

CONFERENCE  
**Biodiversity in European  
Development Cooperation**



**Report from Workshop 5  
Smart financing**

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# Objective



- How can innovative financial mechanisms contribute to internalizing the value of ecosystem services and support sustainable development agenda?
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# Results



- The workshop had two panel sessions.
  - First session discussed the conceptual framework of the environmental funds, what they can do and how the ODA can contribute to their effectiveness;
  - The second session discussed market-based financing instruments and payments for ecosystem services as an innovative way to finance conservation of natural resources.
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# Conclusions

- Explore options for ODA to contribute to environmental trust funds where these exist at national or regional level.
  - What is needed to maintain and increase support and contributions to existing financial mechanisms at international levels, such as the Global Environment Facility and other global trust funds.
  - Conservation of nature resources needs to be mainstreamed in economic and rural development to enable ODA to be used (outside protected areas, sustainable land-use management, capacity building).
  - How can we help partner countries to develop and implement additional financial tools and innovative financial mechanisms for joint and flexible action, such as Payments for Ecosystem Services, Debt for Nature Swaps and other instruments. .
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# Recommendations



- Promote the creation of environmental funds where possible, and explore the possibilities for ODA contributing to them
  - mainstream environment in development cooperation – taking into account the other policy issues as agriculture, trade, fisheries, ...- and therefore make the connections between poverty reduction and conservation
  - Promote market based instruments, and create successful public-private partnerships where recipient Governments, ODA and business find synergy and opportunities for collaboration .
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