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**POLICY STATEMENT ON INTEGRATING BIODIVERSITY AND ASSOCIATED ECOSYSTEM SERVICES INTO DEVELOPMENT CO-OPERATION**

*This policy statement has been ENDORSED at the DAC Senior Level Meeting on 14-15 April 2010.*

Contact: Rémi Paris - Tel: +33 1 45 24 17 46, E-mail: [remy.paris@oecd.org](mailto:remy.paris@oecd.org);  
Kenta Usui, Tel: +33 1 45 24 97 54, E-mail: [kenta.usui@oecd.org](mailto:kenta.usui@oecd.org)

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## **POLICY STATEMENT ON INTEGRATING BIODIVERSITY AND ASSOCIATED ECOSYSTEM SERVICES INTO DEVELOPMENT CO-OPERATION**

### **I. Biodiversity and ecosystem services matter for all**

1. Biodiversity is life on earth – the variety of living organisms, their habitats and the interactions between them. It provides essential life-supporting functions such as food production, water purification, soil fertility and climate regulation. Higher levels of plant biodiversity, for example, can reduce greenhouse gas emissions and increase resilience to the impact of climate change. Biodiversity and ecosystem services are therefore critical for achieving the Millennium Development Goals as well as for ensuring sustainable development and human security and for the livelihoods of people in all parts of the world.

2. However, global biodiversity and ecosystem services are under threat. The Millennium Ecosystem Assessment in 2005 found that 60% of ecosystem services are being degraded or used unsustainably, which jeopardizes achievement of the MDGs. The economic consequences are alarming, as ecosystems are costly if not impossible to restore once degraded. The Economics of Ecosystems and Biodiversity (TEEB) report, estimates the annual welfare loss of ecosystem services from land-based ecosystems alone to be equivalent to around €50 billion under a business-as-usual scenario. The OECD estimates that biodiversity loss will continue over the coming decades.

3. Global climate change and biodiversity loss are connected. Firstly, global climate regulation is a function of healthy ecosystem services, particularly in forests. Secondly, climate change will alter the distribution of important species for human livelihoods and affect the productivity of important food crops. This will affect food security, particularly in developing countries.

4. The main sources of biodiversity loss are land use changes (e.g. agricultural conversion and infrastructure), unsustainable use of natural resources (e.g. large-scale monocropping and overfishing), invasive alien species, environmental pollution and climate change. In addition, lack of appropriate governance systems result in ineffective or incoherent policies and unclear and insecure tenure rights. Economic systems that do not incorporate or place value on biodiversity and ecosystem goods and services also drive the biodiversity loss and ecosystem degradation.

### **II. Biodiversity and associated ecosystem services must be integrated into development co-operation**

5. Many of the world's biodiversity-rich areas are located in developing countries, and the poor are particularly - and often directly – dependent on sound viable ecosystems for their livelihoods. Poor people are the most vulnerable to a reduced supply of ecosystem services: clean water, air, soil fertility, marine resources and natural disaster reduction infrastructure. Since these valuable ecosystem services are often invisible in national and local accounts and budgets, policy makers and markets can fail to adequately consider the value of these goods and services. Therefore, development co-operation must, in dialogue with the recipient countries and partners, integrate biodiversity and ecosystem services into development and poverty reduction policies, plans and programmes and projects, and mainstream biodiversity into all aspects of development co-operation.

### III. Priorities for our action:

#### *i) Supporting our developing country partners*

6. We will support partner countries to:

- Integrate biodiversity and ecosystem services into development policies, sector plans and budget processes, and address coherence and synergies with other policy goals, including the MDGs, taking into account the commitments made in the context of the Biodiversity, Climate Change and Desertification Conventions and other biodiversity related conventions. Such integration should be evidence-based, and make use of the latest and most robust scientific and economic assessments, e.g. TEEB and Millennium Ecosystem Assessment, as well as the findings from the OECD Working Group on Economic Aspects of Biodiversity. It should also draw upon the rich understanding of complex ecosystems held by local and traditional peoples.
- Invest in biodiversity and ecosystem services to build resilience to the impacts of climate change impacts and to foster efforts to contain greenhouse gas emissions.
- Promote economic policy tools for pro-poor and sustainable ecosystem management. Environment-related taxation, removal of perverse subsidies, and market development for biodiversity-derived services and goods can create appropriate incentives for sustainable use of biological resources of benefit to local communities.
- Support development of innovative mechanisms, such as Payment for Ecosystem Services (PES) and appropriate incentives for Reducing Emissions from Deforestation, forest Degradation and sustainable management of forests (REDD+), and maximise and ensure that the co-benefits of these mechanisms fully reach the poor.
- Improve decision-making related to ecosystem management through the systematic use of environmental assessment tools, such as Strategic Environmental Assessment (SEA), Cumulative Impact Assessment (CIA), and Environmental Impact Assessment (EIA).
- Support ecosystem-conscious urban planning and management through efficient energy, transport, and water and sanitation services integrating ecosystem services, as well as infrastructure development which reduces negative impacts or provides positive impacts on biodiversity and ecosystem services.
- Develop the capacity at all levels to enable the integration of pro-poor management of biodiversity and ecosystem services into development policies, plans, programmes and projects. This includes capacities to inventory biodiversity and assess the economic value of ecosystems and ensure that benefits reach the poor.
- Adopt sustainable natural resource use practices, such as organic farming.
- Develop capacity for countries to participate in international negotiations in relation to biodiversity.
- Integrate biodiversity and ecosystem services into poverty reduction strategies or equivalent national development plans and programmes by ensuring coherence with national biodiversity strategic action plans (NBSAPs).
- Address the gender dimensions of biodiversity management. Men and women have different roles in management of ecosystem services and biodiversity resources, and women play a key role in conservation and sustainable use of plant and animal diversity.

- Recognise the need for appropriate access to genetic resources and associated traditional knowledge and a fair and equitable sharing of the benefits arising from the utilization of such resources and knowledge.
- In addition, we will strive to raise awareness of the importance of sustainable use of biodiversity among senior policy makers, through policy dialogue, notably in the context of financial support provided in relevant sectors (e.g. forestry, agriculture, fishery water resource management and others), and align development programs with relevant national priorities.
- Develop transparent and accountable governance frameworks to fight corruption and to increase transparency and accountability in the use and management of biological resources.

**ii) *Within our agencies***

7. The Paris Declaration states that aid effectiveness requires country ownership, alignment, harmonisation, managing for results and mutual accountability. The Accra Agenda for Action requires commitments to supporting country ownership including through greater use of country systems and provision of “demand driven” capacity development. Recalling these commitments, we will endeavour to:

- Raise awareness in donor agencies of the links between biodiversity and ecosystem services and poverty reduction.
- Strive to integrate biodiversity and ecosystem services into our development cooperation activities by means such as raising awareness of the importance of sustaining ecosystem services among policy makers, making use of country level sector working groups, and enhancing systematic use of environmental assessment tools.
- Standardize assessment and monitoring of biodiversity mainstreaming efforts by both quantitative and qualitative measures
- Ensure that commitments made within the Convention on Biological Diversity (CBD) and other international agreements are adhered to.

**iii) *Strengthening the coherence of our countries’ policies as they impact biodiversity***

8. Policies in donor countries can enhance or undermine efforts made to promote a pro-poor and sustainable use of biodiversity through development cooperation. In order to strengthen policy coherence for development and sustainable management of ecosystem services, we will engage with other parts of our governments to:

- Remove perverse subsidies and develop incentives for equitable and sustainable management of ecosystem services.
- Promote sustainable consumption patterns based on, among others, pricing regimes which promote sustainable use of ecosystems.

**iv) *Engaging at the Global Level***

9. The achievement of the MDGs is reliant on sound environmental practice and adaptation to the impacts of climate change through sustainable management of ecosystems. Accordingly, we will endeavour to:

- Contribute to the 65th United Nations General Assembly-High Level Segment on the Convention on Biological Diversity and the 10 year review of the MDGs, including raising awareness of the

role of ecosystem services for the achievement of the MDGs, especially of MDG 7 on environmental sustainability.

- Promote integration of ecosystem services and biodiversity concerns into planning and decision-making of relevant UN agencies, such as FAO, UNDP, UNEP, WHO and others, to ensure consistency, encourage dialogue and optimize the use of limited resources.
- Engage and promote the integration of biodiversity and development linkages into the 10th COP of CBD, and, strive to finalize the CBD Post-2010 Vision, Mission and Targets.
- Take advantage of the International Year of Biological Diversity (2010), International Year of Forests (2011), and the World Parks Congress in 2013 to raise the profile of biodiversity and associated ecosystem services for development.
- Promote synergies and enhance co-benefits among the Rio Conventions and with other biodiversity related conventions.

#### **IV. Tracking progress towards integrating biodiversity and ecosystems into development co-operation**

10. We are committed to delivering on results and mutual accountability. In order to track progress on integrating biodiversity and associated ecosystem services into development cooperation, we will endeavour to:

- Continue to support and strengthen partner country systems for monitoring, evaluation and reporting objectively (including reporting to the Rio Conventions and other biodiversity related conventions) on effectiveness and cross-sector coherence of biodiversity mainstreaming efforts, and their bearing on development sustainability, as well as monitoring and reporting in relation to the MDG7 target on biodiversity loss and reporting to the Rio Conventions.
- Monitor expenditures related to biodiversity through the OECD-DAC Rio markers.
- Use our national reports to the CBD to highlight the steps we are taking to integrate biodiversity and ecosystem services into development co-operation.
- At future ENVIRONET meetings:
  - Report on progress in integrating biodiversity and ecosystem services into development.
  - Share information, experiences and best practice on including ecosystems services and biodiversity dimensions in on-going work, e.g. in relation to pro-poor green growth, capacity development, climate change and environmental assessments.
  - Monitor the overall implementation of selected key actions from this policy statement.
- Share information on our progress, experience, and implementation monitoring with the Environment Policy Committee through the Working Group on Economic Aspects of Biodiversity.