



# **New Zealand BIOFIN Assessment Frequently Asked Questions (FAQ)**

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The FAQ will be updated throughout the Assessment

# Frequently Asked Questions

## 1. What is BIOFIN?

The Biodiversity Finance Initiative (BIOFIN) is a global initiative started 10 years ago to help countries break from the historical pattern of biodiversity loss. BIOFIN works with governments in over 40 countries to drive more investment in biodiversity goals. The process builds on the pillars of engagement, partnerships, and technical work customised to the country. BIOFIN is part of the United Nations Development Programme (UNDP).

## 2. What is the NZ BIOFIN Assessment?

The Assessment is a four-stage review of how much is being spent on biodiversity in Aotearoa New Zealand, and on what, including:

- Policy and Institutional Review (PIR) – current biodiversity finance.
- Biodiversity Expenditure Review (BER) – how well biodiversity finance is being spent.
- Financial Needs Assessment (FNA) – how much we should spend, and on what.
- Biodiversity Finance Plan (BFP) – how to fund the work.

The Assessment has a line of sight to the Aotearoa NZ Biodiversity Strategy (ANZBS) published by the Department of Conservation. The ANZBS provides the overall strategic direction for biodiversity in Aotearoa New Zealand for the next 30 years.

## 3. Why is the Assessment being done?

Biodiversity is the variety of life on earth. Over the last 50 years the living planet index of over 32,000 global vertebrate populations has collapsed by 70% and is continuing to collapse. The United Nations is calling for urgent action saying the collapse is continuing due to a significant shortfall in wildlife investment.

Aotearoa New Zealand has approximately 4,000 species which are threatened or at risk of extinction. The NZ BIOFIN Assessment will provide valuable information and insights into the efficiency and scale of the investment needed to improve how we protect and restore our country's biodiversity.

## 4. How is the Assessment being carried out?

The NZ BIOFIN Assessment is being carried out between 2024 and early 2026. It is led by Ian Herbert at the Otago University Business School, in collaboration with the public and private sectors. The Assessment is an independent university approach – it is not led by government and has no binding requirements at the end of the Assessment.

## 5. What are the deliverables?

The NZ BIOFIN Assessment will include:

- Policy and Institutional Review (PIR).
- Biodiversity Expenditure Review (BER).
- Financial Needs Assessment (FNA).
- Biodiversity Finance Plan (BFP).
- A complete report and modelling results, with Causal Loop Diagrams and stock and flow modelling (Biodiversity Finance and Biodiversity stocks).

The project will also include a NZ BIOFIN Business Case to provide rationale for investment. This will follow the United Kingdom and New Zealand Treasury business case framework, which aligns with the BIOFIN Assessment method. It provides a structured way to define the problems and benefits sought,

evaluate possible solutions, outline the reason for the investment, and consider if the public spend represents value for money.

## **6. What's in scope?**

The Assessment covers investment from the public and private sectors and includes international trade. 17%–30% of all global biodiversity loss (including approximately 25% of projected extinctions) is embedded in international trade.

## **7. What's out of scope?**

The Assessment excludes regulatory approaches to environmental outcomes such as the Resource Management Act (RMA) reform and non-financial improvements to biodiversity. It excludes the circular economy, regional studies, species studies, consumption and production efficiency, waste, pollution, financial wealth and banking, energy efficiency, indirect environmental finance.

## **8. What are the critical success factors?**

- Collaboration, openness, political will and capacity to undertake the assessment.
- Iwi engagement and incorporation of te Ao Māori.
- Finance solutions based on sound evidence.
- Prioritisation and decision-making informed by a wide group of stakeholders.
- The needs of the least able and most vulnerable members of the society are considered.
- Disclosure of expenditure and investment data leads to efficiency and effectiveness gains.

The most important factor for success is an open and collaborative process across the public and private sectors, with adequate and timely provision of information. The more organisations that collaborate, the more valuable the results will be.

## **9. What is the Te Mana o te Taiao – Aotearoa New Zealand Biodiversity Strategy?**

Aotearoa New Zealand is a signatory to the Convention on Biological Diversity (CBD). As such, we have committed to producing a Biodiversity Strategy. The Aotearoa New Zealand Biodiversity Strategy (ANZBS) 2020 is intended to guide all those who work with or have an impact on biodiversity, including whānau (family groups), hapū (clans) and iwi (tribes), central and local government, industry, non-government organisations (NGOs), scientists, landowners, communities, and individuals. The NZ BIOFIN Assessment is mapped to the 27 programme areas of the ANZBS.

## **10. How are we doing with implementing the ANZBS?**

The current system is failing to tackle issues at the scale needed to address the ongoing and cumulative loss of indigenous biodiversity. Because of the extensive number of players, each with their own governance and leadership structures, policy, planning and implementation are mostly carried out independently. In any effective system, all players must collaborate to achieve successful outcomes.

## **11. Is biodiversity loss related to biodiversity finance?**

Yes. As a high-level estimate, it's suspected that core biodiversity investment in Aotearoa New Zealand is less than 0.25% of our national economic activity but is likely to require 0.5% investment in the medium term to help close the gap on biodiversity loss. Our consumption and population growth continue to exceed biodiversity finance growth, leading to year-on-year biodiversity loss or degradation.

## **12. Is the NZ BIOFIN Assessment all about money?**

No. Competing interests and values affect biodiversity. People making decisions about land/sea and resource management must consider difficult trade-offs and costs. Our decision-making and economic systems often fail to account for the full value of nature – commercial values, ecosystem services (a healthy liveable environment), cultural or social wellbeing of people, intrinsic values of nature over and above economic values, and options values for people to use and enjoy nature in the future. The NZ BIOFIN Assessment proposes that our society should pass on biodiversity in the same or better state to our future generations.

## **13. What do we know about our current biodiversity spending?**

In 2023/24 the Parliamentary Commissioner for the Environment (PCE) estimated central government environmental expenditure on improving biodiversity and ecosystem functioning and resilience of Aotearoa New Zealand at \$875 million mainly funded by the Department of Conservation and the Ministry for Primary Industries. The estimate for regional councils and unitary authorities in 2017/18 was a total of \$127 million. There will be a significant amount of work required to collect and categorise BIOFIN expenditures, especially in the private sector which is largely unknown so far.

## **14. Will spends in all categories be as effective as each other?**

Protection spend may provide a greater percentage of the benefit for less cost, due to its cost effectiveness. Per hectare costs are significantly lower for protection than for restoration, which is, on average, six times more costly internationally.

## **15. How will we measure biodiversity outcomes?**

The primary focus of the NZ BIOFIN Assessment is the achievement of the ANZBS biodiversity outcomes. This includes core biodiversity functions of national ecosystem integrity, representation, species endangerment, and biodiversity risk management.

## **16. What about climate change?**

Climate change is the third most significant impact on biodiversity loss, behind habitat conversion and unsustainable exploitation. People tend to know more about climate change issues than biodiversity loss, but many people do not know 'why' climate change is an important issue. The United Nations Framework Convention on Climate Change (UNFCCC) was drafted at the same time as the CBD. A key reason for the UNFCCC is to support the objectives of the CBD by reducing biodiversity loss from climate change, so it is important not to separate climate change from biodiversity loss.

## **17. How is it managed and governed?**

The BIOFIN Assessment is a one-off assessment that can and should be repeated. The assessment lead is Ian Herbert, initiator of the project. This work is being undertaken via Otago University Business School (ethics and method) and Biodiversity Investment Limited (delivery management). Governance is proposed as (a) a reference group to provide feedback to the project team on risks, opportunities, threats and strengths of each stage of the project and (b) a working group to do the work. Interested members of parliament have the opportunity to be kept informed at key stages by the NZ Assessment Lead.

## **18. Who owns the reports?**

The BIOFIN Assessment lead owns the research deliverables. They will be shared with the UNDP BIOFIN team for inclusion in their library. The BIOFIN products, including the Business Case, CBD ancillary agreement and modelling results will be publicly available with no intellectual property rights or cost. Some of the information used to prepare the Assessment will be commercially sensitive and kept confidential. This information is managed through confidentiality agreements in accordance with the Otago University Ethics Approval ID3632883.