

INTER AMERICAN DEVELOPMENT BANK

BIODIVERSITY CONSERVATION AND ECOSYSTEM SERVICES:

A REVIEW OF EXPERIENCE AND STRATEGIC DIRECTIONS FOR THE IDB

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EXECUTIVE SUMMARY

1. The purpose of this note is to guide the development of the new Biodiversity Platform of the IDB by summarizing its past experiences in biodiversity and by identifying strengths, weaknesses, and value added. On the basis of this, it identifies a niche for the IDB in biodiversity, proposes the strategic direction, goal, objective, and main pillars of the Platform, and identifies the internal actions needed to increase the Bank's capacity to implement it.

2. The Latin American and Caribbean Region is a "Biodiversity Superpower" because its countries are among the world's better endowed in natural capital: biodiversity and ecosystems. The IDB has long recognized this reality and has been active for several decades in biodiversity and biodiversity-related projects. A key concept is that "biodiversity" encompasses much more than protected areas and species. Although conserving all living forms on earth is an ethical imperative because of the intrinsic values of biodiversity, the term "biodiversity" accounts for much more, including the diversity of ecosystems that provide the foundations of economies and societies. The maintenance of ecosystem services has fundamental implications for numerous economic sectors including agriculture, tourism, forestry, fisheries, biotechnology, coastal zone management, climate regulation, and reduction of vulnerability risks. In addition, the region has large populations of indigenous people with a long cultural tradition of managing biodiversity in balanced ways.

3. Recognizing the critical importance of biodiversity and ecosystem management as a foundation of sustainable development, the IDB's Ninth Capital Replenishment specifically mandates the Bank to address these issues. A biodiversity mandate, however, is not new for the IDB, as shown by other past efforts and mandates. A key challenge for the 2012 Biodiversity Platform therefore will be to learn from the past to reach new heights in biodiversity support.

4. The IDB has a long history of involvement in biodiversity, with a large and diverse portfolio. The IDB is one of the main biodiversity players in the region, second only to the World Bank, and amounting to about 11% of all biodiversity funding. The Bank has access to a diversified funding base in support of biodiversity, and has made extensive use of these instruments in the past. These include concessional financing, loans, private sector windows, and technical cooperation. The other side of the coin is that within the IDB, biodiversity represents less than 1% of the portfolio. In other words, to the outside world, the IDB is a major biodiversity player; within the Bank, biodiversity is almost non-existent.

5. When reviewing the portfolio, it is clear that the IDB has a long, vast, and diverse experience in biodiversity. Specific sectors and project types have included:

- a. Targeted Biodiversity Interventions: Biodiversity Conservation and Protected Areas,
- b. Mainstreaming at the Policy Level: Policy and Institutions, Environmental Management Land Use Planning, and Cross-Border Cooperation,
- c. Mainstreaming in the Rural Sectors: Forestry, Natural Resources, Watershed Management, Disaster Prevention, Tourism, and Agriculture,
- d. Marine, Coastal Zone Management, and Fisheries,
- e. Urban Landscapes and Sanitation,
- f. Application of Environmental Safeguard Policies: Beyond "Do No Harm,"

- g. Private Sector Windows, and
- h. Linkages with Climate Change.

6. The Bank has supported biodiversity both as stand-alone operations supporting protected areas, as well as through mainstreamed operations in which biodiversity is a component of projects addressing numerous sectors both in rural and urban landscapes. IDB has experience and potential with both public and private actors. Of particular relevance are the opportunities afforded by addressing climate change and biodiversity issues simultaneously. Important characteristics of the portfolio that are relevant when defining the Platform include:

- a. Most projects are mainstreamed within regular Bank operations. This demonstrates both internal Bank capacity to mainstream, as well as high potential for leverage and scaling-up,
- b. There is an excellent combination of the use of various instruments (loans, TC, GEF, Climate Funds, private sector windows, etc.),
- c. The number of sectors through which biodiversity can be addressed is large,
- d. The Bank is able to serve the variety of its client countries, both large and small, and
- e. There is a growing good use of the Environmental Safeguard Policies to generate positive biodiversity outcomes, even though implementation remains challenging.

7. At the same time, there are missed opportunities due to weaknesses, including:

- a. Lack of Clear Metrics,
- b. Weak and Uneven Mainstreaming,
- c. Weak Client Demand,
- d. Weak Internal Awareness,
- e. Lack of Expertise in Green Accounting, and
- f. Weak Internal Integration of Policies and Processes.

8. Based on the portfolio analysis and a discussion of strengths and weaknesses, the note identifies the following list of areas where the IDB is naturally placed to implement a biodiversity mandate:

- a. Land use planning with emphasis in valuing ecosystem services,
- b. Mainstreaming Biodiversity in Productive Sectors, in particular agriculture, coastal zone management, forestry and fisheries, tourism, and land use-planning,
- c. Enhanced use of IDB's Environmental Safeguard Policies to actively look for opportunities to generate lasting biodiversity outcomes, (i.e., biodiversity offsets, creation and strengthening of protected areas, land-use planning at large scales, etc.),
- d. Aggressive use of private sector opportunities with emphasis on emerging biodiversity and ecosystem markets,
- e. Market-based approaches with strong financial sustainability dimensions (e.g., production certification, REDD, offsets, etc.)
- f. Linkages with the Climate Change agenda for enhanced climate and biodiversity results.

9. Nonetheless, and given the diversity of the region, it is important to stress that the Platform must be flexible and recognize that "one size does not fit all."

10. The note recommends that the major strategic direction of the Platform should emphasize the definition of biodiversity at the ecosystem level, and to incorporate a dimension of the economic value of ecosystem services throughout. This strategic emphasis is very appropriate for a multi-lateral development institution.

11. The proposed goal, objective, and three pillars of the Platform are as follows:

- a. *Goal:* To enhance the conservation of biodiversity and ecosystems services as foundations of sustainable economic development.
- b. *Objective:* Support countries of Latin America and the Caribbean scale up and increase the effectiveness of their efforts to conserve biodiversity and maintain ecosystem services, opening new economic and business opportunities, and enhancing the value of the Region's natural capital as a contribution to economic growth and sustainable development.
- c. *Pillars:* The goal and objective will be accomplished through the implementation of a series of actions, using a variety of tools and approaches, to accomplish measurable outcomes under each of the following 3 Pillars:
 - i. Increase awareness and build capacity to conserve biodiversity and maintain Ecosystem Services,
 - ii. Conserve biodiversity and sustain ecosystem services through actions mainstreamed in other development sectors, and
 - iii. Conserve Ecosystems and Ecosystem Services in areas of high biological importance.

12. The IDB is not yet fully prepared to take on this agenda. It is necessary to enhance the Bank's own internal capacity to deliver the platform. The following specific actions are recommended:

- a. Enhance the Country Dialogue process to better recognize the value of Ecosystem Services,
- b. Enhance internal awareness,
- c. Strengthen internal capacity, particularly in disciplines that can enable the proper recognition of the value of ecosystems to development,
- d. Facilitate the deployment of private sector resources to lower the financial risks of green investments,
- e. Enhance the use of the Environmental Safeguard Policies to better address ecosystem services, and
- f. Enhance internal organization to support the above actions, perhaps through a well-financed coordinating unit whose task will be to support the deployment of the biodiversity Platform, but from within the existing organization structures.

INTRODUCTION

13. The purpose of this note is to guide the development of the new Biodiversity Platform of the IDB. It summarizes IDB's past experiences in biodiversity identifying strengths, weaknesses, and value added. On the basis of this, it identifies a niche for the IDB in biodiversity, proposes the strategic direction, goal, objective, and main pillars of the Platform, and identifies the internal actions needed to increase the Bank's capacity to implement it.

14. The Latin American and Caribbean Region is a Biodiversity Superpower. This is the way the region was characterized by a recent UNDP report (Bovarnick, Alpizar, and Schnell 2010): "LAC countries are among the world's better endowed in natural capital: biodiversity and ecosystems. South America has more than 40% of the Earth's biodiversity, more than one-quarter of its forests, and is the single most biologically diverse area in the world. This biodiversity and these ecosystems provide ecosystem services (ES), which directly provide inputs into the production of key sectors in LAC economies — particularly water, soil fertility, pollination, pest control, and growth and reproduction of food species, as well as storm mitigation, climate regulation, waste assimilation, and many other functions. Steady economic progress by conventional means has accumulated benefits for societies in LAC and beyond, but has also led to considerable depletion of the region's natural asset base and the associated ES."

15. The IDB has long recognized this reality and has been active for several decades in biodiversity and biodiversity-related projects, including biodiversity conservation¹ through protected areas, and ecosystem preservation through projects in associated sectors (i.e., tourism, agriculture, infrastructure, coastal zone management, and others). Internal IDB documents recognize that "the conservation and sustainable management of ecosystems makes good economic sense. Business opportunities and markets can be tapped and stimulated to increase the value of goods and services derived from ecosystems, and major benefits can be translated in terms of sustainable food supplies, increased well-being of the poor, gains in productivity, better health, and reduced threats of natural disasters" (Carrizosa and Quiroga, 2007).

16. Biodiversity is not only about protecting species. A key concept is that "biodiversity" encompasses much more than protected areas and species. Although conserving all living forms on earth is an ethical imperative because of the intrinsic values of biodiversity, the term "biodiversity" encompasses much more, including the diversity of ecosystems that provide the foundations of economies and societies. The maintenance of ecosystem services has fundamental implications for numerous economic sectors including agriculture, tourism, forestry and fisheries, biotechnology, coastal zone management, climate regulation, and reduction of vulnerability risks. Therefore, incorporating or "mainstreaming" the conservation of ecosystems as regular and necessary activities within these sectors makes economic sense from a development perspective (Millennium Ecosystems Assessment, 2005).

17. The region has large populations of indigenous people with well-established cultural traditions of managing biodiversity in the context of respecting nature. These experiences and desires can become strong foundations for future sustainable approaches to managing biodiversity.

¹ Throughout this paper, the term "conservation" is used to embrace both "preservation" and "sustainable use" of biodiversity, as both are necessary elements to conserve biodiversity.

18. The IDB is mandated to support biodiversity. Recognizing the critical importance of biodiversity and ecosystem management as a foundation of sustainable development, the IDB's Ninth Capital Replenishment specifically mandates the Bank to address these issues (Inter-American Development Bank, 2010). The overarching strategic goals of the Ninth Capital Increase state: "For the years to come, development in the LAC region will have two key components: reducing poverty and inequality, and achieving sustainable growth." Here, sustainable growth is defined as "requiring that the countries broaden their economic base to improve the living standards of their citizens, while remaining committed to confront one of the largest challenges of this century: achieving global environmental sustainability and dealing with climate change."

19. In the Ninth Capital Replenishment, the Fifth Sector Priority is to "Protect the environment, respond to climate change, promote renewable energy, and ensure food security." Given its weight as a source of development finance to the LAC region, the IDB must have a strong presence in environmental protection, sustainable energy, and climate change and food security."

20. The Strategic Goals of the Ninth Replenishment cannot be achieved without a renewed effort to conserve biodiversity and ecosystems. The replenishment commitment includes specific targets for biodiversity including Output 3.5.5 that delineates a target, in the form of number of projects with components contributing to improved management of terrestrial and marine protected areas increasing from a baseline of 15 to 30.

21. The IDB Biodiversity Platform. In response to this mandate, the Bank is preparing a Biodiversity Platform through a wide process of consultation and the engagement of outside consultancies to (i) define biodiversity priorities, and (ii) to provide an analysis of lessons learned from IDB's projects and investments in LAC. The purpose of this note is to analyze the lessons learned from IDB's projects and investments in the region, on the basis of which a forward vision for the Platform is developed.

22. Importantly, this note does not attempt to provide a definitive portrayal of the Bank's experiences with biodiversity, given that it is not based on an Impact Evaluation of the portfolio. Instead, it provides a general overview, highlighting strengths, weaknesses, and other issues of importance, so that the strategic direction of the Platform can be developed. The findings of this note are based on an analysis of the following sources:

- a. Interviews with selected staff with past experience with the Bank's biodiversity activities (Annexes 1 and 2),
- b. An analysis of a sub-set of biodiversity-related projects attempting to cover the breadth of IDB's involvement with biodiversity issues (Annex 3), and,
- c. Literature review (Annex 4).

23. As mentioned above, this note is not an Impact Evaluation of the IDB's Biodiversity Portfolio. A full understanding of the actual impacts achieved by the IDB in biodiversity would require an in-depth analysis of results from a statistically significant sample of relevant projects. Because of time limitations, this is clearly beyond the scope of the present exercise, and thus the findings and insights reflect the shortcomings and biases of staff perceptions, quality of project documents and PCRs, and the author's own biases.

24. These conceptual issues are not new within the IDB. In 1994, the Eight General Increase in Resources mandated the Bank to support borrowing member countries with operations that promote

the conservation and sustainable use of biodiversity. Ten years later, this commitment was reiterated by the IDB's Medium-Term Action Plan that addresses Goal 7 of the Millennium Development Goals (MDG), which commits countries to reducing biodiversity loss, among other initiatives. Furthermore, in 2005, in response to the recommendations of a group of high-level experts known as the Blue Ribbon Panel, the IDB agreed on the importance of increasing lending in biodiversity. The Strategic Framework on Biodiversity 2007 – 2010 (IDB 2006) stated that “a loss in components of biodiversity (e.g., ecosystems, habitats and species) would translate into a loss of their potential to alleviate poverty and promote economic growth through ecological services. The conservation and sustainable use of biodiversity must be an essential component of IDB's mission to help alleviate poverty and promote economic growth.”

25. A key challenge for the 2012 Biodiversity Platform therefore will be to learn from the past in order to reach new heights in biodiversity impact.

HISTORY AND POTENTIAL FOR IDB'S FUTURE INVOLVEMENT IN BIODIVERSITY

27. The IDB has a long history of involvement in biodiversity, with a large and diverse biodiversity portfolio. A recent analysis found that the Bank has played an important role in financing biodiversity-related projects in LAC (Carrizosa and Westphal 2007). Between 1996 and 2006, the total amount of money invested in the 240 biodiversity projects approved from 1995 until May 2006 was US\$773 million, with US\$485 coming from the IDB solely in the form of loans and TC grants, plus US\$13 million in GEF grants and US\$274 in co-financing from its client countries. Approximately one third of the biodiversity investments were in the category known as “production landscapes which included agro-biodiversity, forestry, and fisheries.”

28. Contribution of the IDB's Environmental Safeguard Policies to Biodiversity. In addition, and after the Environment and Safeguards Compliance Policy (OP-703) was approved in 2006, the Bank “has enhanced its appreciation for the environmental concerns of member countries and has developed an increasingly vigorous lending and technical assistance program to address them” (IDB 2012). On issues such as the REDD, which is relatively new in the international arena, the Bank has over two decades of engagement on protection and conservation of forests. Just in the last three years alone, the Bank has invested over US\$211 million in loans within the “natural disaster, natural resource and agriculture sectors” with positive impacts upon biodiversity. In addition, the Bank has mobilized nearly US\$30 million in grants from GEF funds directed to projects benefiting biodiversity, land degradation, sustainable forest management, and avoided deforestation (IDB 2012).

29. It is thus not surprising that the IDB is one of the main biodiversity players in the region. The 2007 study found that the funding for biodiversity provided by the IDB amounted to 60% of the funding provided by the World Bank, the largest biodiversity funder in LAC. This is remarkable, given that most of the World Bank funding came from the implementation of GEF projects, a privileged position given the World Bank's leading role until recently as an exclusive GEF Implementing Agency (together with UNDP and UNEP).

30. This result is confirmed from data coming from the only comprehensive funding survey of biodiversity conservation in LAC for the 1990s, which found that the IDB was the second largest biodiversity funder, providing 11% of all biodiversity funding in the region, slightly behind the World Bank's 16.7%, and well ahead of bilateral cooperation sources and private foundations and NGOs (Castro and Locker 2001). Although data for 2012 does not exist, these patterns do not seem to have changed.

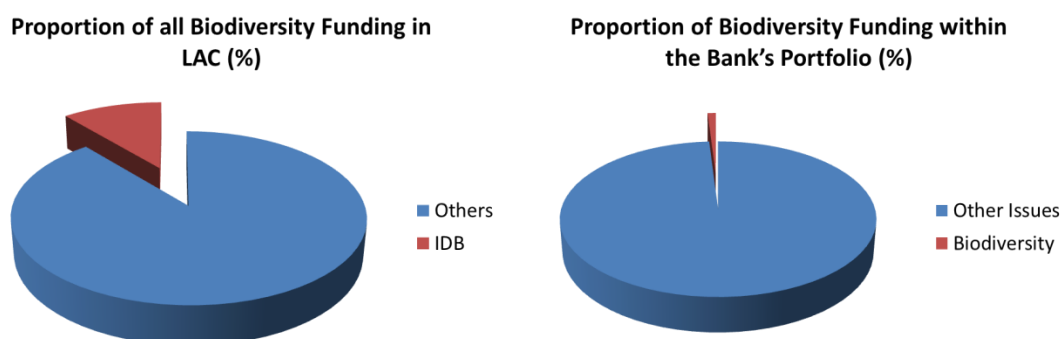
31. IDB's position as one of the main biodiversity funder in the LAC region has several important implications for the Biodiversity Platform:

- a. There is historic strong demand for biodiversity funding,
- b. There is substantive and leading institutional experience,
- c. Recognition by client countries that the IDB can be a major partner in support of their biodiversity agendas.

32. The “other side of the coin” is that biodiversity funding represents a minuscule proportion of IDB’s portfolio. To put this in perspective, under IDB-8, the Bank became the largest source of development finance in the LAC region: it provided borrowing member countries close to 50 percent of their multilateral financing. Between 1994 and 2008, the Bank financed 1,230 loans for a total \$108.6 Billion (IDB 2010). As mentioned above, however, between 1996 and 2006 (roughly the same period), funding for biodiversity represented less than 1% of all IDB funding (Carrizosa and Westphal 2007). In other words, to the outside world, the IDB is a major biodiversity player; within the Bank, biodiversity is almost non-existent (Figure 1 below).

Figure 1

The IDB is a Major Biodiversity Player when seen from the Outside; Biodiversity Represents a Very Small Proportion of IDB’s Investments When Seen From The Inside (From Castro And Locker 2001 And Carrizosa and Westphal 2007).



33. Figure 1 shows that the IDB has the potential to very substantially increase its biodiversity funding as long as there is demand from its client countries, i.e., there is significant “head room” to enhance the portfolio. Given the growing recognition that biodiversity conservation and the maintenance of ecosystem services is a pre-condition of sustainable development, the IDB is very well positioned to respond to such desirable increase in demand.

34. The IDB has access to a diversified funding base for biodiversity. The Bank has access to a diversified funding base in support of biodiversity, and has made extensive use of these instruments in the past. These include concessional financing, loans, private sector windows, and technical cooperation. The principal such sources include:

- a. *Public Sector Loans.* Most of IDB’s biodiversity investments (measured by funding volume) come from loans. These can be both “stand-alone” loans that specifically target biodiversity outcomes such as strengthening of natural parks, as well as mainstreamed within sectoral loans that have a recognized link with biodiversity.

- b. *The Global Environment Facility (GEF)*. The GEF is the largest multilateral grant window for global environmental issues, including biodiversity. Until 2007, any GEF operations implemented by the IDB required complex negotiations with one of the 3 GEF's Implementing Agencies (World Bank, UNDP and UNEP). Since then, it has become easier for direct access to GEF resources by the IDB, although the adoption of a "Resources Framework" by the GEF has shifted the decision making ability over the portfolio to in-country processes. Projects with GEF funding must follow the GEF's Strategic Priorities in biodiversity, but there are strong incentives for mainstreaming within other sectors.
- c. *Technical Cooperation*. These are smaller projects that tend to target very specific results that can be achieved in relatively short time. Often, they support project preparation or the identification of biodiversity dimensions within larger operations. There are also important efforts through the Global Public Goods window which support cooperation among countries that share ecosystems requiring concerted cooperative approaches.
- d. *The Netherlands Partnership Program in Environment (NPPE)*. A technical cooperation trust fund established in 2000 but no longer operational. Since its inception and until 2006, the Partnership's portfolio committed financing for 62 operations. Its objective was "to protect and improve the environment of Latin America and the Caribbean in the context of three thematic windows: (i) environmental management and innovative tools; (ii) climate change (mitigation and adaptation); and (iii) biodiversity and forests."
- e. *Private Sector Windows*. The IDB has four main private sector windows, designed to fit the needs of specific clients. They provide a wide range of tools to support biodiversity at various levels:
 - i. Structure and Corporate Finance Department (SCF). It leads the IDB's non-sovereign guaranteed operations for large infrastructure projects, financial institutions, capital markets, trade finance, companies, and mixed-capital entities in a broad range of economic sectors. This is the "largest" window.
 - ii. Inter-American Investment Corporation (IIC). It provides SMEs with direct loans, guarantees, equity, and quasi-equity. It also mobilizes additional capital from third parties.
 - iii. Multilateral Investment Fund (MIF). It provides financing in the form of grants, loans, guarantees, equity and quasi-equity, as well as advisory services to smaller efforts, and
 - iv. Opportunities for the Majority Initiative (OM). It provides medium- and long-term loans, guarantees, and technical assistance to companies of all sizes that currently serve or are interested in serving the low income market in areas such as financial services, housing, education, nutrition, and health.

35. The availability of this diversified funding base is important because it allows the IDB to better respond to client's needs and clearly represents a comparative advantage of the Bank in biodiversity. The proper utilization of the various sources can enhance the leveraging of larger resources, and allows a better response to needs during the country dialogue process.

IDB's PAST EXPERIENCES IN BIODIVERSITY

37. This section provides a summary, in narrative form, of noteworthy past and current interventions of the IDB with positive impacts on biodiversity. Projects analyzed were chosen to provide a broad overview of past experiences from a variety of client countries, instruments, sectors, etc. Projects have been assigned to various categories which differ among themselves in the way biodiversity is addressed:

- a. Targeted Biodiversity Interventions: Biodiversity Conservation and Protected Areas,
- b. Mainstreaming at the Policy Level: Environmental Management and Land Use Planning,
- c. Mainstreaming in the Rural Sectors: Forestry, Natural Resources, Watershed Management, Disaster Prevention, Tourism, and Agriculture,
- d. Marine, Coastal Zone Management, and Fisheries,
- e. Urban Landscapes and Sanitation,
- f. Application of Environmental Safeguard Policies: Beyond "Do No Harm,"
- g. Private Sector Windows, and
- h. Linkages with Climate Change.

38. It is recognized, however, that this classification is somewhat artificial and that there are many projects that contribute to more than one category. The section ends with a discussion about the principal experiences gained from the portfolio.

Targeted Biodiversity Interventions: Biodiversity Conservation and Protected Areas

39. The IDB has demonstrated to possess excellent internal capacity and very experienced technical staff to design and implement Protected Area projects. Some of the IDB's past experiences in this sector have been highly successful based on PCRs. In some cases, projects have supported the consolidation of protected areas because of their intrinsic value as elements of an environmental agenda. In others, there have been clear linkages with watershed management efforts or tourism operations.

40. A classic example of a protected area project is Ecuador: Marine and Coastal Biodiversity Conservation (EC-X1004), supported by the GEF. Although still in its infancy, this US\$4 Million project will have two components: (i) Promotion of a network of representative and well managed marine and coastal protected areas; and (ii) Implementation of the National Shark Conservation Action Plan.

41. An innovative approach to strengthen protected area management is Guatemala: Establishing Cadastral Registry and Strengthening Legal Certainty Protected Areas (GU-L1014). Project activities include: (i) a cadaster of lands within protected areas, (ii) registry of protected areas, and (iii) institutional strengthening. The rationale is based on the fact that a lack of a cadaster and legal certainty for land ownership in Guatemala leads to land use disputes and environmental degradation in protected areas. This is especially true in the Department of Petén, where forestry activity and pressure on natural resources is greater. The IDB loan will support the creation of a new cadastral database of protected areas, along with activities to strengthen legal certainty. These will include technical support, interagency coordination, and use of cadastral and registry information. The loan will allow Guatemala

to provide territorial assessments, private property registry assessments in protected areas, information dissemination strategies related to each protected area, physical demarcation of the limits of protected areas, and signage and classification and demarcation of internal protection zones.

42. Although more rare, the IDB has also supported basic biodiversity surveys and monitoring. In the case of the Peru: LNG Project (PE-L1016), the Center for Conservation Education and Sustainability (CCES) of the Smithsonian Conservation Biology Institute at the National Zoo has designed and is implementing a Biodiversity Monitoring and Assessment Plan (BMAP) for the gas pipeline. Peru LNG is the largest ever development project in Peru, involving the construction of a 403 kilometer long pipeline to transport natural gas from the eastern foothills of the Andes to the Pacific coast where an LNG plant has been built. The pipeline, completed in early 2010, crosses several mountain ranges and 14 ecological landscapes. The BMAP involves both terrestrial and marine species and habitats of conservation concern. Scientists have developed research and monitoring protocols to address critical conservation challenges. The BMAP is the first such a program for Peru and a unique opportunity for teams of national and international experts to study and understand the biological and conservation challenges of the region and make a positive contribution to biodiversity conservation and sustainability. The BMAP is widely acknowledged as an example of best practice.

Mainstreaming at the Policy Level: Policy and Institutions, Environmental Management, Land Use Planning, and Cross-Border Cooperation

43. Very often biodiversity components have been mainstreamed at the national policy level, or through exercises of land-use planning. According to most staff interviewed, a “flagship” project in this category is represented by Brazil: Acre Sustainable Development (BR0313), a highly satisfactory project that responded to the challenge of promoting sustainable development in frontier areas of the Brazilian Amazon. The US\$108 million program regularized land tenure, increased wilderness protected areas, and strengthened the capacity of the State government for environmental protection, modernizing the state’s environmental management capacity and ensuring the efficient use of natural resources. The program also promoted and protected indigenous heritage. Investments were also made in technical assistance to producers to promote environmentally and economically viable forestry and agricultural practices, and to help preserve indigenous cultures through establishing an inventory and data base and through the creation of five centers for cultural dissemination to uphold the value and identity of 12 indigenous ethnic groups. In addition, technical assistance programs were provided to the business sector in marketing and other advisory services, and through the creation of linkages among strategic enterprises to increase competitiveness and promote access to external markets. Finally, three demonstration projects highlighted the benefits of modern sustainable forestry and pasture management.

44. National Environment projects are natural entry places for successful mainstreaming. A good example is provided by El Salvador: National Environment Protection Program (ES-0024). This early program included both a loan and a technical cooperation. The general objectives of the loan were to: (a) strengthen the institutional framework for environmental management; and (b) help reduce the degradation of renewable natural resources in the upper Lempa River basin, thereby improving the socioeconomic situation of the rural low-income population. The loan financed investments in the upper Lempa River basin via three subcomponents: (a) soil conservation and agroforestry, designed to halt the progressive deterioration of land surfaces used by low-income farmers to grow staple cereal crops on

hillsides in 13 zones covering a total area of close to 34,000 has.; (b) protected areas, aimed at consolidating the Montecristo National Park, the San Diego La Barra Reserve and the San Andres-Joya de Cerun Regional Park; and (c) monitoring of water resources, through rehabilitation of the system for measuring liquid and solid inflow into the Cerrón Grande reservoir and a water pollution monitoring program.

45. The technical cooperation was designed to complete the implementation and operation of the country's environmental management system through activities in four areas: (a) institutional strengthening; (b) consolidation of the systems for environmental information and environmental-impact assessment; (c) training; and (d) environmental legislation.

46. Another example is provided by Ecuador: Environmental Management Program Galapagos (EC0134). The program attempted to reverse the process of environmental degradation taking place in the Galapagos Islands due to uncontrolled tourism, population growth, commercial fishing, and introduction of exotic species that threatened unique native biodiversity. According to the project documents, it had four components: (a) management of the Galapagos Marine Reserve (RMG); (b) inspection and quarantine; (c) institutional coordination and management; and (d) basic sanitation studies and emergency works.

47. The PCR states that the program successfully achieved the Project outputs (activities and products) envisioned at the time of approval. Nevertheless, outcomes depend not only on delivering outputs, but on additional issues outside the control of the project and related to institutional issues. In the case of Galapagos, the January 2003 to May 2005 was the period of most instability in the Park's history with no less than 10 Park Directors named and removed, with an average tenure of just 5 months. Unfortunately, and just when the Park was benefitting from the loan, it suffered an institutional erosion that prevented the achievement of more sustainable results.

48. The project Guatemala: Petén Development Program for the Conservation of the Mayan Biosphere Reserve (GU-L1002) supports El Petén, Guatemala's northernmost department and home to Central America's largest protected area, the Mayan Biosphere Reserve. The 21,130-km² reserve (covering 20 percent of the country's territory), has a complex system of natural forests, archeological sites, and a unique cultural heritage. A loan helped finance investments in protected areas to strengthen participative conservation as well as in buffer zones to generate alternative sources of income local people. These investments are also supporting investments to improve the environmental management and reduce pollution in the Lake Petén Itza watershed.

49. Another project in Central America: Nicaragua, Environmental Program for Disaster Risk and Climate Change Management (NI-L1048) is based on activities with small farmers in the upper part of the watershed that will receive training and production incentives to adopt viable technologies that are environmentally friendly. These technologies will be selected by each farmer based on their needs and productive realities. Municipalities in the lower part of the watershed will also identify small infrastructure investments to mitigate the effects of climate change. This identification will be part of participatory processes, part of their normal planning process. These two main activities will be complemented by the construction of the legal and institutional framework, needed to take advantage of environmental services payment schemes.

50. The Public Goods Program can provide technical cooperation resources in biodiversity when there are more than 3 countries involved. A good example is the regional project BPR38: Sustainable

Management of the Amazonas' Biodiversity (RG-T1151) involving the eight countries that make up the Treaty for Amazonian Co-operation or TAC (Brazil, Peru, Bolivia, Ecuador, Colombia, Venezuela, Guyana, and Suriname). The purpose of the program is to coordinate and foster knowledge about regional biodiversity in Amazonia and its potential uses, and to provide support for conservation and sustainable development tasks that require cross-border cooperation. This technical-cooperation operation helped create and strengthen mechanisms and conditions for regional institutional management, generation of data for shared use, facilitated procedures for concerted action, coordination, collaboration, and synergy, and fostered joint actions to attract and rationalize regional private and public investment to promote the sustainability of Amazonian biodiversity. The operation has three specific objectives under three components: (i) Formulation of a strategic framework and regional action plan for biodiversity; (ii) Strengthening the capacity to coordinate applied research and generate public information accessible region wide; and (iii) Strengthening of the capacity to coordinate and support conservation actions in priority areas.

51. Similar efforts include Mexico, Guatemala, and Belize: Management of the Trinational Selva Maya Ecosystem (RG-T1201), a technical cooperation project to develop and implement a regional plan for the sustainable use and conservation of natural resources and biodiversity of the area shared by Mexico, Belize and Guatemala, and Colombia, Panama, and Costa Rica: Management System Fishery Resources in the East Tropical Pacific Marine Corridor (RG-T1513) which is developing an agreed regional management system (RPG) between the different local, national and regional actors for the sustainable development of the fishery activities of the Marine Corridor of Conservation and Sustainable Development of the Pacific East Tropical (CMAR).

52. Although relatively small in size, these technical cooperation projects can catalyze broader action, leverage additional resources, and support dialogue by client countries that otherwise could not be achieved.

Mainstreaming in the Rural Sectors: Forestry, Natural Resources, Watershed Management, Disaster Prevention, Tourism, and Agriculture

53. These sectors are the best suited for mainstreaming at the project level, and are the natural entry points to incorporate an ecosystem management dimension in development. This is exemplified by Nicaragua: Social Environment for Forestry Development II (NI0141). The program improved socioeconomic conditions and living standards of residents of priority watersheds, and lessened the probability of impacts of natural disasters in these basins through sustainable use and development of renewable natural resources. The three components were: (i) sustainable natural resources management; (ii) community works for natural disaster prevention and mitigation; and (iii) capacity-building and training for natural resources management.

54. Honduras: Natural Resources Management of Priority Basins (HO0179) is another such example. This two-phase program spurs sustainable rural development in 14 sub-basins by strengthening natural-resource management in central government agencies and at the local level. The program components were: (a) strategic and management capacity building; (b) investments in priority sub-basins; and (c) program coordination, administration and monitoring. The emphasis was on building a decentralized institutional and organizational apparatus so that investments can be carried out on a larger scale in

Phase II, when most decisions would be made locally. The project successfully demonstrated the adoption of sustainable watershed management practices with direct result in increased income levels.

55. The tourism sector provides some of the most successful examples of mainstreaming biodiversity in IDB operations because of the linkage that exists between maintaining protected areas and natural habitats as tourist attractions are very clear, thus creating a strong demand from client countries. This demand is steady and also current as demonstrated by various projects entering the pipeline and starting implementation now.

56. An early example includes the Guatemala Sustainable Development of Petén (GU0081), started in 1996 with the help of a US\$19.8 million loan from the IDB. This program supported the land use planning process aimed to preserve cultural and natural resources in the Petén, and to improve environmental and living conditions for the people in the area. The program's four components were: (i) Legalization of land tenure for some 4,500 families in a buffer zone outside of the Mayan Biosphere Reserve, (ii) Protection and restoration of archeological sites and promotion of tourism, (iii) Small agricultural and forestry projects with resource management components, and (iv) Strengthening public institutions, including Petén's municipalities and grassroots organizations that protect and manage natural and cultural resources.

57. According to the PCR, the Project was successful, considering the delivery of the projects outputs and the high likelihood of attaining sustainable outcomes: (i) increase in tourist visits in Yaxhá (21% annual growth), and Aguateca (10% annual growth), (ii) Increase in household income, due to the introduction of more profitable crops with a 17% IRR, although these results were not always sustainable beyond the project's life, and (iii) increase in land titling by 570%.

58. A current example is provided by Bolivia: National Community Tourism Program (BO-L1039). This project includes investments and management actions grouped in three components: (i) direct support to communities through tourism investments within a context of territorial development in priority destinations; (ii) improvement of public goods; and (iii) institutional strengthening. The program's goal is to increase tourism's contribution to socioeconomic development, with a view to improving the quality of life of the most vulnerable and disadvantaged social groups in the country. Its purpose is to increase revenue from tourism spending as well as the generation of formal employment by the sector in the program's five priority intervention areas.

59. Among the tourism attractions to be enhanced are five destinations having the highest competitive potential and offering the best opportunity to attract demand in the near future to increase the total number of overnight stays, including construction, installation, or outfitting of among others, visitor centers, paths, signs and descriptive panels to increase the appreciation for the biodiversity and the endemic species in the Madidi National Park and the Pampas de Yacuma, and visitor centers focusing on geology and wildlife (camelids).

60. A similar program is Paraguay: National Tourism Program (PR-L1050). This US\$12 million recently started project has two components: (i) development of strategic tourism products; and (ii) institutional strengthening. The first component will generate tourism products that make the most of the country's considerable tourism potential and opportunities and permit sustainable use of its natural and cultural heritage. According to the project's documentation, it includes investments in the Central and Humid Chaco for river, nature, and adventure tourism, and in Lake Yguazú for cultural tourism based on the Guaraní world. The second component focuses on SENATUR and the municipalities around

Lake Yguazú and in the Central and Humid Chaco. It will build their capacity to sustainably plan and manage tourism development in these areas in a way that maximizes benefits at the local level.

61. Argentina is another good example of a country where the link between the tourism industry and biodiversity conservation is clearly understood. A loan under execution: Improvement of the Competitiveness of Tourism (AR -L1004) includes investing and promotional activities in two tourism areas: (i) the Corredor de los Lagos and (ii) the Jesuit Missions (declared World Heritage) in the north of the country. Likewise, the Executing Agency will be strengthened with planning, monitoring and evaluation tools of tourism activities. Demand remains strong as shown by the request of a second project. Argentina: Development of Tourism Corridors (AR-L1071). This program will focus on six tourist corridors comprising 15 national protected areas and a total of 5,181 companies directly or indirectly related to tourism, in order to improve the tourist experience in the most congested protected areas, and to build new tourism products and redistribute tourism flows to emerging areas.

62. Regarding agriculture, a recent review by Eco-Agriculture Partners (Scherr 2009) emphasizes the importance of agriculture as a key factor in environmental sustainability: “agricultural production in Latin America is growing rapidly and is poised to accelerate, responding to commodity export demand and national food security needs. In the face of this growth, managing the interface between agriculture and natural ecosystems is a major challenge. Particular concerns are the impacts of agriculture on deforestation, deterioration of watersheds, loss of habitat, and greenhouse gas emissions; and impacts of land degradation, climate change and water scarcity on agricultural production. It is no longer sufficient to pursue separate policies of promoting agricultural growth in some areas and protecting nature in others. In large parts of the Amazon, Mesoamerica, the Andes, and the southern cone grasslands, integrated strategies to achieve both increased agricultural production and incomes, and to conserve biodiversity and ecosystems are needed, in eco-agriculture landscapes.

63. The review (Scherr 2009) found that the IDB is already investing in eco-agriculture approaches and has strong internal capacities to design and implement eco-agriculture projects that produce important biodiversity outcomes. Models highlighted in the study include projects such as commercial production of mango for watershed protection in Haiti; sustainable irrigation and watershed management in Bolivia; and payments to farmers and ranchers for ecosystem services.

64. A typical project is the Costa Rica: Sustainable Development of the Binational Watershed Rio Sixaola (CR0150). The program's main objective is to improve the living conditions of the population of the Sixaola River watershed (Canton of Talamanca), through interventions in the economic, social, environmental, and local management areas that help implement a sustainable development model for the watershed. The program focuses on: (a) preserving the natural resource endowment and reducing vulnerability; (b) introducing a change in the existing natural resource development and production models; (c) steering public investment in infrastructure and basic services to raise coverage levels and improve access for the population; and (d) enhancing management capacity locally and watershed-wide, with effective community participation.

65. The second component is particularly relevant. Its goal is to tap the economic development potential of the watershed, by identifying alternatives for production diversification and opportunities to create permanent jobs. Demand-driven initiatives will be financed in the following eligible categories: (i) alternative crops to banana and plantain production; (ii) organic and agro-forestry production systems; (iii) increased productivity through less environmentally aggressive techniques; (iv)

transformation of agricultural production and production linkages; (v) market research and marketing support; and (vi) training.

Marine, Coastal Zone Management, and Fisheries

66. Projects here have integrated biodiversity considerations with coastal zone management and fisheries. One of the better known successful experiences includes Honduras: Bay Islands Environmental Management Program II (HO0198). This completed program was a blended project with loan and GEF resources. It consisted of three components: (i) consolidation of the regional scheme for environmental management and sustainable tourism; (ii) expansion of environmental sanitation services; and (iii) municipal strengthening and land management. The PCR is a transparent document that shows that although the design was good and the project implementation satisfactory, there was lack of sustainable mainstreaming because of the institutional difficulties of parallel implementation of the loan and GEF components.

67. A project in Ecuador that addresses coastal management issues is Ecuador: Coastal Resource Management Project - Stage II (EC0193). The general objective of this second phase of the coastal resources management project is to improve and expand integrated coastal management by supporting the gradual transfer of responsibilities for land-use planning and management of the coastal zone to the local level, thereby contributing to the sustainable use of coastal resources and helping to improve the quality of life of local communities along Ecuador's continental coast.

Urban Landscapes and Sanitation

68. Projects under this heading are less common but provide opportunities to improve watershed management and to enhance green corridors in urban and peri-urban areas, by linking urban water management with upstream watersheds.

69. The project Brazil: Porto Alegre Integrated Socio Environmental Program (BR-L1081) contributes to improving the socio-economic conditions of Porto Alegre's population and the recovery of the urban environmental conditions of the city through the construction of sanitation and drainage systems. Objectives include the improvement of the water quality of the Guaíba lake and Cavalhada River, through the construction of intercepting networks and residual water treatment plant; the reduction of the risk of floods caused throughout several of the streams that cross the city and non-protected areas of the Guaíba Lake margins by means of construction of docks and channels of drainage and measures of protection against swellings; and the improvement of the quality of the environmental management in the Municipality, by means of the implantation of mechanisms of planning, participation, education and control. There are a total of 64 hectares of lineal parks developed as a result.

70. A second example, also from Brazil is the Macambira-Anicuns Urban Environmental Program (BR-L1006). The objective of the program is the environmental recuperation of the waterways of Macambira and Anicuns, through the restoration of bodies of water, along with the execution of macro drainage and sanitation works, the creation of parks along the banks of waterways, and of three areas of environmental conservation; and neighborhood improvements with the execution of pavement, housing and social infrastructure projects.

Application of Environmental Safeguard Policies: Beyond “Do No Harm”

71. The Bank’s Environment and Safeguards Compliance Policy (Inter-American Development Bank, 2006), adopts actions and initiatives to enhance and safeguard ecosystem or environmental services through Bank-funded operations. According to the Policy, “the Policy Directives are structured under two major categories: a) environmental mainstreaming; and b) environmental safeguards. These two categories are essential for environmental sustainability and complement and reinforce each other. The mainstreaming directives apply to Bank programming activities, which by their nature predominantly focus on the Bank’s public sector activities. These policy directives are proactive in nature and seek to enhance the incentive framework to foster environmental opportunities, new business opportunities for the Bank, and greater development benefits for the countries. On the other hand, the safeguard directives establish procedures and standards to ensure the quality and the environmental sustainability of both public and private sector operations.”

72. Regarding “Type B” Directives, and according to various reviews by Redwood (2012), there are successful examples of “well designed approaches” with excellent potential to generate positive biodiversity impacts, but these are not yet universally well executed. “This is particularly well illustrated in the case of the Pasto-Mocoa alternate road project in Colombia where an entirely new alignment and an environmentally-friendly engineering design were significant Bank contributions, together with a broad consultation process involving both local stakeholders and international environmental NGOs, for which the Bank has, appropriately, received considerable praise.... A multi-phase approach, “as proposed but ultimately not carried out in the case of the Santa Cruz-Puerto Suárez highway in Bolivia and also proposed for the Pasto-Mocoa road, whereby land tenure, land use and other environmental controls and environmental and social protection measures would be put in place in the relevant corridors or areas of influence before new road construction or pavement is initiated also represents good practice.”

73. A review of the Darien Sustainable Development Project by Redwood (2012) states that this project “took an innovative approach to anticipating and addressing the potential adverse direct and indirect impacts of a major road improvement, by incorporating this investment in a broader multi-sectoral regional development operation, which ambitiously sought at the same time to boost economic development, alleviate rural poverty, and protect biodiversity and other renewable natural resources. Nevertheless, no matter how well a complex operation such as the present one is designed and prepared, what matters at the end of the day is how – and how well -- it is implemented.”

74. At the very least, as both the Darién and Acre Sustainable Development Projects also clearly recognized, the sequencing of such measures prior to actual road improvement investments even if carried out as part of a single lending operation is of critical importance. However, “key initial design objectives should not be sacrificed in the process. The initial Porto Velho-Rio Branco project provides a good example as to how the Bank was successfully able to do this, mainly through the closely supervised PMACI component” (Redwood 2012).

75. As mentioned above, the Peru: LNG Project (PE-L1016) provided an opportunity to implement a State of the Art Biodiversity Monitoring and Assessment Plan throughout the 403 km of the gas pipeline.

76. The conclusion is that the proactive application of its Environmental Safeguard Policies provides the IDB with enormous leverage and the ability to implement sustainable development over very large

scales, in frontier areas, and in areas of very high biodiversity importance. This represents one of the most important tools that the IDB has and needs to be carefully understood and incorporated in the Biodiversity Platform.

The Private Sector Windows

77. The Ninth Replenishment recognizes that the private sector is essential for robust and sustainable growth. For example, the private sector creates some 90 percent of all economic activity in the LAC region as well as 9 out of 10 jobs. Not surprisingly, some of the most innovative biodiversity operations within the IDB have been generated through private sector windows. The MIF is currently conducting a full review of its biodiversity portfolio, and thus this section does not capture the full richness of the private sector experience in biodiversity. Nonetheless, it shows the breadth and depth of the possibilities.

78. Examples include the Costa Rica: Support Biodiversity Development Use (TC9610363), provided key early support for INBIO, the National Biodiversity Institute of Costa Rica, and allowed it to source promising biodiversity products for the generation of new pharmaceuticals and cosmetics. The Uruguay: Estancias del Lago (UR-L1059) sustainable agriculture project will support dairy operations to implement a highly-efficient free-stall dairy model, whereas most of the Uruguayan dairy industry still follows the pasture-intensive model. The Biodiversity Action Plan of the project will include mapping of the habitats in the different sites (i.e. native forest and wetlands); identifying priority areas for conservation; establishing ecological easements; and the conservation of any threatened species or high value habitats identified by the Biodiversity Baseline or construction-phase monitoring. There will also be a renewable energy component to capture and utilize the methane produced by the dairy. The Usinas Batatais Project in Brazil involves a sugar cane and ethanol producer that will renovate and plant approximately 37,000 hectares of existing sugar cane plantations. As part of its CSR commitment, Usinas Batatais is reforesting 2,240 ha of land with native species in permanently-protected areas.

79. In the Costa Rica: Reventazon Hydroelectric Project (PHR) Complementary Environmental Studies (CR-T1074) the IDB is completing the environmental studies necessary for its financing. The PHR will increase power generation available to the Regional Electricity Market (MER), to be sold through the transmission line. The IDB is developing a biodiversity offset for the loss of natural habitats in the river, is working with Panthera (an NGO) to establish a biodiversity corridor, and is actively minimizing impacts on the downstream Tortuguero protected area.

80. An early experience of an Investment Fund is provided by the EcoEnterprises Fund, established in the year 2,000 as a pioneer effort in impact investing. It has supported sustainable businesses in Latin America, and has demonstrated that such businesses can be influential actors in biodiversity and environmental protection and help transform local economies by providing investors with an opportunity to generate financial gains through positive environmental and social returns. A second Fund has been recently launched.

81. Specific sectors that provide natural entry points for private sector interventions include:

- a. *Certification for forestry*. Ensuring sustainable practices and reducing impacts on ecosystems; these projects also increase value for SME products.
- b. *Improved ecological management* most often for forestry, but also in agriculture.

- c. *Market access*. Creating greater value for products from areas of high biodiversity.
- d. *Tourism*. Many tourism projects focus on eco-tourism and interaction with nature, creating a direct market value for biodiversity.
- e. *Payments for ecosystem services*, rewarding producers who protect ecosystems. These can include water, carbon, and biodiversity offsets.

Linkages with Climate Change

82. An example of the integration between climate change, biodiversity, and ecosystem management is provided by RG-T1837 - Potential impact of climate change in Latin America and the Caribbean mountain forest ecosystems. The project supports the process of understanding climate change impacts on high mountain forest ecosystems and to support the development of adaptation support and planning tools. Components include (i) Strengthen technical capacity of local research institutions, (ii) Define evaluation indicators for climate change, (iii) Determine the potential impact of climate change through the development of climate change scenarios, (iv) Determine the potential impact of climate change through forest monitoring, and (v) Development of an adaptation proposal for high mountain forest ecosystems.

83. *Climate Investment Funds*. The Climate Investment Funds are designed to help developing countries pilot low-emissions and climate-resilient development. With CIF support, 46 developing countries are piloting transformations in clean technology, sustainable management of forests, increased energy access through renewable energy, and climate-resilient development. Of all the various components of these funds, the Forest Investment Program (FIP) is particularly relevant for biodiversity. It aims to support developing countries' efforts to reduce emissions from deforestation and forest degradation by providing scaled-up financing for readiness reforms and public and private investments. The IDB is supporting the development of the FIP in three countries in the LAC region: Brazil, Mexico and Peru.

84. In addition to the FIP, there is also the Forest Carbon Partnership (FCPF), which assists developing countries in their efforts to reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (called REDD+) by providing value to standing forests. In Latin America and the Caribbean, the FCPF is working with 15 countries. The IDB is leading the program in Peru and Guyana.

85. Pure biodiversity conservation can also be linked to climate change issues and be supported through market-based mechanisms directly. As mentioned above, REDD provides a unique opportunity to internalize the negative externalities of deforestation. By linking the maintenance of carbon stocks within standing forests, it is possible to provide a monetizable economic value to forest habitats. An example of such approach is Colombia: Mainstreaming Biodiversity Conservation through avoided Deforestation (CO-T1145). The main objective of the project is the mainstreaming of biodiversity conservation through avoided deforestation in the Andean-Amazon piedmont of Colombia. Developing carbon credit schemes would provide a new economic option that would make available resources for the people of Colombia to protect vast tracts of tropical forests. These opportunities converge in Colombia's Andean-Amazon piedmont because the region exhibits a high percentage of primary forest cover with high levels of biodiversity richness.

86. The project is linked to parallel IDB-supported road operations: the planned development of a new paved road through the forest reserves of the head waters of the Mocoa and Blanco rivers, part of the IIRSA sponsored Amazon HUB presents both a risk and an opportunity to these forests (see above). The Technical Cooperation will help develop methodologies and support pilot demonstrations on how to reliably measure carbon stored in standing forests. These efforts will also enable national and local institutions to apply the methodology and implement mitigating measures to lower deforestation rates along the Pasto-Mocoa road in order to generate carbon credits from these mitigating actions.

87. A second REDD example is provided by Guyana REDD Investment Fund (GRIF). It is intended to be a model for REDD payments to countries with low deforestation rate and high forest cover. More specifically, the GRIF will be an instrument to get Guyana “ready” for compliance or non-compliance markets for emissions reductions from deforestation and forest degradation. It is a transitional instrument as the country envisions a future economy in which forest and environmental services will figure prominently. Through the GRIF, Guyana and Norway invited the IDB to act as a “GRIF Partner Entity” to implement specific projects and programs to prevent and control emissions from deforestation and degradation.

Summary: Successful Experiences of the IDB in Biodiversity

88. In summary, the IDB has a long, vast, and diverse experience in biodiversity. The Bank has supported biodiversity both as stand-alone operations supporting protected areas, as well as through mainstreamed operations in which biodiversity is a component of projects addressing numerous sectors both in rural and urban landscapes. IDB has experience and potential with both public and private actors. Of particular relevance is the opportunities afforded by addressing climate change and biodiversity loss simultaneously. Important characteristics of the portfolio that are relevant when defining the Platform include:

- a. Most projects are mainstreamed within regular Bank operations. This demonstrates both internal Bank capacity to mainstream, as well as high potential for leverage and scale,
- b. There is an excellent combination of the use of various instruments (loans, TC, GEF, Private Sector windows, Climate Funds, etc.),
- c. The number of sectors through which biodiversity can be addressed is large,
- d. The Bank is able to serve both large and small client countries, and
- e. There is a growing good use of the Environmental Safeguard Policies to generate positive biodiversity outcomes, even though implementation remains challenging.

OPPORTUNITIES, WEAKNESSES AND CONSTRAINTS

89. On the basis of the analysis of the portfolio and experience with successful biodiversity interventions, this section delineates the opportunities, weaknesses and constraints within the IDB in relation to its Biodiversity Platform.

Opportunities

90. The following themes represent important opportunities for the IDB in Biodiversity.

Mainstreaming

91. The first obvious opportunity relates to mainstreaming. Because the Bank is an important regional development player with the ability to shape agendas and influence dialogue, it can serve as an effective force in supporting the mainstreaming of biodiversity issues at both the policy and sectoral levels. It is clear that in the past the Bank has been able to implement a large number of projects in which biodiversity considerations have been mainstreamed within a variety of operations.

Land-Use Planning

92. Many IDB operations occur in frontier areas, where there is an urgent need to better plan the occupation of the geographic space. These areas tend to coincide with areas of high biodiversity and fragile ecosystems. In the past, the IDB has been able to engage in land-use planning operations in a variety of ecosystems, at the local, regional, national, and multi-national levels.

Private Sector Windows

93. The successful and sustainable maintenance of ecological processes requires a full internalization of the negative externalities of development, particularly as they relate to biodiversity and habitat losses. Although there is a clear and necessary role for the public sector in promoting sound environmental management and practices, this is not sufficient to ensure the transition to sustainable economies. Societies of the Latin American and the Caribbean region will only achieve sustainable development when private actors motivated by self-interest routinely generate positive environmental externalities. In other words, ultimately, it is the private sector that will tilt the scale in favor of sustainability. The IDB is well placed to effectively use its private sector windows in biodiversity-related sectors.

94. At the same time, it is important to understand the constraints faced by the private sector windows at the IDB. The direct financial incentives that these windows can provide to private clients are limited by having to offer finance at market rates. This implies that the risk with ordinary capital is limited and to some extent prevents innovation in areas that are considered too risky. Therefore, an IDB Biodiversity Platform requires appropriate tools to better facilitate private sector investments.

Enhanced Use of the Environmental Safeguard Policies

95. As pointed out by the Independent Advisory Group on Sustainability (IDB 2011), the implementation of the Safeguards Compliance Policy (OP703) in 2006 has produced some noteworthy though not yet widespread results in favor of biodiversity. It is pointed out that “these policy directives are proactive in nature and seek to enhance the incentive framework to foster environmental opportunities, new business opportunities for the Bank, and greater development benefits for the countries.” Indeed, there are successful examples of positive influence on large operations to generate biodiversity outcomes, and some of these are well designed and “cutting edge,” as shown in the previous section, but not yet universally well executed.

Integration with Climate Change

96. The IDB is quickly becoming a leader in the climate change arena. In 2009 and as part of the development and management of a new climate initiative (the Sustainable Energy and Climate Change Initiative), the IDB created the Sustainable Energy and Climate Change Unit (CCS). Climate Change and Biodiversity are two pillars of sustainable development that cannot be separated because they are inter-linked through both negative and positive synergies:

- a. On the negative side, forest loss and degradation, as well as other land use changes that emit greenhouse gas emissions, contribute close to 20% to the global emissions responsible for climate change. The loss of mangroves and other coastal habitats increases the vulnerability of coastal communities to cope with extreme weather events and sea level rise caused by climate change. Conversely, increase sea temperature has serious consequences for corals and other marine life. The changed patterns of precipitation and the increase in temperature can have serious impacts on natural habitats, species ranges and their ability to adapt to shifting conditions, and has serious consequences on species mobility because of ecological disruption (e.g., the Andean Paramos).
- b. On the positive side, enhanced biodiversity management can support both mitigation and adaptation to climate change. Forest conservation and reduction of habitat loss can reduce greenhouse gas emissions; conserving coastal ecosystems is an important tool to reduce vulnerability; and enhanced watershed and ecosystem management increases adaptation resilience.

97. In practice, nature does not differentiate between climate change and biodiversity loss. A coherent approach must take advantage of addressing both issues simultaneously when possible and as integral elements of a sustainable development strategy.

Collaboration through Partnerships

98. These include both public-private partnerships, and engagement of NGOs and civil society. The ability of the Bank to work across public and private sectors and civil society (through established relationships) is an important feature of the portfolio.

Weaknesses and Constraints

99. No matter how well designed, not all projects are successful. More importantly, however, what really counts is not the rate of project success in the portfolio, but the absence of biodiversity project

where opportunities existed for these dimensions to be added. Although there is no systematic way to measure the magnitude of such “missed opportunities,” it is important to understand the constraints that the IDB faces when attempting to mainstream biodiversity in addition to the shortcomings during project implementation. This section summarizes the weaknesses and constraints of the IDB in biodiversity.

Lack of Clear Metrics

100. For the most part, projects within the IDB’s Biodiversity Portfolio lack proper metrics to measure biodiversity impact. With the exception of projects financed by the GEF, where there are stringent M&E and reporting requirements following well-defined biodiversity indicators, this review found that most projects addressing biodiversity issues lack proper metrics.

101. This is not surprising, given that in most cases, mainstreamed biodiversity components are an integral part of sectoral projects that are attempting to generate development outcomes. From this perspective, it can be argued that a lack of specific biodiversity indicators reflects true mainstreaming since the biodiversity dimension has been fully incorporated into higher development objectives. Under this rationale, and if we assume that the IDB has built a robust set of logical relations that correlate biodiversity dimensions with higher development outcomes, then it would no longer need to measure biodiversity indicators *per se*. For example, if there are strong correlations demonstrating that effective management of protected areas conserve biodiversity, and in turn, effectively managed protected areas have a measurable and positive influence on tourist visits, then a tourism project will only need to ensure effective protected area management and this can be used as a proxy for biodiversity conservation.

102. Unfortunately and for the most part, no such internal constructs correlating biodiversity dimensions with higher development outcomes exist. Indeed, all of the staff interviewed responded that it is assumed that enhancing watershed management, forestry practices, or even creating protected areas are synonymous with conserving biodiversity. Clearly, this is not always the case, and thus the IDB needs to make a serious effort to develop proper biodiversity metrics for its Biodiversity Platform, and such metrics need to be fully incorporated within the Bank’s overall results framework (i.e. through SPD).

Weak and Uneven Mainstreaming

103. The previous chapter summarized examples of noteworthy and successful instances of biodiversity mainstreaming within the Bank’s regular portfolio. Unfortunately and as Figure 1 shows, these instances are “very few and far between.” The great majority of IDB’s portfolio does not address biodiversity concerns.

104. The ISG (IDB 2011) concludes that despite isolated instances of successful mainstreaming, as a whole, the IDB has not yet been able to fulfill its mainstreaming mandate. It specifically states that “what is needed now is for the Bank to concentrate its energies on implementing the mainstreaming priorities of OP 703 so that it may become a genuine partner for sustainable development in the Region.”

105. The recent reviews by Redwood (2012) confirm such perceptions. In the case of the Santa Cruz-Puerto Suárez operation, Redwood concludes that the Bank’s administrative actions taken during

implementation effectively undermined well-oriented project preparation and appraisal intentions by legally and operationally de-linking the parallel Bank loans for road improvements and environmental and social protection throughout the Santa Cruz-Puerto Suárez corridor: “One of the principal defining – and strategic – features of the two interlinked projects for road improvement and environmental and social protection in the Santa Cruz-Puerto Suárez corridor was precisely that they were to be operationally – and legally – interconnected in an effort to ensure satisfactory progress with respect to the latter prior to proceeding with the former. However, during the course of implementation, because of the aforementioned significant delays in the execution of the agreed environmental and social protection measures, the two projects were, de facto, delinked and Bank disbursements for the road improvement part of the program were allowed to go ahead in advance of adequate progress toward the previously prescribed requirements regarding the associated environmental and social management interventions to be taken in the road’s area of influence.”

106. In the case of agriculture, Scherr (2009) concluded that the “IADB is not organized to support eco-agriculture approaches on a systematic basis, and staff noted common constraints to expanding eco-agriculture investments and institutional support: weak national capacity to analyze cross-sector impacts, weak political support in countries for action to strengthen ecosystem management in agriculture; weak demand from private sector lending in ecosystem-friendly agriculture; and sectoral focus at the bank that prevents cross-discipline approaches.”

Weak Client Demand

107. Most staff interviewed agreed that at a time when “client focus” increasingly means that the Bank support the priority efforts identified by its clients, it is becoming more difficult for the IDB to introduce a sustainability agenda in the dialogue, particularly when demand for such issues tends to be weak or non-existent during the dialogue process.

108. These shortcomings do not necessarily represent a genuine lack of demand, but for the most part may simply reflect the nature of the mechanics of the IDB-country dialogue, in which an IDB “Country Unit” discusses the future portfolio with Government representatives composed primarily or entirely of representatives from Ministries of Finance. On both sides, a pragmatic view based on financial and economic considerations will surely miss to recognize negative externalities that cannot be properly captured within traditional government statistics and tools used in the finance government sector.

109. Such weakness in the dialogue is not only the responsibility of the client, but may also reflect the inability of the IDB to quickly provide alternatives, based on sound economic analyses, of the advantages and benefits of incorporating biodiversity dimensions in operations amenable to such mainstreaming. These shortcomings may simply reflect a lack of sufficient internal awareness of these issues, and the lack of proper tools and analyses demonstrating the economic and development values of biodiversity.

Weak Internal Awareness

110. The interviews showed that there is weak internal awareness about biodiversity and ecosystem services. In particular, biodiversity is perceived internally as primarily relating to issues such as “birds and orchids.” This perception precludes the ability of most staff to quickly make a connection between development objectives and the maintenance of ecosystem services as one of its principal foundations.

111. The case of climate change is instructive. In the 1990s, climate change was perceived primarily as a scientific or academic discussion about the distant future. Today, the climate change agenda has been elevated and is perceived as a fundamental challenge with major development implications. The biodiversity agenda needs to undergone a similar transformation in perception.

Lack of Expertise in Green Accounting

112. One of the main tools for successful mainstreaming is the ability to express biodiversity and ecosystem services consistently in economic terms. For example, what are the impacts of ecosystem loss on GDP, economic growth rates, and achievement of poverty targets? What is the true cost of biodiversity degradation in economic terms? How much does the agriculture sector loses when pollination functions are impacted?

113. Economic analysis can often support scenario comparisons among alternative development models or interventions. In the absence of good economic analysis, introducing biodiversity considerations in economic discussions is akin to comparing “apples and oranges.” Currently, the Bank lacks (or is not using) green accounting capabilities.

Weak Internal Integration of Policies and Processes

114. As in most large institutions, it is not surprising that bureaucratic processes within the IDB will have an inordinate weight in the day-to-day institutional routines. As shown in the preceding sections, issues as simple as the ability (or lack thereof) to blend funding sources from different windows into a single operation can have devastating consequences during implementation. The PCR for the Honduras Bay Island Project provides an important insight: the main lesson learned is that the simple signature of an IDB-GEF agreement prior to the loan agreement would have greatly enhanced the simultaneous implementation of both components. The lack of such simultaneous implementation impinged upon IDB’s ability to generate higher level biodiversity outcomes.

115. Without a doubt, internal processes need to “facilitate” as opposed to “preclude” the implementation of a Biodiversity Platform.

DEFINING IDB'S NICHE IN BIODIVERSITY

117. The general overview of the Bank's previous experiences, strengths and weaknesses with biodiversity issues delineated in the previous sections is for the most part an exercise in introspection: such exercise is based primarily on an analysis of the Bank's own experiences and capacities. Before a Biodiversity Platform can be drafted, however, it is also important to place the Bank in the context of other institutions that currently play a role in biodiversity in the region. Only when contrasting the IDB's strengths and weaknesses with other institutions, a true niche based on value-added and comparative advantages can be properly understood.

Comparative Advantages of the IDB in the Region, and its Natural Niche

118. Table 1 below compares a number of features correlated with an ability to play a role in biodiversity among various institutions, including the IDB. The scores assigned are based on the "potential" to use such comparative advantages, but do not imply that such potential is currently been used to its maximum capacity. The main sources of Table 1 are the portfolio analysis and staff interviews; thus it is based to some extent on subjective perceptions. Nonetheless, it can provide a starting point in defining IDB's comparative advantage for biodiversity in the region.

Table 1
Potential Value-Added of Relevant Institutions Supporting Biodiversity in the LAC region²

	IDB	WB	CAF	GEF	OAS	UNEP/UNDP	NGOs	Universities
<u>TECHNICAL AND CAPACITY ISSUES</u>								
Scientific Specialization in BD	1	2	1	4	2	3	5	5
Technical Strength in Sectors Amenable to Mainstreaming	5	5	3	1	3	3	3	4
Research Capabilities in BD	1	1	1	4	2	3	5	5
Research Capabilities in Economics and Development for Mainstreaming BD	2	5	3	3	3	3	2	5
Skilled and experienced staff in BD	4	4	3	5	2	5	5	5
Skilled and experienced staff in development	5	5	4	3	3	4	3	3
BD and Sustainability Mandate	5	5	3	5	4	5	5	4
Internal Awareness	2	3	3	5	3	4	5	4
<u>CLIENT FOCUS</u>								

² Primarily based on the portfolio analysis and staff interviews.

Country-Driven	5	4	5	5	5	4	1	1
Regional or Sub-Regional Focus	5	3	5	3	5	3	3	3
Technical Specialists in Country Offices	5	5	1	1	1	3	5	3
<u>FINANCING</u>								
Financial Strength	5	5	4	5	2	3	2	1
Availability of a Variety of Funding Windows	5	5	3	2	2	3	1	1
Private Sector Windows	5	5	5	2	2	2	1	1
<u>LEVERAGE</u>								
Ability to Mainstream in Development	5	5	3	3	2	3	2	1
Credibility and Capacity to Influence Dialogue	5	5	3	3	4	3	1	4
Advocacy Role in BD	2	2	2	4	3	3	5	4
Linkages with Climate Programs	5	5	4	3	2	3	3	3
Partnerships (Public-Private and Civil Society)	5	5	3	5	4	4	3	3

5 = Very Strong; 4 = Strong; 3 = Average; 2 = Present but relatively weak; 1 = Not present

119. As can be gathered from Table 1, the IDB and the World Bank occupy a similar niche in the region, with the exception that the IDB enjoys a better perception and has a stronger ability to influence the development agenda. The key defining difference is the perception that the IDB is “owned” by the countries in the region.

120. A key observation here is that the IDB is in a privileged position to learn from the World Bank’s past successes and mistakes when attempting to mainstream biodiversity within the regular development agenda. A deliberate attempt to learn from such experiences requires a strengthened dialogue and collaboration between both institutions.

121. According to IDB’ Ninth Replenishment (IDB 2011), the main structural advantage of the IDB is its nature as a cooperative where regional members hold a majority of the voting power. Over time this has consolidated the Bank’s role as a trusted partner that is driven, first and foremost, by the development needs and aspirations of its constituents. Emerging LAC countries already have a “voice” at the Bank; this representation has been built into its structure since its very inception. “On top of these intrinsic features, the Bank has acquired comparative advantages that include: (i) a strong country focus, (ii) coordination of public and private sector operations, (iii) diversification of financial and nonfinancial products that allow the Bank to be more responsive to country needs and more consistent in its support for development over time, and (iv) the knowledge and capacity to support regional trade and integration” (IDB 2011).

122. Such comparative advantages are also germane to the biodiversity arena and nicely match the preliminary conclusions emerging from Table 1 and the preceding sections.

Comparative Advantages of the IDB in the Region, and its Natural Niche

123. Following the considerations in the previous sections, the following is a preliminary list of areas where the IDB is naturally placed to implement a biodiversity mandate:

- a. Land use planning with emphasis on valuing ecosystem services,
- b. Mainstreaming Biodiversity in Productive Sectors, in particular agriculture, coastal zone management, forestry and fisheries, and tourism,
- c. Enhanced use of IDB's Environmental Safeguard Policies to actively look for opportunities to generate lasting biodiversity outcomes, (i.e., biodiversity offsets, creation and strengthening of protected areas, land-use planning at large scales, etc.),
- d. Aggressive use of private sector opportunities with emphasis on emerging biodiversity and ecosystem markets,
- e. Market-based approaches with strong financial sustainability dimensions (e.g., production certification, REDD, offsets, etc.),
- f. Linkages with the Climate Change agenda for enhanced climate and biodiversity results.

124. These areas of comparative advantages will serve as the basis for the Pillars of the Strategy developed in the next section. Broadly, they can be arranged as follows:

Awareness and Capacity	a, c, f
Mainstreaming	a, b, c, d, e, f
Conservation of Priority Ecosystems	a, c, f

A Final Caveat: One Size Does not fit All

125. The LAC region is extremely diverse. Its people reflect a variety of histories and ethnicities. There are countries with large indigenous populations that have traditionally been able to relate to nature in a more balanced way. Countries' economies go from very small to very large. Poverty indicators also vary widely. Therefore, an approach that may make a lot of sense in one circumstance will hardly be logical in another. The IDB needs to avoid making the mistake to develop a Biodiversity Platform pretending that it can serve all of its countries identically well. Some approaches will work in some cases, but not in others. Finding a balance between allowing for sufficient flexibility within a robust and rational framework will be key to success.

STRATEGIC DIRECTIONS, INTERNAL CAPACITY, AND METRICS

Strategic Considerations

127. The previous sections have shown that the IDB is well placed to play a major role in supporting countries in the region to conserve and use its biodiversity and ecosystems. The Platform, however, needs to follow a strategic direction that fundamentally changes the perception of biodiversity both internally and externally. This must result in a major paradigm-shift, where the values of biodiversity are viewed both as one of the major endowments of the region, but also as the springs to support the achievement of sustainable development and economic growth.

128. The principal strategic direction of the Platform, therefore, is to introduce a shift in paradigm, emphasizing the definition of biodiversity at the ecosystem level, and to incorporate a dimension of the economic value of ecosystem services throughout. This strategic emphasis is very appropriate for a multi-lateral development institution.

129. The Millennium Ecosystem Assessment, a major UN effort to understand the linkages between biodiversity and development determined that “over the past 50 years, humans have changed ecosystems more rapidly and extensively than in any comparable period of time in human history. This has resulted in a substantial and largely irreversible loss in the diversity of life on Earth. The degradation of ecosystem services is a barrier to achieving the Millennium Development Goals. Human actions are depleting Earth’s natural capital, putting such strain on the environment that the ability of the planet’s ecosystems to sustain future generations can no longer be taken for granted” (Figure 1).

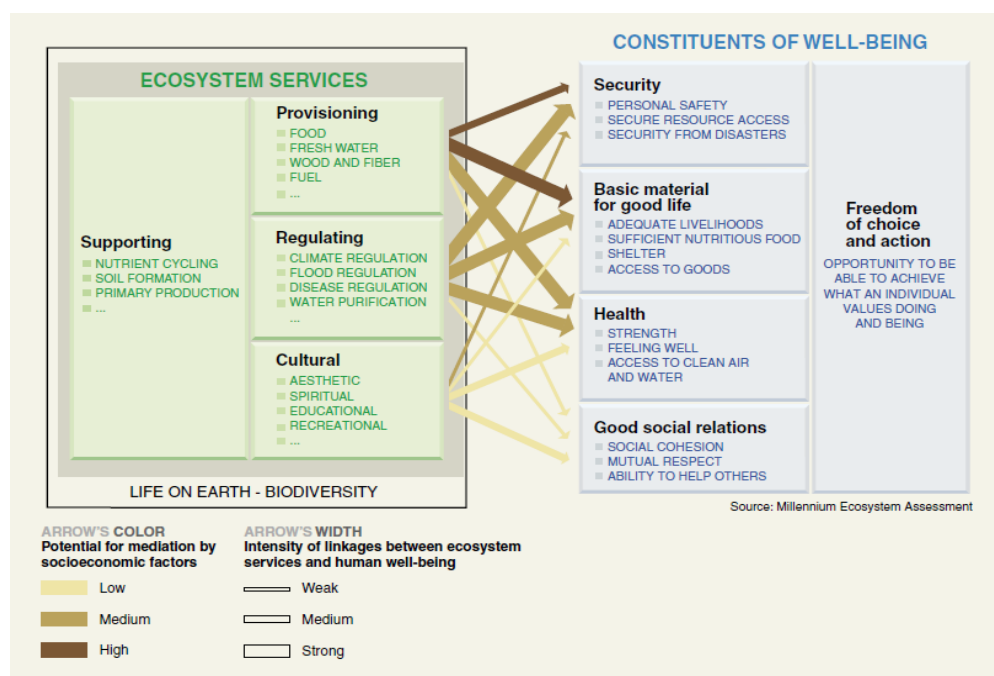


Figure 2 - Millennium Ecosystems Assessment Linkages Model (MEA 2005)

130. These losses in the LAC region are exacerbated by the new patterns in global consumption and trade that are putting major new stresses upon natural resources and ecosystems at a scale not seen before, and primarily in frontier areas coinciding with ecosystems of high biodiversity (Castro de la Mata 2011).

131. It is therefore urgent that the value of Ecosystem Services of all areas, especially of those currently undergoing major change are properly understood and scenarios that optimize economic, social, and ecological considerations are developed and discussed. Given the IDB's role in financing many of the large infrastructure developments in these regions, it is well placed to play a leadership role in this agenda.

132. In practical terms, this emphasis in ecosystem services requires recognition by the IDB that economies and ecosystems are inter-related; losses of ecosystem services erode opportunities for future economic growth. This shift in paradigm also means that ecosystems need to be perceived as integral and functioning units whose health depends on maintaining their integrity at very large scales.

Goal, Objective, and Pillars of the Platform

133. The goal, objective, and pillars of IDB's Biodiversity Platform are as follows.

Goal:

To enhance the conservation of biodiversity and ecosystems services as foundations of sustainable economic development.

Objective:

Support countries of Latin America and the Caribbean scale up and increase the effectiveness of their efforts to conserve biodiversity and maintain ecosystem services, opening new economic and business opportunities, and enhancing the value of the Region's natural capital as a contribution to economic growth and sustainable development.

Pillars of the Strategy:

The goal and objective will be accomplished through the implementation of a series of actions, using a variety of tools and approaches, to accomplish measurable outcomes under each of the following 3 Pillars. These pillars follow the analysis of strengths, weakness, and niche of the preceding section, and summarized in paragraph 124:

1. Increase Awareness and Build Capacity to Conserve Biodiversity and Maintain Ecosystem Services

134. This pillar is about strengthening the capacity of the Bank's clients to effectively design and implement policies and actions that contribute to the Platform Objective. A first element relates to awareness, so that societies better understand the value of ecosystem services and therefore increase their support for conservation. A second element focuses on supporting governance and institutions at both national and subnational levels. In addition, a key aspect for appropriate environmental governance in the region towards efficient ecosystems management such as land management and clarification of property rights will be emphasized, including traditional rights, as a means to ensure adequate long-term investment in the sustainable use of natural resources from ecosystems. Enhanced

governance and institutions will support countries in LAC to tap into the growing supply of funding mechanisms and sources, including new biodiversity markets, REDD+, and to leverage other funders (e.g., the GEF and others). Indicative activities may include:

- a. Training and capacity building of in-Country stakeholders (public, private, and civil society),
- b. Policy development and institutional creation and strengthening, including opportunities to simultaneously address climate change,
- c. Capacity building in the use of economic frameworks and tools to value ecosystem services,
- d. More inclusive and effective civil society outreach and involvement, as well as of indigenous peoples,
- e. Enhanced monitoring and enforcement capacity in natural resources management and ecosystem management, and
- f. Creation of knowledge and opportunities to access it.

2. Conserve Biodiversity and Sustain Ecosystem Services through Actions Mainstreamed in other Development Sectors

135. This pillar is about better recognizing and enhancing the value of biodiversity goods and services through activities in other sectors, by both seeking net positive biodiversity outcomes, and by avoiding negative ones. The underlying approach is to increase and represent the economic benefits derived from the flow of goods and services provided by biodiversity and ecosystems to human systems in the region. This pillar would contribute to internalizing benefits and costs of ecosystem services associated with different production models. It will broaden the scope of projects in sectors with key implications on biodiversity conservation such as infrastructure, agriculture, tourism, fisheries and forestry to ensure that adequate incentives are in place to properly internalize these values. Many of these activities are very well suited to be addressed through the private sector.

136. Indicative activities may include:

- a. Manage resources (timber and non-timber products, fisheries, water) with a long-term vision of conservation and the maintenance of ecosystem services,
- b. Adequate management of watersheds that account for the contribution of biodiversity to the provision of clean water and support stability of hydropower generation,
- c. Promotion of efficient management of fisheries stocks,
- d. Green businesses, certification in agriculture and tourism, value-added chains, setting standards in biofuels, etc.,
- e. REDD, biodiversity offsets, payments for environmental services, and other market-based mechanisms,
- f. Linkages with climate change mitigation and adaptation actions.

3. Conserve Ecosystems and Ecosystem Services in Areas of high Biological Importance

137. This pillar is based on the recognition that biodiversity has both present and future value, including an existence value. Its aim is to contribute to the preservation of healthy and functioning ecosystems at sufficiently large scales. It will establish and enhance the effectiveness of appropriate and innovative mechanisms for the conservation of the region's most valuable ecosystems, many of which

are under public lands. Emphasis will be placed on key areas where ecosystems provide services that support basic needs, such as drinking water, hydropower for electricity, food and risk mitigation. Indicative activities may include:

- a. Strengthening the management and financing of terrestrial and marine protected areas systems, including private ones,
- b. Supporting the achievement of sustainable financing for protected areas,
- c. Catalyzing market-based incentives to avoid encroachment, illegal extraction of timber and non-timber forest products, and other activities that deteriorate these systems
- d. Promote recognition of regional public goods such as biodiversity corridors to promote integrated actions among countries in the region.

Elements of an Action Plan to Enhance Internal Capacity

138. The IDB is not yet fully prepared to take on this agenda. It is also necessary to enhance the Bank's own internal capacity to deliver the Platform. This section delineates the elements of an action plan to enhance internal capacity. It is noted that many of these actions are self-reinforcing and in most cases the prospects of achieving one depends on progress made on another one. In other words, a weakness in the achievement in one of them will impact upon the ability to deliver the entire Platform.

139. Enhance the Country Dialogue process to better recognize the value of Ecosystem Services. The Bank must develop a complete toolkit of approaches and methodologies, fully incorporated within its operational procedures, to be able to properly recognize opportunities and increase its proactive capacity to propose biodiversity and ecosystem services elements in the country dialogue process. The Bank needs to be able to react quickly, but also to propose deliberately when appropriate.

140. Enhance Internal Awareness. The actions above require a greatly enhanced internal understanding and a sharpening of the perceptions about the linkages between development and ecosystem services. This can be accomplished through sectoral work on these linkages, and through internal research, dissemination, outreach, and training.

141. Strengthen Internal Capacity. The Bank has a relatively small but highly experienced staff in biodiversity and natural resources management. The number of staff with these strengths is not sufficient and needs to be increased. More importantly, however, there is a need to strengthen the Bank's capacity in disciplines that can enable the proper recognition of the value of ecosystems to development. These disciplines include environmental economics, green accounting, payments for environmental services, economic valuation of ecosystems, etc. A mapping exercise to properly understand current strengths and weaknesses in various disciplines related to biodiversity is a required first step.

142. Facilitate the Deployment of Private Sector Resources. Most potential investment opportunities that can generate positive biodiversity benefits are still in their infancy and are perceived as carrying higher than average financial risks. Thus, the IDB must carefully consider incorporating ways and means to lower such risks through tailored-made mechanisms. Some of these mechanisms can include dedicated funds to facilitate the offering of financing below market rates, non-reimbursable technical assistance, and concessional financial resources.

143. Enhance the Use of the Environmental Safeguard Policies to Address Ecosystem Services. The Bank's Environment and Safeguards Compliance Policy (Inter-American Development Bank, 2006) adopts actions and initiatives to enhance and safeguard ecosystem or environmental services through Bank-funded operations. The policy specifically calls for the promotion of the conservation and sustainable use of natural resources and ecological services, including the use of innovative financial and market-based instruments. The policy further identifies the need to augment country competitiveness and regional integration through enhancing the value of environmental goods and services and through supporting regional capacities to protect and manage regional environmental goods and services. Therefore, the policies are already in place, but the Bank needs to make full use of them through aggressive implementation, including deploying cost-effective but meaningful metrics.

144. Specifically, the IDB can strengthen the proactive use of its "Type B" Directives by enhancing the operationalization of the concept of Ecosystem Services, including a better use of land-use planning methods that go beyond the traditional identification of territorial capacities but also properly identify and balance the economic value of ecosystems and of alternative development scenarios. This can involve quantitative and monetary ecosystem service analyses to be included in cost-benefit analysis of alternatives, baseline analyses of ecosystem services, and scenario modeling of impacts on ecosystem services. As mentioned earlier, there are opportunities to generate lasting biodiversity outcomes including the use of biodiversity offsets, creation and strengthening of protected areas, land-use planning at large scales, etc.

145. Enhance Internal Organization to Support the Above Actions. The Bank should explore the pros and cons of adopting alternative institutional organizational structures to better support the Platform. Very often, institutions respond to new mandates by adding new structures or creating new units. Although at first sight this may be effective, in practice this could go against mainstreaming by "removing" staff from the front lines and placing them into separate "boxes." One possibility to balance these consequences is to establish a well-financed coordinating unit whose task would be to support the deployment of the biodiversity Platform. Such unit will need to have a strong support from the highest levels of management and include staff with very substantial operational experience. Such coordinating unit will need to have the ability to quickly deploy resources and technical capacity when opportunities arise.

Measuring Results: Accountability, Metrics and Indicators

146. In order for metrics to be properly developed, it is critical for the Goal, Objective, and Pillars of the Platform to be clear and measurable. The Pillars must point sharply towards the achievement of the Goal. When taken together, the achievement of the 3 Strategic Pillars must be both necessary and sufficient conditions for the achievement of the Goal.

147. We follow the definition and hierarchy of indicators as defined in the Logical Framework Approach, originally developed for USAID. The Logical Framework has evolved throughout the years and changed names at various times (i.e., "Results Framework" for many today), but in practice its structure is still valid. In short, project expenditures (inputs), are expected to produce outputs, which in turn, and if achieved, will result in outcomes, a pre-requisite to achieve the project's objectives and goals (i.e., long-term impacts, Figure 2).

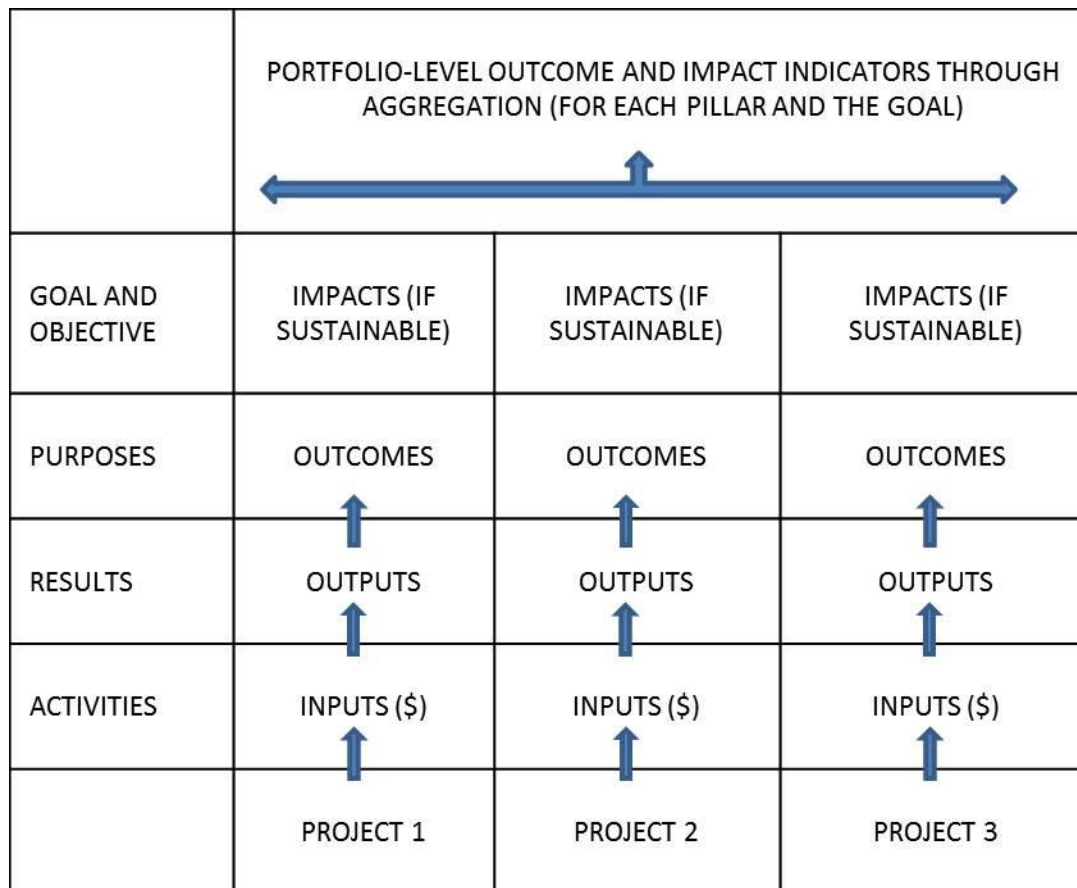


Figure 3 - Hierarchy and Aggregation of Indicators (ES LLC Unpublished)

148. There are indicators for each level: outputs, outcomes, and impacts, and it is critical to differentiate between indicators at these three levels. The sum of all outcomes from individual projects within each Pillar will produce higher-level “portfolio-level” outcomes, the measurement of which is a measurement of the ability of the Pillars to support the achievement of the Goal of the Platform. If outcomes are sustainable because they remain in place over the long-term, then these projects and Pillars have produced real impacts.

149. The development of program-level metrics does not preclude the adoption of specific project-level indicators that are necessary to monitor the achievement of the results sought by projects. These project-level indicators can be quite different from the program-level indicators; in some cases, they will be “off the shelf” and readily available (e.g., species status); in others, they will be relevant only to the project in question. What is critical is that project-level indicators must be amenable to aggregation to measure progress towards the achievement of each Pillar.

150. The following are key characteristics of proper impact indicators:

- a. Aggregation. Indicators need to be amenable to aggregation so that a portfolio-level (i.e., “Pillar” level) measurement can be calculated from the sum of project-level results.
- b. Transparency and Simplicity. The measurement of the indicator needs to be done transparently, so that third-party verification can occur when necessary. Once the metrics are agreed upon, any non-specialized staff should be able to understand, gather, and aggregate the indicators without the need of complex methodologies or procedures.
- c. Relevance. Indicators need to be relevant so that measurements are meaningful both to the Platform Goal as well as to the project itself.
- d. Cost-Effectiveness. The measurement of the indicators needs to be cost-effective, so that its calculation is both inexpensive and simple, but meaningful.
- e. Consistency. The indicator needs to provide robust results, for consistency, i.e., even with small errors in the measurement, the indicators can still provide accurate results.
- f. Attribution. Results must be attributed directly or indirectly to the intervention of IDB.
- g. Credibility. Indicators need to be scientifically credible even if they are fairly simple to construct and measure, and,
- h. Contribution to broader global goals. The IDB does not operate in a vacuum. Therefore, indicators need to contribute to global goals to which IDB and its country clients subscribe (i.e., MDGs, CBD Targets, etc.).

151. Based on the above considerations, the following are indicative impact indicators that can serve as the basis for the development of a fully-fledged set of indicators for IDB’s Biodiversity Platform:

- a. Pillar 1: “Increase Awareness and Build Capacity to Conserve Biodiversity and Maintain Ecosystem Services.” Under this pillar, it is important to be able to measure changes in awareness and capacity, particularly as these related to ecosystem services.
 - i. At the project level, awareness can be measured through surveys and interviews.
 - ii. At the Pillar level, these results can be aggregated through a custom-built index in which the baseline is provided by awareness at the start of each project.
 - iii. If available, national-level survey results can also be used.
 - iv. For institutional and policy strength, the GEF has a well-developed indicator that can be aggregated from projects to Pillar: the “GEF Tracking Tool for Enabling Environment Scorecard.”
- b. Pillar 2: “Conserve Biodiversity and Sustain Ecosystem Services through Actions Mainstreamed in other Development Sectors.” This Pillar is about conserving biodiversity through activities in other sectors. It is necessary to measure both “mainstreaming” of ecosystem services considerations in other sectors, as well as on-the-ground conservation through sectoral interventions.

- i. The best tool for measuring mainstreaming has been developed by the GEF through its “GEF Tracking Tool for Mainstreaming, Sections I, II, and III.”
 - ii. For conservation outside protected areas, the GEF also has a scorecard to measure hectares under improved management outside Protected Areas.
- c. Pillar 3: “Conserve Ecosystems and Ecosystem Services in Areas of high Biological Importance.” This Pillar aims at conserving ecosystems of high biological importance. It is important for the IDB to identify such ecosystems beforehand, and to develop targets. The following can be measured:
 - i. Conservation status by measuring hectares under improved conservation (e.g., use of the GEF Tracking Tools for PAs and Outside PAs).
 - ii. Habitat fragmentation, through tailored-made tools.

ANNEXES

ANNEX 1: IDB STAFF INTERVIEWED³

Name	Position	Unit
Gerard Alleng	Climate Change Senior Specialist	CCS
Laura Alonso	Senior Operational Specialist	CID
Sergio Ardila	Natural Resources Economist - Principal Specialist	RND
Laura Bocalondro	Senior Specialist	INT
Michael Collins	Natural Resources Lead Specialist	RND
Leonardo Corral	Natural Resources Economist - Lead Specialist	RND
Patrick Doyle	Climate Change Senior Specialist	SCF
Janine Ferretti	Unit Chief	ESG
Carolina Jaramillo	IDB-GEF Technical Focal Point	RND
Fidel Jaramillo	Country Representative Peru	CAN
Musheer Kamau	Country Economist in Surinam and Guyana	CCB
Annette Killmer	Natural Resources Senior Specialist	RND
Michele Lemay	Natural Resources Lead Specialist	RND
Eirivelthon Santos Lima	Rural Development Specialist	RND
Héctor Malarín	Division Chief Environment & Rural Development	RND
Juan De Dios Mattos	Natural Resources Specialist	RND
Rafael Milla	Senior Specialist	INT
Judith Morrison	Gender Specialist	GDI
Maria Claudia Perazza	Natural Resources Lead Specialist	RND
Helena Piaggese	Natural Resources Lead Specialist	RND
Ricardo Quiroga	Natural Resources Economist - Principal Specialist	RND
Colin Rees	Senior Advisor	ESG
Raúl Tuazón	Resource Planning & Administration Principal Technical Leader	OPTIMA
Jose Seligman	Senior Operational Specialist	CSC
Walter Vergara	Division Chief	CCS
Vera Lucía Vicentini	Transport Principal Specialist	TSP
Graham Watkins	Environment Senior Specialist	ESG
Greg Watson	Senior Economist	MIF

³ In yellow, interviews were not possible

ANNEX 2: IDB BIODIVERSITY PLATFORM 2012

QUESTIONNAIRE FOR STAFF

Objective: To gather insights from IDB staff into IDB's previous experiences with biodiversity issues.

Part I: Information about Completing Party

Name of Staff	
Unit	
With IDB Since	
Approximate Number and/or type of BD Operations Involved since Joining IDB (loans, TCs, GEF, MIF, RPG, other)	

Part II: Project Identifiers

Name	
Country (Countries)	
Implementation Agency and Partners	
Approval Date by IDB Board	
Actual Implementation Period (Dates)	
Amount Approved in US\$ by source	
Amount Disbursed in US\$ by source	

Part III: Specific Questions (can also be answered for a group of projects or global experience)

- Briefly describe the project objectives and planned biodiversity mainstreaming and conservation activities/interventions proposed at approval.
- What was actually done, or is being done for ongoing projects (outputs)?
- What was actually achieved (outcomes or impacts)? Is a final evaluation or PCR available?
- What indicators were collected (both outputs and outcomes)? Are you familiar with these results?
- Describe the main challenges and barriers to the project design and its implementation.
- Give examples of IDB's strengths, leverage, and value added when designing and implementing this project.
- Main lessons learned and noteworthy observations relevant to the BD Platform. Can you differentiate between conservation and sustainable use results?

- Were there some missed opportunities in terms of biodiversity conservation or mainstreaming? What could have been done differently?
- Based on this experience, what would you say are some comparative advantages of the IDB in biodiversity conservation and mainstreaming?

Summary of Responses

<u>Question (s)</u>	<u>Main Pattern of Responses</u>	<u>Comments</u>
Average Time with IDB	Varies greatly.	There is a combination of very experienced and new staff involved with biodiversity issues
Number of Operations Involved	Most above 5; some above 10.	Most staff involved with biodiversity has broad experiences
Project objectives and activities at approval	In most cases biodiversity was not a central objective.	
Outputs	In most cases achieved.	No weaknesses identified here
Biodiversity Indicators	Overwhelmingly missing.	Major weakness identified
Challenges and Barriers during implementation	Rarely discussed. When discussed, referred primarily to institutional weaknesses at client level.	
Strengths, leverage, and value added	Dialogue and influence with Governments (21/26); Financial Strength (19/26); Mainstreaming opportunities (14/26); Numerous windows (12/26); Economic analysis (8/26); Ability to establish partnerships (5/26).	
Lessons Learned	No broad patterns emerged; most staff discussed lessons at the project level.	
Missed opportunities	Many staff believe that safeguard policies can be better leveraged.	
Comparative advantages	Mainstreaming (22/26); Dialogue (20/26); Policy Influence (19/26); Rigor and Technical Strengths (16/26); Prestige (14/26).	

ANNEX 3: IDB BIODIVERSITY PORTFOLIO⁴

Country	Number	Project Name	Source
Argentina	AR0279	Rio Negro Province Productive Modernization	Loan
Argentina	AR-L1071	Development of Tourism Corridors	Loan
Argentina	AR-L1004	Improvement of the Competitiveness of the Tourism Sector	Loan
Bahamas	BH-M1002	Inagua Sustainable Tourism	TC
Barbados	BA0019	Coastal Infrastructure Program	Loan
Belize	TC9803083	Institutional Strengthening Protected Areas Conservation Trust	TC
Belize	TC0101069	Support for Toledo Eco-Tourism Projects	TC
Belize	TC9603144	Ecotourism Marketing	TC
Belize	TC9902062	Training Ecotourism Program	TC
Bolivia	BO-M1009	Sustainable Enterprise Production in Bolivia's Northern Amazon Forest	TC
Bolivia	BO-T1015	Validation of Sustainable Management of Ecosystems	TC
Bolivia	BO-T1022	Structuring Pilot Project for Community Land Management for Indigenous Communities	TC
Bolivia	BO0033	Environmental Social Protection Sta Cruz - Pto. Suarez	Loan
Bolivia	TC9812016	Certification & Accreditation Program: Ecotourism	TC
Bolivia	TC9811065	Rapid Evaluation Ecotourism	TC
Bolivia	BO0127	TC Loan Tourism Support Program	Loan
Bolivia	TC0210032	Conservation and Sustainable Use of Biodiversity of Vegetable Medicine	TC
Bolivia	BO0176	Agricultural Services Program	Loan
Bolivia	BO0098	Ventilla-Tarapaya Highway/Sector Support	Loan
Bolivia	TC0006015	Tropical Forest: Parque Nacional I. Secure	TC
Bolivia	BO-T1043	Participatory Biodiversity Management for Environmental Policy & Planning	TC
Bolivia	BO-T1016	Biodiversity for Productive Projects in the Bolivian Andes	TC
Bolivia	TC9603136	GIS Coordination Workshop	TC
Bolivia	BO-M1014	Efficient MSMEs Promote the Sustainable Development of Tourism in Uyuni	TC
Bolivia	BO0217	Emergency Attention Plan: Fire Cordillera Sama-Tarija	Loan
Bolivia	BO X1001	Sustainable Management of Highland Ecosystems in North Potosi	GEF
Bolivia	BO-L1039	National Community Tourism Program	Loan
Bolivia	BO-T1139	Preparation of the Sur Lipez Geothermal Project (BO-L1057)	TC
Bolivia, Paraguay, Peru, Colombia, Ecuador	TC0112122	Payments for Environmental Services	TC
Brazil	BR0208	TC Loan Development & Preparation Ecotur	Loan
Brazil	TC9602253	Conservation Plan Abrolhos National Marine Park	TC
Brazil	TC0204004	Conservation Units and Eco-Tourism Development	TC
Brazil	BR-L1013	Ecotourism Development Mata Atlantica, São Paulo	Loan

⁴ From Carrizosa and Westphal (2007). The list is comprehensive until 2006 based on the source. After the year 2006, projects have been added on an ad-hoc basis. Projects highlighted in yellow have been reviewed for this paper.

Brazil	BR-T1012	Develop Ecotourism Strategy Mata Atlantica State Park	TC
Brazil	BR0249	Pantanal I Sustainable Development Prog.	Loan
Brazil	TC9701443	Environmental Conservation in Tocantins	TC
Brazil	BR0323	Prodetur II Northeast Region	Loan
Brazil	BR 1392	Prodetur	GEF
Brazil	BR0262	National Environment Fund II Stage	Loan
Brazil	TC9405277	Environmental Protection Park Serra Capivara	TC
Brazil	TC9405053	Marine Conservation	TC
Brazil	BR0313	Acre Sustainable Development	Loan
Brazil	TC0001015	Forestry Evaluation in the State of Acre	TC
Brazil	TC0005011	Support Natural Resources	TC
Brazil	TC0201026	Program to Promote Commercial Opportunities among Rural Small Producers	TC
Brazil	TC9605124	Support to Fishery in Alagoas	TC
Brazil	TC9405045	Wildlife Sanctuaries	TC
Brazil	TC9811101	Environmental Improvement Coal Mining Santa Catarina	TC
Brazil	TC9611080	Coastal Management in Tamandare	TC
Brazil	BR0246	Pernambuco's Zone Da Mata Sustainable Development	Loan
Brazil	TC9703184	Sustainable Use Tropical Forest in Acre	TC
Brazil	BR0345	Federal District Sanitation Program	Loan
Brazil	TC9911066	Ecological Reservation Program	TC
Brazil	BR0278	Roadway Program II of the State of Bahia	Loan
Brazil	BR-M1012	Support to Community-based Microenterprises in Alagoas	TC
Brazil	BR0216	Fernao Dias Highway Stage II	Loan
Brazil	BR0295	Transportation Program Sao Paulo	Loan
Brazil	BR0251	Roads Program Rio Grande do Sul	Loan
Brazil	BR-L1081	Programa de Saneamiento Ambiental de Porto Alegre	Loan
Brazil	BR-L1006	Macambira-Anicuns Urban Environmental Program	Loan
Brazil	BR 0397	Environmental Rehabilitation Belo Horizonte	Loan
Chile	TC0011055	Development Plan Artisan Fisheries V Región	TC
Chile	TC0112005	Community Based Tourism On Island of Chiloe & Province of Palena	TC
Chile	CH0164	Integrated Development Indigenous Communities	Loan
Chile	CH0172	Community Based Tourism Development- Chiloe and Palena	Loan
Colombia	TC9608243	Environmental Policy Curitiba-Pereira	TC
Colombia	TC0204002	Strengthening of the Artisanal Fisheries Production Chain in Chocó	TC
Colombia	SP9302027	Support to FMSD	TC
Colombia	CO0157	Land Titling & Registry Modernization	Loan
Colombia	TC9801243	Watershed Management Plan Chinchina River	TC
Colombia	CO0262	National Environmental System Support Program	Loan
Colombia	CO X1004	Protecting Biodiversity in the Southwestern Caribbean Sea Seafloor	GEF
Colombia	CO-L1019	San Francisco-Mocoa Alternate Road Construction Project - Phase I	Loan
Colombia	CO-T1145	Mainstreaming Biodiversity Conservation through avoided Deforestation	TC
Colombia	CO-T1142	Conservation and Development in High Biodiversity Areas - Pasto Mocoa Project	TC
Colombia	CO-T1038	Preparation of the Infrastructure Project for the Pasto - Mocoa Road	TC

Costa Rica	CR-X1002	PDF-A Marine and Coastal Ecosystem Management & Conservation in Puntarenas	GEF
Costa Rica	CR X1004	Marine and Coastal Resources Management in Punta Arenas	GEF
Costa Rica	CR0150	Sustainable Development of the Binational Watershed Rio Sixaola	Loan
Costa Rica	CR-T1005	Ecotourism in Protected Areas	TC
Costa Rica	TC9610363	Support Biodiversity Development Use	TC
Costa Rica	TC9602419	Training Agronomists in Sustainable Agriculture	TC
Costa Rica	SP0204014	Organic Production System for Small-Scale Farmers in Talamanca	TC
Costa Rica	CR-T1011	Sustainable Development Program Central Pacific-Brunca Region	TC
Costa Rica	CR0157	Sustainable Development Huetar Atlantic Basin Region	Loan
Costa Rica	CR-T1006	Strategy for Sustainable Development of Puntarenas (Central Pacific Region)	TC
Costa Rica	TC0010042	Punta Arenas Marine Park Support Study	TC
Costa Rica	CR0142	Sustainable Development of the Food and Agriculture Sector	Loan
Costa Rica	TC0210056	Sustainable Development Program for the Atlantic Huetar Watershed Region	TC
Costa Rica	TC9603269	Tarcoles River Watershed Management Program	TC
Costa Rica	CR-L1049	Second Operation CCLIP - Reventazon Hydroelectric Project	Loan
Costa Rica	CR-T1074	Reventazon Hydroelectric Project Complementary Environmental Studies	TC
Dominican Republic	DR-X1001	PDF-B Integrated Management of the Coastal and Marine Zone of Samaná	GEF
Dominican Republic	DR-S1001	Sustainable Family-Based Ecotourism	TC
Dominican Republic	TC0210048	Watershed and Coastal Management Program	TC
Ecuador	EC-X1001	PDF-A Conservation and Management of Sharks	GEF
Ecuador	EC0191	Land Titling and Registration	Loan
Ecuador	TC0105033	Support Galapagos Marine Research Found	TC
Ecuador	EC0134	Environmental Management Program Galapagos	Loan
Ecuador	EC-T1049	Organizational Development of the Galapagos National Park	TC
Ecuador	EC0193	Coastal Resource Management Project - Stage II	Loan
Ecuador	EC-T1018	Supporting Environmentally Beneficial National Reforestation Plans	TC
Ecuador	EC0201	Sustainable Development Northern Amazon Region	Loan
Ecuador	EC-T1019	Feasibility Study for Fish Aggregating Devices in Galapagos	TC
Ecuador	EC0143	Pichincha Hill Side Project	Loan
Ecuador	EC-T1045	Feasibility Studies of Nature and Community Tourism	TC
Ecuador	EC X1004	Marine and Coastal Biodiversity Conservation	GEF
Ecuador	EC-L1059	Support for a Coastal Artisanal Fishing Project	Loan
El Salvador	ES0024	National Environment Protection Program	Loan
El Salvador	TC9807195	New Microenterprise Producers of Organic Veg.	TC
El Salvador, Guatemala, Honduras	RS-X1018	PDF-B. Preparation Integrated Management of the Montecristo Area	GEF
El Salvador, Guatemala, Honduras	RS-X1016	Integrated Management of the Montecristo Trinational Protected Area (El Salvador, Guatemala, Honduras)	GEF
Guatemala	TC9901042	Sustainable Forestry Management Project	TC
Guatemala	GU-S1006	Project to Boost the Competitiveness of Small Specialty Coffee Growers	TC
Guatemala	SP0306013	Support of Small Mayan Coffee Producers	TC

Guatemala	GU0133	Priority Basin Natural Resources	Loan
Guatemala	GU-M1007	Commercialization of Artisan Fishing Products	TC
Guatemala	GU-X1002	PDF-B Improvement of Management Effectiveness in Maya Biosphere Reserve	GEF
Guatemala	GU X1001	GRT Improvement of the Management Effectiveness of the MBR	GEF
Guatemala	GU-L1002	Petén Development Program for the Conservation of the Mayan Biosphere Reserve	Loan
Guatemala	GU-T1045	Strategic Plan for Tourist Development in Lake Atitlan	TC
Guatemala	GU0066	Environmental Recovery Program for the Amatitlan Lake Basin	Loan
Guatemala	GU-T1021	Master Plan for the Management and Sustainable Development of Lake Peten Itza	TC
Guatemala	GU0081	Sustainable Development of Peten	Loan
Guatemala	TC9509102	Sustainable Development Prog. for Peten	TC
Guatemala	GU-L1014	Establishing Cadastral Registry & Strengthening Legal Certainty Protected Areas	Loan
Guyana	TC9504392	Environmental Management Program	TC
Guyana	GY-T1075	Amaila Falls Hydroelectric Project Preparation Studies	TC
Guyana	GY-L1035	Amaila Falls Hydroelectric Power Project	Loan
Haiti	HA-L1006	Institutional Strengthening for Environmental Management	Loan
Haiti	TC9806160	Coastal and Marine Resources Management	TC
Haiti	TC0303042	Organic Agriculture Practices	TC
Haiti	HA-T1041	Communication Strategy for Sustainable Watershed Management	TC
Haiti	HA-T1037	Preparation of the Intervention for the Watershed Management Program	TC
Haiti	HA-T1033	Support for Preparation & Implementation of the Watershed Management Project	TC
Haiti	HA-L1009	Ennery-Quinte Agricultural Intensification Project	Loan
Haiti	TC9610446	Coastal Marine Protection	TC
Haiti	HA0075	Rural and Secondary Roads	Loan
Haiti	HA-T1037	Preparation of the Intervention for the Watershed Management Program	TC
Haiti	HA-L1006	Institutional Strengthening for Environmental Management	Loan
Haiti	HA-L1055	Infrastructure Program	Loan
Haiti	HA-L1070	SAE-A Haiti Investment Plan	Loan
Honduras	TC0109016	Ecosystem Management of the Bay Islands	TC
Honduras	HO-X1003	Consolidation Environmental Management of Bay Islands	GEF
Honduras	HO-T1003	Management Protected Areas Regional Tourism Context North Coast	TC
Honduras	HO0179	Natural Resources Management of Priority Basin	Loan
Honduras	HO-T1041	Tourism for Biodiversity Conservation in Caribbean Honduras	TC
Honduras	HO0195	National Sustainable Tourism Program	Loan
Honduras	TC9611056	Ecologic Studies of Parque la Tigra	TC
Honduras	SP0303009	Beekeeping As An Alternative Farm Enterprise	TC
Honduras	TC0002003	Forestry Certification	TC
Honduras	HO0124	PPF: HO0035 Resources Man. El Cajon Watershed	Loan
Honduras	HO0197	Comprehensive Development Autochthonous People	Loan
Honduras	HO0218	Pro-Bosque Program	Loan

Honduras	HO-T1006	Training Manual and Protection Strategy for Bark Beetles in Pine Forests	TC
Honduras	HO-L1006	PEF HO0195 National Sustainable Tourism Program	TC
Honduras	HO0198	Bay Islands Environmental Management Program II	Loan
Honduras	TC0201062	Strengthening Local Participation for Environmental Management in Bay Islands	TC
Honduras	HO0126	PPF: HO0028 Bay Islands Environment Management	Loan
Jamaica	TC0010007	Coastal Zone Management Portland Bight	GEF
Jamaica	TC9909001	Portland Bight Fisheries Management	TC
Jamaica	TC9505035	Watershed Management Program	TC
Jamaica	JA0044	Northern Coastal Highway Improvement	Loan
Jamaica	TC9707235	Feasibility Study Watershed Management	TC
Mexico	TC9609093	Ground Water Recharge Ecological Conservation Zone	TC
Mexico	SP9905008	Organic Coffee Industrialization	TC
Mexico	ME-T1013	Preparation of the Sinaloa Sustainable Coastal Management Program	TC
Mexico	ME0213	Procampo Support Program	Loan
Mexico	TC9907000	Strategic Plan Forest Sector in Mexico	TC
Mexico	ME-L1110	Etileno XXI	Loan
Nicaragua	NI-0141	Social Environment for Forestry Development II	Loan
Nicaragua	NI-0025	Forestry Resources Management Conservation Program	Loan
Nicaragua	NI-T1002	Environmental, Social Evaluation for Road Program	TC
Nicaragua	NI X1005	Sustainable Integrated Management of the Apanas-Asturias Watershead	GEF
Nicaragua	NI-L1048	Environmental Program for Disaster Risk and Climate Change Management	Loan
Nicaragua	NI-L1055	Proposal for an additional financing of cost overruns for SIEPAC Project	Loan
Panama	PN-X1001	A Management & Conservation Marine-Coastal Ecosystems in Chiriqui Province	GEF
Panama	TC9806483	Management & Protection Panama Watershed	TC
Panama	PN-T1016	Strengthening of Local Capabilities and Tourist Operation of Darien	TC
Panama	PN0116	Darien Sustainable Development	Loan
Panama	PN0120	Loan TC Tourism Support Program	Loan
Panama	PN-M1006	Strengthening Organic Production and Commercialization in Valle de Antón	TC
Panama	TC9609275	Mining Sector Environmental Management	TC
Panama	PN0149	Sustainable Development Province Bocas del Toro	Loan
Panama	PN0135	PPF: PN0116 Darien Sustainable Development	TC
Panama	TC0011010	Support for Management Marine Coastline National Program	TC
Panama	PN-T1018	Social and Environmental Evaluation for Program of Road Infrastructure (PN-L1010)	TC
Panama	PN-T1007	Development Program Formulation for Chiriqui Region	TC
Panama	PN0139	Priority Activities Hydrographic Basin Panama Canal	Loan
Panama	PN X1003	Mainstreaming Biodiversity Conservation through low-impact ecotourism in the SINAP	GEF
Panama	PN-L1054	Pando-Monte Lirio Hydroelectric Power Project	Loan
Paraguay	PR0116	Support for National Environment System	Loan
Paraguay	PR0082	Cotton Small Farm Development Program	Loan
Paraguay	PR-S1005	Organic Production and Marketing Systems for Small	Loan

		Farmers	
Paraguay	TC9910004	Sustainable Model Consolidation	TC
Paraguay	PR0035	Road Corridors	Loan
Paraguay	PR0113	Western Integration Roads	Loan
Paraguay	PR0104	Rural Roads National Program II	Loan
Paraguay	PR-L1050	National Tourism Program	Loan
Peru	TC9304445	Environmental Institutional Strengthen	TC
Peru	TC9801392	Regional Amazonic Aquacultural Center	TC
Peru	TC9801384	Technical Assistance to Lipa and Inrena	TC
Peru	SP0212037	Marketing and Diversifying the Production of Small Coffee Growers	TC
Peru	PE-M1026	Conversion to Organic Cacao Farms	TC
Peru	PE-M1022	Conversion to Organic Cultivation of Mangoes	TC
Peru	TC9505043	Modernization in the Fishery Sector	TC
Peru	PE0107	Register and Land Title Stage II	Loan
Peru	TC9505168	Rimac River Watershed Management Program	TC
Peru	TC9708358	Sustainable Development Río Madre de Dios Basin	TC
Peru	PE-T1024	Investment in the Red Vial 6 Toll Road Project	TC
Peru	PE-L1016	Peru LNG Project	Loan
Peru	PE0222	Camisea Project	Loan
Peru	PE0233	Institutional Environmental and Social Strengthening of the Camisea Project	Loan
Peru	PE-L1113	Chaglla Hydroelectric Power Project	Loan
Regional	RS-T1156	Support Implementation of the Bank's Environment Strategy & Partnership Program	TC
Regional (All)	RS-X1013	Regional Private Land Conservation Program	GEF
Regional (All)	RS-T1053	Biodiversity Conservation Protected Areas: Issues for Effective IDB Involvement	TC
Regional (All)	RG-T1115	A Comprehensive Assessment of Transboundary Conservation Opportunities in LAC	TC
Regional (All)	TC9712094	Regional Agriculture Program	TC
Regional (All)	TC9701493	Implementation Fisheries Agreements	TC
Regional (All)	TC9706493	Financing Biodiversity Conservation	TC
Regional (All)	TC9607237	Environmental NGO Enterprise Development	TC
Regional (All)	TC9703332	Environmental NGO Enterprise Development	TC
Regional (All)	RS-T1140	Sustainable Management of Marine Fisheries w/Emphasis on Species Subject to Sport Fishing	TC
Regional (All)	RS-X1056	Technical Expert on Carbon Finance Markets	TC
Regional (All)	RS-X1057	Financial Expert with Experience in Carbon Finance	TC
Regional (All)	TC0006020	Forestry and Environmental Studies	TC
Regional (All)	RS-X1055	Renewable Energy, Energy Efficiency and Carbon Finance in LAC	TC
Regional (All)	TC0108002	Indigenous Community Integrated Ecosystems Management	GEF
Regional (All)	TC0112051	Direct Investment in Sustainable Forest-based Business	TC
Regional (All)	RS-T1100	Technical Workshop on Transboundary Watershed Management	TC
Regional (All)	TC9602237	Latin Ameri Participation Conference Coral Reef	TC
Regional (All)	TC9505142	Ciia: Protected Marine Areas & Coral Reef	TC
Regional (All)	TC0104023	Forestry and Environmental Studies	TC
Regional (All)	TC9810393	Forestry and Environmental Studies	TC
Regional (All)	TC9601479	Ciia: Secondary Forest Management	TC

Regional (All)	RS-T1195	Development of Indicators and Guidelines to Measure Environmental Performance	TC
Regional (All)	RS-T1191	Development of Opportunities for Projects of Payments by Environmental Services	TC
Regional (All)	RG G1001	Conservation Agreement Private Partnership Program	GEF
Regional (Argentina, Brazil, Chile, Colombia, Cost Rica, Mexico, Peru)	TC9602154	Digital Mapping & Geographic Information System	TC
Regional (Argentina, Chile, Ecuador, Colombia, Bolivia, Peru, Venezuela)	TC9406481	Prociandino: Soil Conservation	TC
Regional (Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Panama, Mexico)	RS-T1033	Support for the Global Environment Facility (GEF) Program	TC
Regional (Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Panama, Mexico)	TC9911023	Forestry & Environmental Studies	TC
Regional (Bolivia, Colombia, Ecuador, Peru, Venezuela)	TC9706477	Biodiversity Tropical Andean Countries	TC
Regional (Bolivia, Colombia, Ecuador, Peru, Venezuela)	TC0305013	Project Formulation Biodiversity Strategy Andean Countries	TC
Regional (Brazil, Argentina, Paraguay, Uruguay, Chile)	TC9601445	Ciia: Conservation in Southern Cone	TC
Regional (Brazil, Argentina, Paraguay, Uruguay)	TC9611014	Ecotourism in Mercosur	TC
Regional (Brazil, Argentina, Paraguay, Uruguay)	TC9810442	Human Resource Development in Agricultural Sector: Mercosur	TC
Regional (Brazil, Argentina, Paraguay, Uruguay, Chile)	TC9803249	Equity Investment Southern Cone Environment Fund	TC
Regional (Brazil, Argentina, Paraguay, Uruguay, Chile)	TC9601495	Ciia: Sustainable Agroforestry Systems	TC
Regional (Brazil, Colombia, Peru)	RG-T1145	Sustainable Development of the Agroforestral Resources of Border areas: BR, CO, PE	TC
Regional (Brazil, Peru, Bolivia, Ecuador, Colombia, Venezuela, Suriname, Guyana)	RG-T1151	BPR 38: Sustainable Management of the Amazonas' Biodiversity	TC

Regional (Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama)	RS-X1007	Integrated Ecosystem Management in Indigenous Communities	GEF
Regional (Chile, Peru, Argentina)	RS-X1036	Biodiversity Conservation and Water Sustainable Management of Altiplano Wetlands	GEF
Regional (Colombia, Panama, Costa Rica)	RG-T1513	Management System Fishery Resources in the East Tropical Pacific Marine Corridor	TC
Regional (Costa Rica, Panama)	TC0112040	Sustainable Development Basin Border Area Río Sixaola	TC
Regional (Costa Rica, Panama)	RS-X1006	PDF-B Integrated Ecosystem Management of the Binational Sixaola River Basin	GEF
Regional (Costa Rica, Panama)	RS X1017	Integrated Ecosystem Management of the Binational Sixaola River Basin	GEF
Regional (El Salvador, Guatemala, Honduras)	TC0112024	Plan Management of Trifinio Park	TC
Regional (El Salvador, Guatemala, Honduras)	CA0034	Sustainable Management of the Lempa River Basin	Loan
Regional (El Salvador, Guatemala, Honduras)	TC0105010	Sustainable Development Lempa River Watershed Program	TC
Regional (El Salvador, Honduras, Nicaragua)	RS-X1015	PDF-B Integrated Ecosystems Management of the Gulf of Fonseca	GEF
Regional (Guatemala, El Salvador, Costa Rica, Honduras, Panama, Belize, Nicaragua)	RS-T1121	Environmental Impacts of the Coffee Production in Central America	TC
Regional (Guatemala, El Salvador, Costa Rica, Honduras, Panama, Belize, Nicaragua)	TC0306032	Support the Competitive Diversification of Coffee Growers	TC
Regional (Guatemala, El Salvador, Costa Rica, Honduras, Panama, Belize, Nicaragua)	TC0208023	Supporting the Competitive Position of Central America Coffees	TC
Regional (Guatemala, El Salvador, Costa Rica, Honduras, Panama, Belize, Nicaragua)	TC0108011	Watershed Management Studies for CA	TC
Regional (Guatemala, Nicaragua, Belize, Honduras, El Salvador, Costa Rica, Panama)	TC0201081	Ethno-tourism Project Targeting Areas of Extreme Poverty	TC
Regional (Guatemala, Honduras Nicaragua, El Salvador Costa Rica, Panama)	CA0035	SIEPAC Central American Electric Interconnection	Loan
Regional (Guatemala, Honduras Nicaragua, El Salvador Costa Rica, Panama)	TC9702186	Support to Siepac Project	TC

Regional (Haiti, Dominican Republic, Bahamas, Barbados, Jamaica, Trinidad and Tobago)	TC9503253	Development Caribbean Conservation Association	TC
Regional (Mexico, El Salvador, Honduras)	RS-T1118	Biodiversity Assessment for the Mundo Maya Sustainable Tourism Program Sites	TC
Regional (Mexico, El Salvador, Honduras, Belize, Guatemala)	TC0110048	Mundo Maya Sustainable Development Program	TC
Regional (Mexico, El Salvador, Honduras, Belize, Guatemala)	TC9908038	Mundo Maya Sustainable Development Program	TC
Regional (Mexico, Guatemala, Belize)	RG-T1201	Management of the Trinational Selva Maya Ecosystem (ME-GU-BE)	TC
Suriname	SU-T1014	Kwamalasamutu Community Rural Development	TC
Suriname	TC0001030	Tourism Development Conservation Strategy	TC
Trinidad and Tobago	TT-M1005	Production of Promotional and Educational Multimedia Content for the Environment	TC
Uruguay	TC9505374	Training & Human Resources Forestry Sector	TC
Uruguay	TC9603491	Training & Human Resources Forestry Sector	TC
Uruguay	UR-L1059	Estancias del Lago	Loan
Venezuela	VE0125	Agricultural Technology Program	Loan
Venezuela	VE-L1006	Integral Management of the Caroni River Watershed	Loan
Venezuela	VE-L1014	FEP: VE-L1006 Integrated Management of the Caroní River Watershed	Loan

ANNEX 4: DOCUMENTS REVIEWED

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