



Conservation finance represents a multi-billion dollar annual investment in protecting and restoring environmental features on land.

- The Global Environment Facility has provided **US\$4.5 billion** in grants and generated **US\$14.5 billion** in co-financing from other partners for projects in developing countries since 1991. In 2002, 32 donor countries pledged **US\$3 billion** to fund operations between 2002 and 2006.
- U.S. philanthropic giving to international environmental organizations is now about **US\$7 billion** per year.
- The US Department of Agriculture will provide **US\$20.8 billion** for conservation programs over six years through the 2002 Farm Bill.
- The US Department of Transportation spends nearly **US\$3 billion** per year on conservation and protection.
- The US Army Corps of Engineers spends **20%** of its **US\$4.2 billion** budget on habitat restoration and environmental projects.

Conservation and restoration of ecosystems have a growing financial value with NGOs and government agencies as the primary investors in land acquisition, conservation 'rental' of land and purchase of conservation easements.

- Leading NGOs in this area are The Nature Conservancy, Conservation International, the Trust for Public Lands, Ducks Unlimited, the World Wildlife Fund (WWF), the National Audubon Society and the National Wildlife Federation.
- Debt-for-nature swaps have converted an estimated **US\$200 million** owed by debtor countries in Africa, Asia and Latin America into new sources of funding for forest preservation and the protection of endangered wildlife.
- Recent debt swaps have been arranged in Peru for approximately **US\$11 million**, in Belize for approximately **US\$10.7 million** and a debt swap of approximately **US\$10 million** in Panama is currently under development.
- In 1991, WWF introduced the developing world's first conservation trust fund in the small Himalayan country of Bhutan. The initial investment of **US\$1 million** seeded a fund that now totals more than **US\$35 million**. There are now over 40 trust funds around the world that are based on this model.
- RedLAC (the Latin American and Caribbean Environmental Funds Network) has assets of over **\$US150 million** for conservation in 27 funds throughout Latin America and the Caribbean.

International and national policies on biodiversity demonstrate growing recognition of the problem and the role of market solutions.

- Multilateral Environmental Agreements like the Convention on Biological Diversity and the Ramsar Convention on Wetlands provide the foundation for international conservation efforts.
- The US Tropical Forest Conservation Act of 1998 is a vehicle to scale up support for multiple debt-for-nature conservation transactions each year.

The estimated total annual operating costs of a global protected areas system are US\$45 billion. The current expenditures to manage the existing global protected areas network are estimated at US\$6.5 billion. In recent years, governments, public agencies and NGOs have begun to develop sustainable conservation finance mechanisms that provide long-term funding for environmental protection, such as:

- Conservation trust funds
- Tourism-based user fees
- Debt-for-nature swaps
- Natural resources extraction fees
- Investment funds to support biodiversity-friendly business

By helping other conservation markets develop and grow, the Ecosystem Marketplace aims to help fill in the short fall of conservation funding. The Ecosystem Marketplace will:

- Provide guidance on conservation markets and create a venue for buyers and sellers to come together.
- Provide practical information and tips through tools, library resources and articles to assist in the creation of markets and the participation of buyers and sellers.
- Illustrate and evaluate past transactions, contractual conditions and financial mechanisms that buyers and sellers need to create robust and active markets.
- Provide governments around the globe with examples of successful local, national and international regulations.