing to their linking of ecological, economic and social dimensions, protected areas are an important cornerstone for the conservation of biodiversity, and by extension for sustainable development and the achievement of the MDGs.[16] German development cooperation will continue to support its partner countries with protected area management (with a particular focus on management of transition and buffer zones). In accordance with the target agreed in the CBD work programme on protected areas of establishing, by 2010, a global network of comprehensive, ecologically representative protected areas, measures to **create systems of protected areas** take priority over the establishment of isolated protected areas. Protected areas should be integrated into their wider spatial and socio-economic settings in keeping with the ecosystem approach of the CBD.

16 MDG 7, Indicator 26: Ratio of area protected to maintain biological diversity to surface area.

To this end and in order to improve international cooperation, cross-border areas and cooperation between management structures of neighbouring protected areas should be supported.

In view of the ongoing difficulties of **safeguarding protected areas in the long term**, the management of these areas must include specific attention to the matter of financial sustainability. The decision to engage in cooperation in this domain should only be taken on the basis of a feasibility study which clearly indicates the potential to safeguard the protected area permanently – even without development cooperation resources in the long term. A comprehensive business and financing plan for the management of the given protected area is to be drawn up in the first phase of the project. In line with the principles of subsidiarity, ownership and incentive structures, it is important for protected areas to be financed as extensively as possible from sources other than state funding. To ensure that this happens, it is appropriate to scale down the need for development cooperation funding as the project term progresses and to replace it with self-generated revenue from other sources, particularly economic gains derived from biological resources or alternative mechanisms of value creation identified with project support. To address the considerable gaps in cost coverage that currently remain in many cases, trust funds are an instrument of growing importance. The successful structuring of a trust fund depends, however, on a series of criteria (Annex). Where partner countries are willing and adequate control measures are in place for the donors, more encouragement should also be given to debt-for-nature swaps.

The long-term safeguarding of protected areas and the implementation of the CBD work programme in general presupposes not only adequate financial resources but, most importantly, that partner governments – at national and decentralised levels – and the populations living in and around protected areas assume **ownership**. Therefore it is critical to take account of the economic, social and cultural concerns of the affected population and its involvement in management of the protected area.

Finally, those parts of a country's area that are not under protection are also important for the conservation of biodiversity. In future, more efforts should be dedicated to developing strategies for introducing environmentally sustainable land use even **outside state and privately owned protected areas** and reducing the pressure for use which is otherwise displaced to land immediately adjacent to protected areas. Key aspects – especially at local level – are the creation of economic incentives for the conservation of biodiversity, and a national policy which backs up the conservation and sustainable use of biological resources with appropriate incentive and management instruments (e.g. certification schemes, payments for environmental services).

b) Access to genetic resources and benefit-sharing (ABS)

In order to give developing countries an incentive to conserve their natural resources, in addition to the conservation and sustainable use of biodiversity a further crucial aspect is the 3rd objective of the CBD, fair and equitable sharing of the benefits arising from the utilisation of genetic resources (access and benefit-sharing, ABS). In accordance with the mandate conferred upon the CBD at the WSSD in Johannesburg, an **international regime on access and equitable benefit-sharing** is to be negotiated. The countries of origin should receive a fair and equitable share of the profits accruing to others from the use of their genetic resources. With an efficient international regime, an important contribution can be made to **harnessing the value of biodiversity**, preventing biopiracy and alleviating poverty. These are opportunities for improving living conditions for people in developing countries.

The following fields of action emerge:

- Contributing to the development of an international regime on access and benefit-sharing, and supporting developing countries in the international negotiation process;

- Supporting partner countries with the development of national legislation on access and benefit-sharing;

- Working towards **effective, comprehensive protection** of traditional knowledge held by indigenous and local communities concerning the conservation and sustainable use of biodiversity, at international level and in the partner countries; this includes institution-building to strengthen indigenous people's organisations;

- Harmonisation of all relevant international agreements, particularly for the protection of intellectual property rights (Patent Cooperation Treaty, Patent Law Treaty, WTO/TRIPS, WIPO) with the provisions of the CBD to ensure that they are complementary, not contradictory.

c) Biosafety

The Cartagena Protocol on Biosafety (CPB) constitutes a binding treaty in international law under the auspices of the CBD. It contributes to limiting the risks to biodiversity and human health arising from the handling of genetically modified organisms (GMOs). The main emphasis of the Protocol is on regulating transboundary movements (imports, exports) of GMOs. The incorporation of the **precautionary principle** is key. The Contracting Parties thereby have the right to impose import bans even when conclusive scientific evidence about the risks is not yet available.

Safe handling of GMOs is still an issue that overstretches the capacity of many developing countries. In future, therefore, it will be vital to provide partner countries with continuing support within the scope of **capacity building**. The required support consists of policy advice, institution building, initial and continuing training of decision-makers, awareness-raising and promoting the participation of civil society. All projects relating to biosafety and biotechnology must give due regard to the **objectives of the Cartagena Protocol**, and particularly the partner countries' freedom of choice over the import of GMOs. This also means that food consignments to developing countries are not currently supported within the scope of German development cooperation if they contain genetically modified foods. Moreover, when cooperating with other donors or other partners, care should be taken to ensure that they are similarly committed to the objectives of the Cartagena Protocol.

5. Target Groups and Partners

5.1 Target groups

The conservation of global biodiversity is not only in the interests of the population that depends on it directly but also of people everywhere. Hence it is not possible to limit the scope of the present strategy to one target group. The **target group** within the meaning of this strategy paper is the **population that is directly dependent** on biological diversity. This applies particularly to **indigenous and local communities** by virtue of their traditional knowledge concerning the sustainable use of biological resources. Effective conservation and sustainable use of biodiversity depend, however, upon cooperation among a large number of groups pursuing **diverse interests** with regard to the use of biodiversity (e.g. subsistence farming, nomadism, livestock breeding, gathering, hunting, fishing and timber use).

5.2 Partners

The target groups and their organisational structures are, in many cases, also partners in biodiversity-related development cooperation. These include the **government and administrative agencies** that regulate or support the activities of direct or indirect users of biodiversity. In addition to public authorities this category also encompasses **training and research institutions**. Often these groups are divided by opposing or competing interests and competence conflicts which need to be acknowledged and addressed as part of development-policy advisory services. In addition, there are actors who exercise an influence over the available natural resources (e.g. state agencies, national and international concessionaires, industries making use of genetic resources, animal and plant dealers, scientists, consumers, tourists and environmental and nature conservation associations). Like the target groups, all these actors, as individuals or collectively, influence biodiversity in a variety of ways in their roles as owners, users or decision-makers.

In the wake of **decentralisation processes** in state administrations in many developing countries (usually accompanied by transfer of the mandate for the use of natural resources to decentralised local authorities or groups of users), **municipalities** play an increasingly important role as partners of development cooperation.

Civil society organisations – particularly NGOs and indigenous organisations – represent a corrective and a complement to state policy, fulfil a network function, and are of special significance as civil society intermediaries and as service providers. In the context of diversified executing structures, they increasingly need to be included alongside state agencies in biodiversity projects and programmes. In negotiations at international level, international NGOs in particular often assume a pioneering role in strategy development and function as a mouthpiece for disadvantaged population groups.

Cooperation with the private sector continues to grow in importance. A variety of economic activities pursued by companies of all sizes are either based on the use of biodiversity, or are directly dependent on it due to ecosystem services, or contribute to biodiversity loss. In the light of growing efforts made by a large number of companies to apply environmental standards, to undergo certification or to implement sustainability initiatives, alliances in the partner countries are possible for joint implementation of measures on the conservation of biodiversity.

Partners of cooperation at international level are the organisations and financing institutions

dealing with questions relating to biodiversity. Similarly, regional organisations such as the AU, SADC, ASEAN, the Andean Pact and the Amazon Cooperation Treaty Organisation ACTO/OCTA are (potential) partners in the promotion of measures on biodiversity conservation. Cooperation with the **Equator Initiative**[17] should be expanded since this partnership initiative enhances the perception and recognition of the special role of local communities with regard to poverty reduction and the conservation of biodiversity. Furthermore, harmonisation with the activities of other donors is indispensable.

17 Cf. footnote 11 on page 7.

6. Outlook

Inaction from the international donor community and the affected partner countries will result in progressive degradation of ecosystems and biodiversity, thus severely jeopardising the achievement of the MDGs. Bearing this in mind, vigorous and coordinated action is necessary in German development policy. It is crucial to place the problem of species loss on the political agenda in dialogue with partners and in the international debates on global governance and global public goods. If the economic and social impacts of species extinction can be brought to the forefront of attention, it may be possible to bring about a reversal in the loss of species diversity. On the basis of the present strategy paper, German development policy will step up its contribution to these efforts in future.

Annex
General Criteria for Successful Financing via Trust Funds for Protected Areas

N.B.: The following criteria are requirements of a fundamental nature which must be satisfied, regardless of donor, in order to secure the financial sustainability of a protected area or protected area system by means of a trust fund. Any additional conditions to be fulfilled are a matter to be reviewed in each individual case. Evidence of the parameters below is a necessary but not a sufficient condition for a fund to receive support from the Federal Ministry for Economic Cooperation and Development (BMZ).

1. Sectoral ownership by the national government

- Ratification of the relevant international agreements (CBD, CCD, Ramsar etc.);
- Tangible sectoral commitments made by the national government to nature conservation (long-term protected areas strategy adopted, ratio of land within protected areas, stage of implementation of relevant laws and regulations);
- Anchoring of comprehensive participation processes (involvement of local communities, private sector, NGOs etc.) in the partner country's sectoral policy.

2. Potential for sustainable safeguarding of the protected area or protected area system

- Potential to succeed in attracting further funding from foundations (depends in many cases on adherence to ecological criteria: International / regional / global ecological significance and representativeness of the protected area or protected area system);
- Management, business and work plans adopted and stringently implemented, also containing conclusive documentation of the protected area or protected area system's deficit, taking other potential sources of revenue into account; this financial statement demonstrates the financial sustainability of the protected area;
- Provision is made for retention of at least a significant proportion of the protected area's revenue for the protected area itself;
- In line with the principle of sustainable use, the priority is to benefit or compensate the directly affected population.

3. Legal and economic parameters

- Relevant legal, institutional and financial arrangements in force and transparently implemented in reality (e.g. tax law, foundation law) or similar arrangements are created in parallel to the establishment of the fund;
- Investment conditions governing investment in the partner country (alternatively: investment facilities offshore):
  - Political support from the government of the partner country for a private-law

non-profit foundation which is independent from the state;

- Functioning financial sector (banks, banking supervision etc.);
- Stability of the local currency or possibility to invest the capital stock in foreign currencies;
- Secure form of investment.

4. Operative form of fund

- Fund has lean administrative and supervisory structures;
- Fund's supervisory and management bodies ensure the participation of relevant non-state stakeholders (from case to case these may include local people, the park administration, the private sector, NGOs and civil society);
- Co-financing by the partner country is established from its own national and international sources; making appropriate own contributions (monetary payments or payments in kind);
- Clear statutes specifying transparent spending of revenues;
- For endowment funds: preservation of the capital stock incl. inflation adjustment;
- Secondary goals are incorporated into the overall strategic design (capacity building for sustained governance, etc.).

5. Criteria for management of the protected area in-situ

- Management, operating and financial plans applied in-situ;
- Binding guidelines on ecologically sustainable and acceptable generation and use of own sources of revenue;
- Proper and transparent deployment of available resources (financial, human and material resources) in accordance with clear priorities;
- Stakeholder participation is established and practised:
  - Rights and obligations have been agreed and are being fulfilled;
  - Transparent information and communications policy;
  - Functioning conflict settlement mechanisms;
  - Existence of consultation bodies for co-management.

Abbreviations

ABS	Access and Benefit-Sharing
ASEAN	Association of South-East Asian Nations
AU	African Union
BMZ	German Federal Ministry for Economic Cooperation and Development
CBD	Convention on Biological Diversity
CPB	Cartagena Protocol on Biosafety
GEF	Global Environment Facility
GMOs	Genetically Modified Organisms
IDRC	International Development Research Centre
IUCN	International Union for Conservation of Nature and Natural Resources
MDGs	Millennium Development Goals
NGO	Non-Governmental Organisation
PPP	Public Private Partnership
PRSPs	Poverty Reduction Strategy Papers
SADC	Southern African Development Community
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights
TVE	Television Trust for the Environment
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNF	United Nations Foundations

UNFCCC	United Nations Framework Convention on Climate Change
WIPO	World Intellectual Property Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation
WWF	World Wide Fund for Nature

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