

# Finance options for protected areas in Europe

Public, private and philanthropic funds for  
protected areas and ecological corridors

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# Natura Financing Gap

Funds for nature protection and restoration need to increase

## Public Finance

In the form of grants and subsidies

## Philanthropic Funds

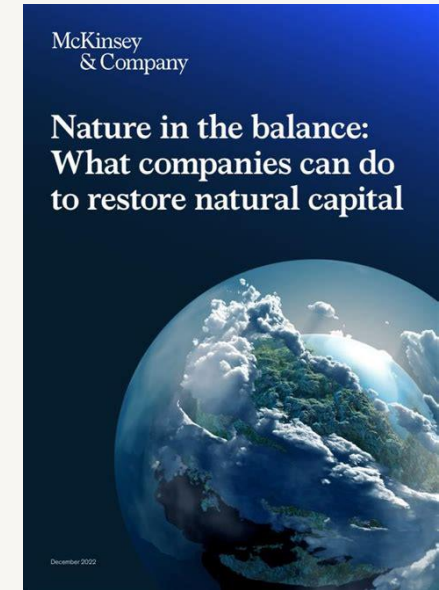
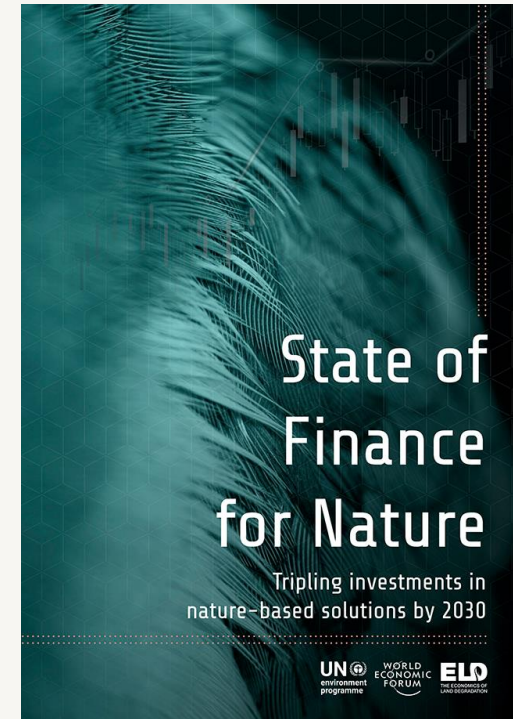
Through wealthy individuals and private foundations

## Private Finance

Companies in the form of investments

## Use the existing funds wisely

Cost effective nature restoration actions



# Interreg

For cross border nature initiatives



## Proven instrument

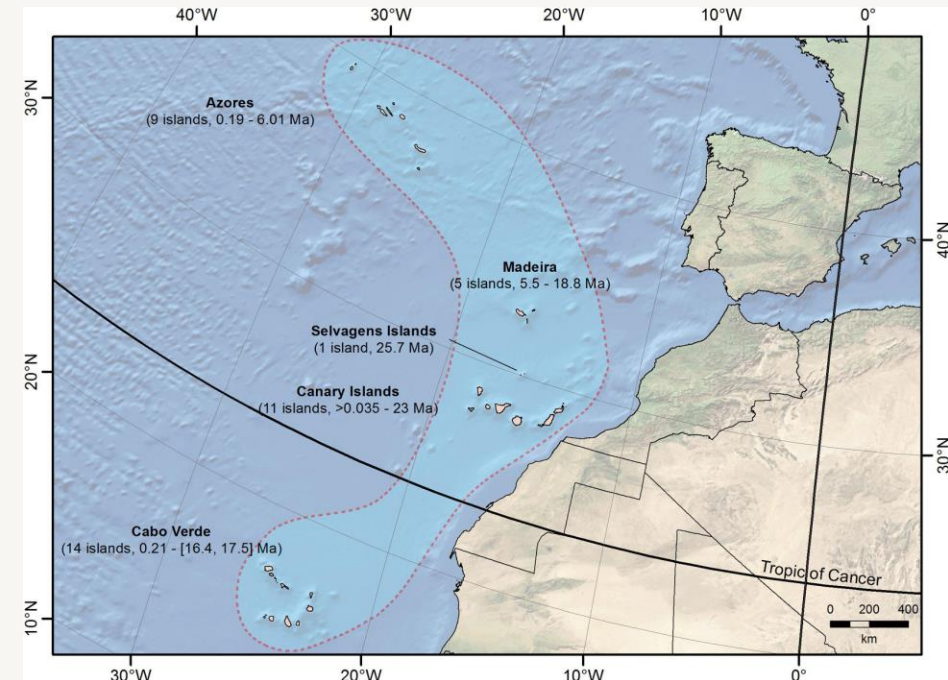
Track record in financing nature conservation and restoration initiatives

## Must have a cross-border trans-national or transboundary dimension

Interesting for ecological corridors and transnational protected areas

**€548 million for the period 2021-2027**

Allocated to nature and biodiversity projects



# European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

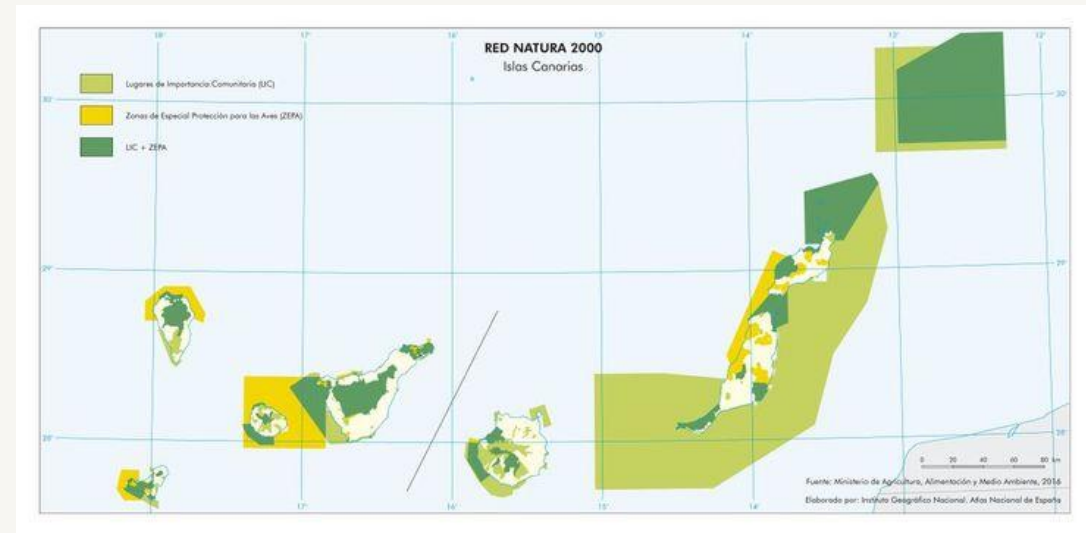
For a network of natural areas

## Good tool to finance a network of natural areas

Funds for the establishment, management and expansion of protected areas as well as ecological corridors

## Mostly for governmental agencies

ERDF €26 billion and CF €4.8 billion for the period 2021-2027



# Fundo Ambiental

An instrument from the Portuguese State

## Fundo Ambiental Funds

Portuguese State Fund that collects environmental taxes and reinvests the funds in environmental projects

## Co Finance for Life Projects

Discussions to start funding Life Projects

## Flexible for who and for what

For a wide range of stakeholders for several types of expenses





# User principle for protected areas

A business approach to designated natural sites

## Business Plans for protected areas

Many protected areas and ecological corridors have big economic potential (e.g. nature tourism)

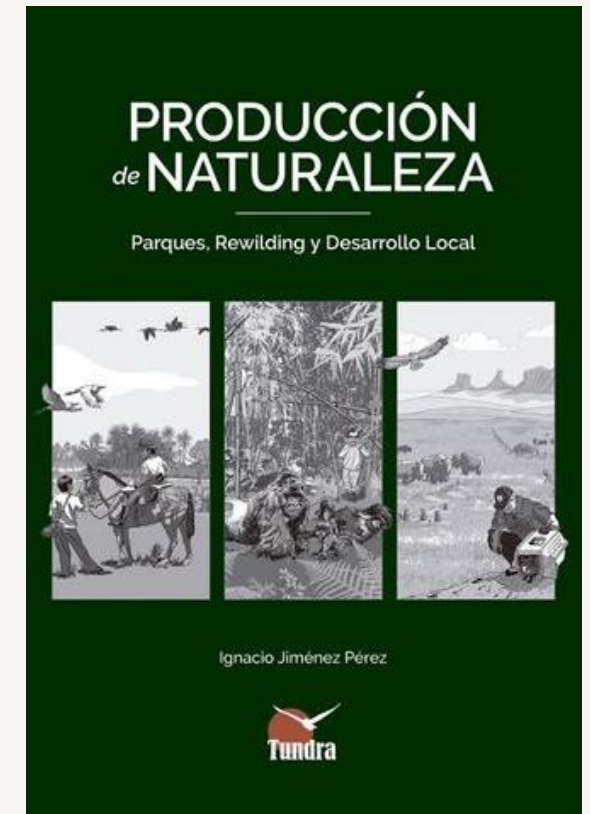
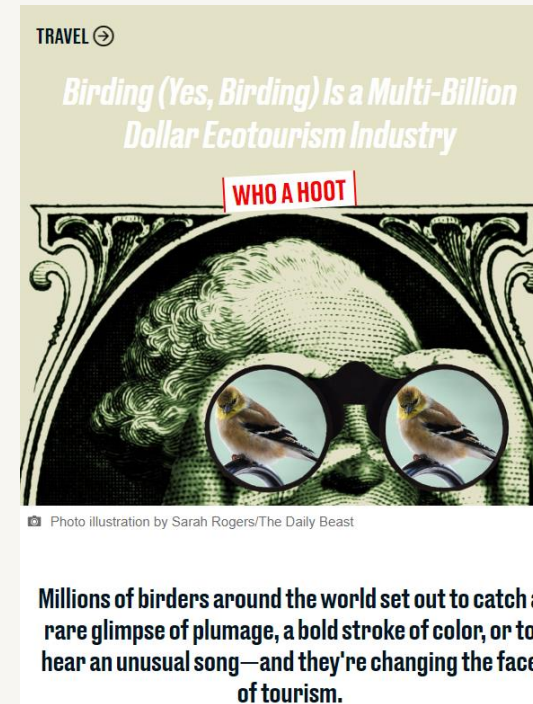
## Own sources of finance

Entry fees, concessions levies and other revenues (capture part of the revenues made because of natural areas)

## Nature Tourism

Well preserved or restored natural areas = new economic opportunities

*Use it or lose it*



# Blended finance

A mix between public, philanthropic and private funds

## Public-Philanthropic-Private partnerships

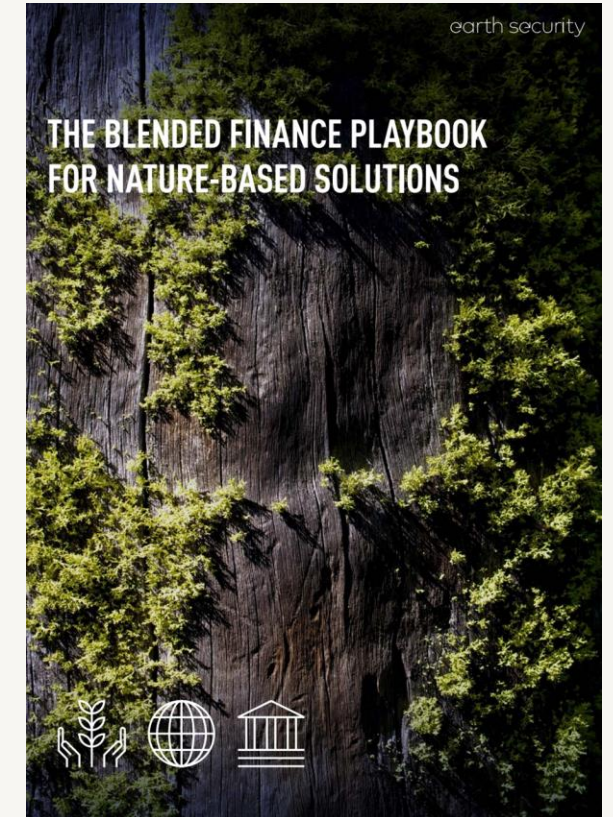
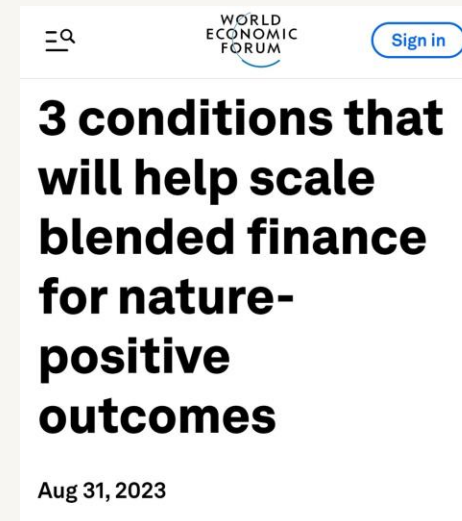
Different finance needs, different sources of finance

## De-risk private investment

Specially on innovative, still un-proven mechanisms

## Several forms

Design of the deal, technical assistance, guarantees and, risk insurance and concessional finance



# Green/Blue Bonds

A conventional finance instrument turned green

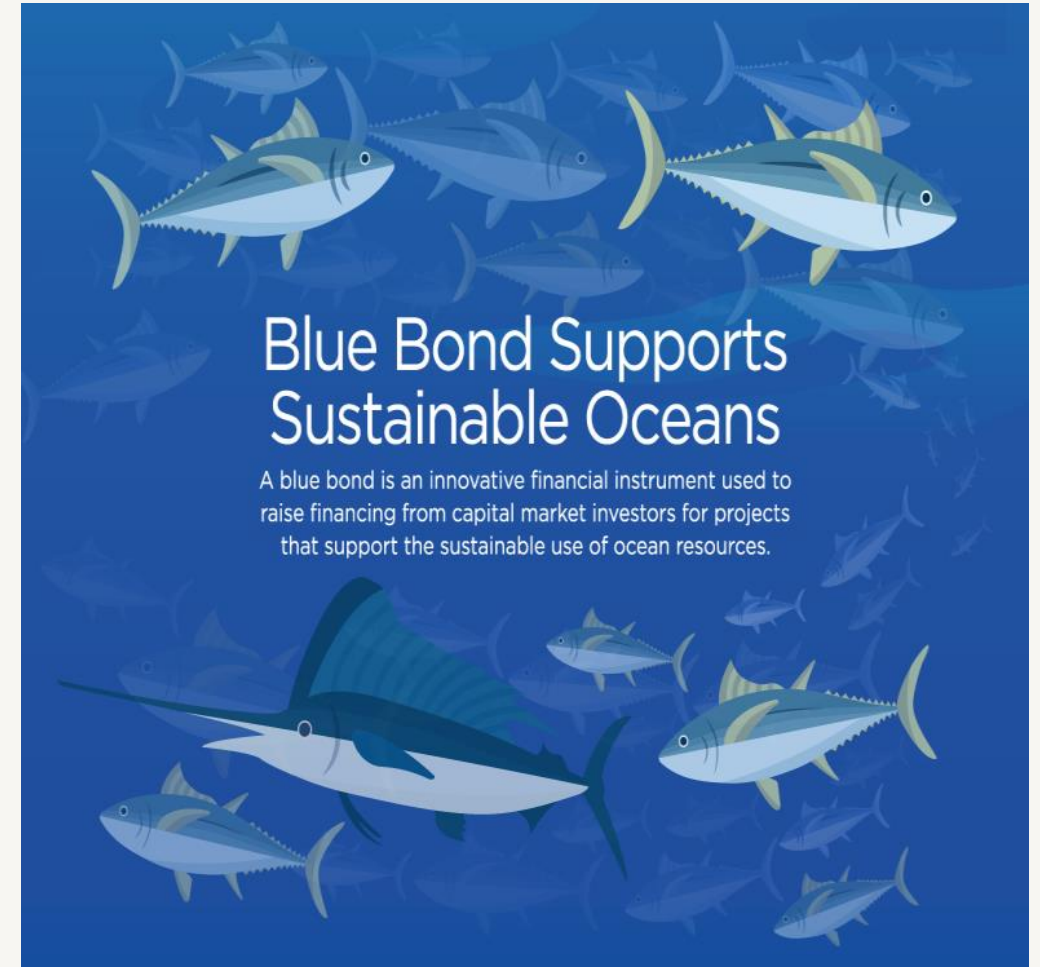
## Green "conventional" Bonds

Classic bonds with the twist that the funds must be used on environmental projects

## Big market demand and competitive terms

Compared to normal bonds

## Big scale and mostly accessible to governmental institutions





# Resilience Bonds

Nature as a shield to insurance companies

## Natural zones can be buffer areas for infrastructure

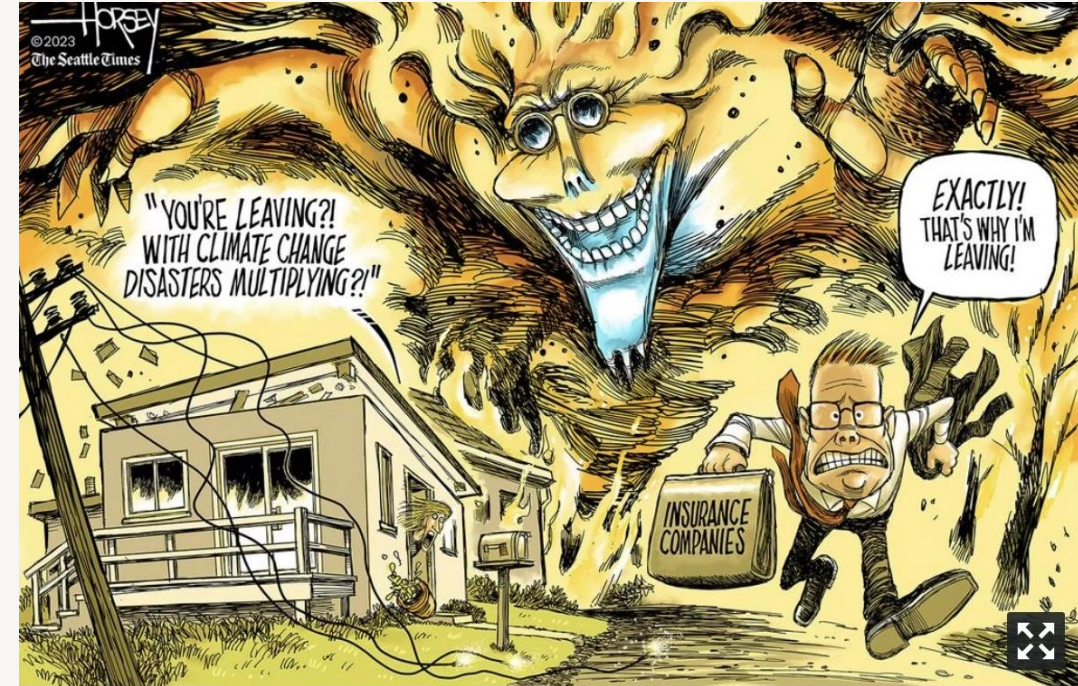
For example, side areas around temporary streams can be used prevent damage to houses in case of floods

## Measure and quantify risk reduction

More space for nature less risk of damage to grey infrastructure

## Unlock funds from insurance companies

Insurance companies need to decrease the risk of damage by extreme weather events



- Aviva will help restore Britain's lost rainforests, as part of a £100 million programme of nature-based projects in UK and Ireland to help address climate change by removing carbon dioxide from the atmosphere

# Debt for nature swaps

Debt relief and protection/restoration of natural areas

## Proven instrument

Widely used in developing countries since the 80s

## European potential

The countries with the highest biodiversity in Europe are some of the most indebted ones

## Redirect the funds

Avoided costs in financing debt (mostly interest) can be used to protect and restore nature

REUTERS®

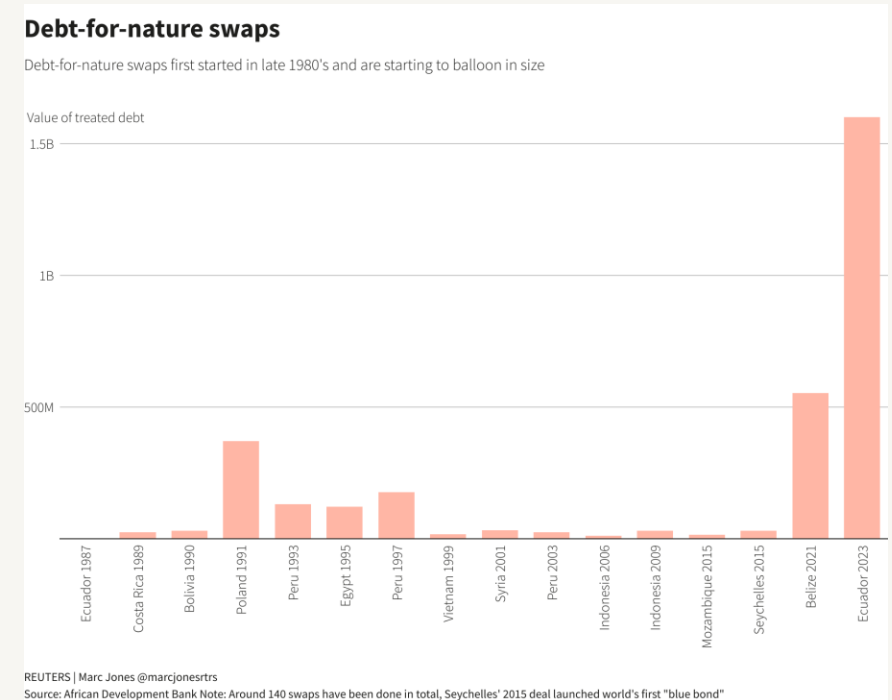
My View Following Saved

COP27

### Insight: Bankers bet billions on new wave of debt-for-nature deals

By Clare Baldwin, Marc Jones and Simon Jessop

November 17, 2022 11:19 PM GMT+2 · Updated a year ago



# Align subsidies for nature

From a threat to an opportunity

## Subsidies

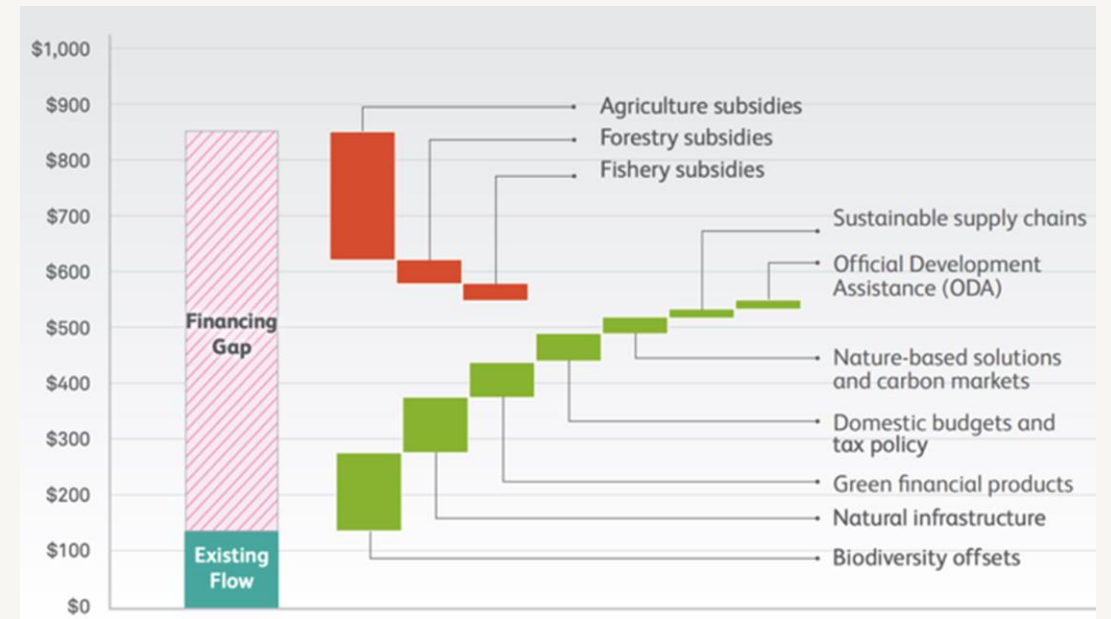
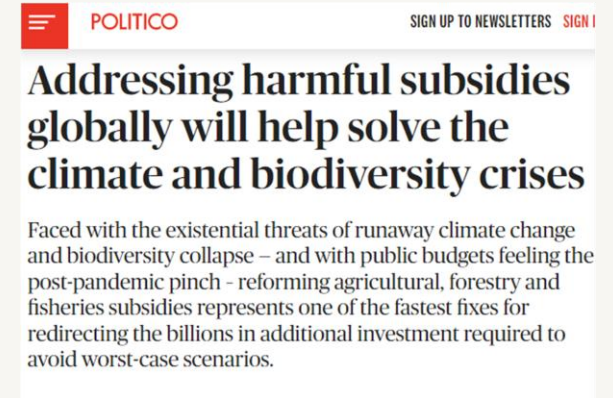
Subsidies are a policy tool to provide for the overall public good

## Shift the use of subsidies

Several subsidies that unintentionally result in harm to the climate and biodiversity

## Direct benefits to agriculture, forestry and fisheries

More and better managed protected areas provide clear gains to primary sector industries





# Come talk to us!

We hope to collaborate with you over the next few years

contact us anytime:



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