RESOURCE MOBILIZATION TO TACKLE THE UNDERLYING DRIVERS OF BIODIVERSITY LOSS: A SHARED INTEREST ACROSS THE MULTILATERAL ENVIRONMENT AGREEMENTS IN THE CONTEXT OF THE POST-2020 GLOBAL BIODIVERSITY FRAMEWORK

1. This document, titled "Resource Mobilization to tackle the underlying drivers of biodiversity loss: a shared interest across the multilateral environment agreements in the context of the post 2020 global biodiversity framework", has been prepared by UNEP and UNEP-WCMC under the Environmental Treaties programme Realizing synergies for Biodiversity.

2. It outlines key considerations on resource mobilization for multilateral environmental agreements (MEAs) in of the context of the post-2020 global biodiversity framework. In particular, the document highlights why resource mobilization approaches need to be revised; what are the key objectives for effective resource mobilization, namely i) reducing, redirecting and repurposing harmful use of financial resources, including through subsidies, ii) generating new financial resources, and iii) increasing the efficiency of the use of existing resources; and how we can better achieve the aforementioned objectives by linking and coordinating the biodiversity sector's resource mobilization efforts with i) other environmental agendas, ii) other social agendas for sustainable development, and iii) the business and finance sectors.

3. The discussion paper is made available to support deliberations on agenda items 6 (Resource mobilization and the financial mechanism) and 8 (Cooperation with other conventions, international organizations and initiatives) of the third meeting of the Subsidiary Body on Implementation.

Resource Mobilization to tackle the underlying drivers of biodiversity loss: a shared interest across the multilateral environment agreements in the context of the post-2020 global biodiversity framework

Key Messages

Despite progress made by the biodiversity-related multilateral environmental agreements (MEAs) on a range of issues, they have not been effective instruments for resource mobilization to tackle the underlying drivers of biodiversity loss. The lack of progress in addressing the underlying drivers of biodiversity loss emphasizes the need to further consider synergies across MEAs, particularly in relation to resource mobilization strategies.

While COVID-19 poses direct and indirect risks to resource mobilization for biodiversity, opportunities may be developed through COVID pandemic recovery efforts, with a focus on 'building back better.' The link between environmental degradation and the risk of pandemics has mobilized political support to address underlying drivers of biodiversity loss and reduce the risk of future outbreaks of zoonotic diseases. However, resources are yet to be mobilized to deliver on these priorities, with only 18% of recovery spending to date considered 'green'.

The biodiversity-related MEAs as well as other MEAs face common underlying drivers hindering their objectives, which may necessitate establishing a common strategy for resource mobilization. Common strategies should focus on all public and private financial flows which impact biodiversity, climate change and habitat degradation, and emphasize related societal agendas including health, water and food security and disaster-risk resilience.

Successful resource mobilization for biodiversity depends on three key objectives: i) Reducing, repurposing and redirecting harmful use of financial resources, including through subsidies; ii) Generating new financial resources; and iii) Increasing the efficiency of the use of existing resources. Achieving these will be critical to catalyse transformative changes in the global economy, alongside strengthening resource-related synergies between MEAs.

To increase the efficiency of existing resources, environmental frameworks and organisations should not be limited to financing biodiversity-positive activities, but rather extend their scope to tackling 'harmful finance' that contributes to the underlying and direct drivers of biodiversity loss and financing the transition to nature positive economic activities.

There is a need to align regulatory, fiscal, financial and societal incentives across economies to restore and protect biodiversity and ensure its sustainable use. This alignment should influence flows across the whole economy to leverage investments in nature over investments which lead to biodiversity loss. This includes targeting productive economic sectors alongside unsustainable consumption patterns, particularly in areas of high per capita consumption.

Immediate action should be prioritised. Failure to act will increase future burdens on resource mobilization. Coordinated resource mobilization strategies must leverage the political momentum associated with the post-2020 framework and the increasing recognition of the global biodiversity crisis.

Introduction

This Information Document outlines key considerations on resource mobilization for multilateral environmental agreements (MEAs) in of the context of the post-2020 global biodiversity framework. Its scope goes beyond the biodiversity-related MEAs, emphasizing important synergies between the Rio Conventions and therefore addressing biodiversity alongside climate change and desertification. This document synthesizes critical aspects of resource mobilization to address the following questions:

- **Why** is it important to revise existing approaches to resource mobilization?
- **What** are the key objectives for more effective resource mobilization?
- **How** can we strengthen resource mobilization efforts to achieve common goals across and beyond the Rio Conventions?

Section 1 of this document highlights *why* resource mobilization approaches need to be revised. Section 2 outlines *what* are the key objectives for effective resource mobilization, namely i) reducing and redirecting harmful use of financial resources, including through subsidies, ii) generating new financial resources, and iii) increasing the efficiency of the use of existing resources. Section 3 outlines *how* we can better achieve the aforementioned objectives by linking and coordinating the biodiversity sector's resource mobilization efforts with i) other environmental agendas, ii) other social agendas for sustainable development, and iii) the business and finance sector.

1. Why *do we need to think differently about resource mobilization to change outcomes for biodiversity?*

1.1. We are failing to tackle the underlying drivers of biodiversity loss

A critical conclusion of the IPBES Global Assessment[1], which provided a comprehensive assessment of progress towards major internationally agreed objectives related to nature and its contributions to people, was that **drivers of biodiversity loss are intensifying**, and **progress towards goals and targets to reduce these pressures has been largely insufficient.** The 5th Global Biodiversity Outlook (GBO-5) confirmed that that none of the 20 Aichi Targets have been fully achieved, despite partial progress on some of the targets' elements[2].

Failure to achieve biodiversity targets and to prevent further loss of nature is credited to the lack of political support and the failure "to establish the institutions, governance and behaviours necessary for achieving the specific targets and objectives of conventions".[1] This reflects a **disconnect between efforts to increase conservation action and efforts to tackle the drivers of biodiversity loss**; with **spatial, temporal and sectoral mismatches between drivers and responses**.

This highlights an important **shared interest across biodiversity-related MEAs in terms of resource mobilization**: the need to **think beyond the resources that are directly used for biodiversity** and to **work collectively on how to influence the resource flows which impact the drivers of biodiversity loss**.

This is also **fundamental to the success of mobilizing resources for the post-2020 global biodiversity framework**, emphasizing the **need to consider common underlying drivers of change**. The Convention on Biological Diversity (CBD)'s earlier strategies on resource mobilization[3] did not effectively consider the

[1] IPBES (2019) Chapter 3: Assessing progress towards meeting major international objectives related to nature and nature's contributions to people, *Global Assessment Report on Biodiversity and Ecosystem Services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.* IPBES secretariat, Bonn Germany.
[2] Secretariat of the Convention on Biological Diversity (2020) *Global Biodiversity Outlook 5*. Montreal, Canada.
[3] CBD COP decision IX/11 - Strategy for Resource Mobilization in Support of the Achievement of the Convention's three Objectives for the Period 2008-2015

underlying drivers of biodiversity loss, as concluded in the first report of its Panel of Experts on Resource Mobilization.[4,5] One of the key findings identified by the Panel of Experts at the time was that the 2008-2015 Strategy for Resource Mobilization failed to articulate the role of the finance sector, did not adequately address private sector investment, and failed to raise the priority placed on biodiversity outside of environment ministries.

1.2. COVID-19 is a risk for biodiversity in the short term but an opportunity for economic change if recovery efforts focus on sustainable development

Alongside the direct human impact of **COVID-19**, the pandemic has resulted in an enormous and unequally distributed economic shock impacting both people and nature. As highlighted in recent research[6,7] there are a number of routes through which **negative impacts on financial resources for biodiversity might be expected**:

- Directly and immediately as a result of reductions in revenues associated with nature-based tourism in protected areas, reduction of flows from zoos and aquariums suffering from diminished visitor revenues, and the diversion of spending towards health and humanitarian crises.
- Over a slightly longer period, further pressure will arise as the impacts of economic recession flow through domestic economies and hit official development aid and philanthropy. Where livelihoods in and around conservation areas are impacted by those funding cuts and government need to raise tax revenues, protected areas (and biodiversity at large) may also face increased pressures.

On the other side, the pandemic has also highlighted the connection between human health and the degradation of ecosystems, with **evidence showing that human impacts on the environment increase the risk of pandemics**[8]. This has **mobilised support for wildlife conservation policies**[9], and is reflected in the Leaders Pledge for Nature issued at the 2020 UN Summit on Biodiversity which acknowledged how the loss of biodiversity, encroachment of ecosystems, and unsustainable economic activities can increase the emergence and spread of infectious diseases. In this pledge, world leaders committed to "*putting biodiversity, climate and the environment as a whole at the heart both of our COVID-19 recovery strategies and investments and of our pursuit of national and international development and cooperation*." [10]

In this context there is **increasing pressure for governments to stimulate a green and inclusive recovery** – the environment community needs to recognise and contribute to this opportunity to reset the global economy and change path[11]. The **post-2020 global biodiversity framework must also capture this need for systemic change** if it is to set out a pathway to meet the 2050 Vision for Biodiversity of "living in harmony with nature".

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[4] The Panel of Experts on Resource Mobilization was established in response to Decision CBD/COP/14/22, to contribute to the post-2020 framework and produce reports on different aspects of resource mobilization.

[5] CBD Panel of Experts on Resource Mobilization (2020), Evaluation and Review of the Strategy for Resource Mobilization and Aichi Biodiversity Target 10, Convention on Biological Diversity.

[6] Lindsey, P. et al. (2020) Conserving Africa's wildlife and wildlands through the COVID-19 crisis and beyond. *Nat Ecol Evol* **4,** 1300–1310.

[7] Hockings, M et al. (2020) Covid-19 and Protected and conserved areas. Parks Journal 26(1).

[8] IPBES (2020) *Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services*. IPBES secretariat, Bonn, Germany.
UNEP (2020) "Preventing the next pandemic - Zoonotic diseases and how to break the chain of transmission"

[9] Shreedhar, G., Mourato, S. (2020) *Linking Human Destruction of Nature to COVID-19 Increases Support for Wildlife Conservation Policies*. Environ Resource Econ **76,** 963–999

[10] Leaders' Pledge for Nature (2020): UN Biodiversity Summit.

[11] McElwee, Pamela, et al. (2020) *Ensuring a Post-COVID Economic Agenda Tackles Global Biodiversity Loss.* One Earth.

1.3. Reflecting synergies in addressing resource mobilization for biodiversity: climate change, biodiversity-related MEAs and collective solutions

Alongside economic pressures derived from unsustainable demand on the world's natural resources, climate change is identified as a common threat to the delivery of objectives across all biodiversity-related MEAs in accordance with the IPBES Global Assessment.[1] **Addressing climate change in a way which maintains the health of biodiversity and the biosphere is an essential shared interest**.

Connecting efforts to tackle climate change and biodiversity loss is essential to maximise the benefits of investing in nature-based solutions, both on land[12] **and in the ocean**[13,14], yet political focus on nature's role is only recent[15].

We already know that we do not have enough "natural capital" to meet the Sustainable Development Goals (SDGs).

Nature underpins the 2030 Agenda for Sustainable Development and is critical to the delivery of 14 (out of 17) SDGs[16]. But recent estimates[17] suggest that **meeting the SDGs requires a natural capital stock 30% - 83% greater than it is at the moment**. This implies a need to **change how biodiversity is discussed in the context of development**, **shifting focus from reducing trade-offs between economic development and biodiversity to identifying how development objectives can be delivered through / with investments in nature**.

This **need for "more and healthier nature" is now also mirrored/reflected in mainstream economic circles**. The World Economic Forum have estimated that **more than half the world's GDP is "moderately or highly dependent on nature and its services, and therefore exposed to risks from nature loss"** [18]**.**

Continuing to erode the ecological foundations of our economies and societies has been shown to be economically irrational. The Interim Report of the Dasgupta Review of the Economics of Biodiversity[19] estimated that **returns to investments in nature are likely to be more than 3 times the long run return on manufactured capital**, suggesting **we could benefit significantly by shifting path and investing far more in natural assets**.[12] This is also mirrored in research for WWF[20] which – **looking at only six ecosystem services and their benefits related to GDP, showed shifting from a business as usual to a global conservation scenario would lead to a cumulative US$10 trillion increase in GDP by 2050.** This is particularly significant as it is modelled within the current economic system which systematically undervalues biodiversity.

If the connections can be made, **investments to stabilise and strengthen ecological foundations of our economies and societies could benefit to the objectives of all MEAs**.

1.4. To deliver transformative change we know we need more integrated solutions

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[12] Griscom et al. (2017) *Natural Climate Solutions*. Proceedings of the National Academy of Sciences, 114(44), 11645-11650.

[13] Hoegh-Guldberg. O., et al. (2019) *The Ocean as a Solution to Climate Change: Five Opportunities for Action*. Report. World Resources Institute. Washington, DC.

[14] Kapos, V., et al. (2019) *The Role of the Natural Environment in Adaptation, Background Paper for the Global Commission on Adaptation*. Rotterdam and Washington, D.C.: Global Commission on Adaptation.

[15] UNEP (2019) *Nature-Based Solutions for Climate*, UN Environment Programme. Nairobi, Kenya.

[16] Pesce et al. (2020) Integrating Biodiversity into the Sustainable Development Agenda: An analysis of Voluntary National Reviews. UNEP-WCMC, Cambridge, UK.

[17] GGKP (2020) Natural Capital and the Sustainable Development Goals (SDGs). Green Growth Knowledge Partnership (GGKP) Expert Group on Natural Capital. Geneva, Switzerland.

[18] WEF (2020) *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*. New Nature Economy Series, World Economic Forum in collaboration with PwC. Geneva, Switzerland.

[19] Dasgupta Review Interim Report (2020)

[20] WWF (2020) *Global Futures: Modelling the Global Economic Impacts of Environmental Change to Support Policy-making*. Technical Report. WWF.

Scenario analyses and modelling show the importance of 'integrated solutions' to reverse global biodiversity loss, halt climate change, and secure people's wellbeing. **Bold conservation and restoration efforts must be combined with a transformation in food, energy, land-use systems… to secure the wellbeing of people and nature**.[21] Without this, even the best conservation efforts are unlikely to prevent 50% of the projected losses in biodiversity. Instead, projections show continued losses combined with potential increases in global food prices, threatening food security and overall stability.21

Transformative change through integrated actions presents clear pathways to reversing biodiversity loss, mitigating climate change, and reducing trade-offs between different SDGs.[21] Analysing interactions between various sectors and objectives through a 'nexus approach'[22] reveals synergies, trade-offs, and pathways to meeting people's needs without degrading the planet.[23] The synergies highlight opportunities for mobilising resources between sectors to achieve common goals.

Confirming the importance and relevance of this, the IPBES rolling work programme up to 2030 [24]includes thematic assessments on both *the underlying causes of biodiversity loss, determinants of transformative change and options for achieving the 2050 vision for biodiversity*[25] and *the interlinkages among biodiversity, water, food and health in the context of climate change*[26] which are due to be completed over the next few years.

1.5. What does all this mean?

To collectively address the underlying drivers of biodiversity loss, it is critical to think systemically about how we can deliver human needs, and how we can do this sustainably by restoring / protecting nature and securing its contributions to people. It means that **resource mobilization strategies cannot focus only on money for conservation activities or to stimulate sustainable use, but needs to tackle how resources are used across the economy**. This **may imply different investment needs for biodiversity-related MEAs**, with a focus on mainstreaming biodiversity across all sectors that drive biodiversity loss. National implementation of the MEAs will require planning, collaboration and ownership across sectors to reduce pressures on biodiversity and to support a transition towards new systems that support rather than threaten nature.

This does not remove, nor detract from the importance of problems relating to insufficient budgets for conservation action. The Dasgupta Review flags that "*existing flows are insufficient to meet conservation needs in developing countries (…) Increasing those financial flows could take the form of debt forgiveness, direct grants or technical assistance. The creation of binding targets on public investments in natural capital to ensure that globally agreed objectives are met would go an important step further*."[27] However, our objective here is primarily to highlight the enormous potential for biodiversity-related MEAs in terms of resource mobilization for the post-2020 global biodiversity framework, if they adequately and synergistically address the underlying and direct drivers of biodiversity loss.

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[21] Leclère, D. et al.(2020) Bending the Curve of Terrestrial Biodiversity Needs an Integrated Strategy. *Nature 585*, 551–556.

[22] Nexus approach means considering interactions between diverse goals and sectors to address interconnected challenges by identifying synergies and trade-offs.

[23] IPBES (2019) Chapter 5: Pathways towards a Sustainable Future, *Global Assessment Report on Biodiversity and Ecosystem Services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.* IPBES secretariat, Bonn Germany.

[24] IPBES Rolling Work Program up to 2030

[25] IPBES Transformative Change Assessment

[26] IPBES Nexus Assessment

[27] Dasgupta, P. (2021) The Economics of Biodiversity: The Dasgupta Review. (London: HM Treasury)

2. What *must be done to achieve our commitments to people and nature?*

As the CBD's Panel of Experts on Resource Mobilization reflects in its third report[28], resource mobilization is central to transformative change. The Panel highlighted the need for progress across three complementary areas: **reducing / repurposing/ redirecting resources causing harm to biodiversity; generating additional financial resources from all sources; and enhancing the effectiveness and efficiency of resource use**. Keeping in line with the scope of Aichi Target 20, the term 'resources' refers to financial resources in their various forms, from capital funding and investments to loans, subsidies and underwriting.

2.1. Reduce and redirect resources that are causing harm to biodiversity

There is a significant potential and a crucial need to **align short term economic interests with biodiversity protection, particularly when planning for a post-pandemic economic recovery,** as put forwards by a recent report[29] from the Bennet Institute for Public Policy at Cambridge University: "*The economic recovery plan should be grounded in the realisation that economies – from the local farm shop to the biggest companies on the planet – exist and operate within the context and confines of the natural world. It should acknowledge that when we invest in nature, we are maintaining and enhancing the operating space for the economy, pushing forward the frontier of what is economically possible over the long-term. There is no choice between nature and the economy - the two must enhance each other*." Yet, one year from the onset of the pandemic, recovery spending has fallen short of nations' commitments to build back more sustainably. An analysis of spending by leading economies, led by Oxford's Economic Recovery Project and the UN Environment Programme (UNEP), finds only 18.0% of announced recovery spending can be considered 'green.'[30]

Developing an enabling environment that supports a resilient recovery is key to reducing financial pressures on biodiversity. **Much of the limited resources devoted to biodiversity are currently used to countering environmental damages caused by an economic system that still operates outside the boundaries of a healthy planet**. However, as indicated in the Final Report of the Dasgupta Review of the Economics of Biodiversity[27], **simply increasing the efficiency of resource use will not bring human demands within planetary boundaries**.

Therefore, **'reducing resources that cause harm to biodiversity' will depend on catalysing more sustainable consumption patterns by: reducing harmful subsidies; repurposing financing to transition economic activities to nature-positive models, redirecting resources to activities that are beneficial for people and nature; accounting for the impacts on nature when financing economic activities; and reducing consumption of natural resources, pollution and waste generation** (particularly in 'developed' countries):

- *Reducing harmful subsidies*

The recent report *Financing Nature: Closing the global biodiversity financing gap*[31] from the Paulson Institute, estimated subsidies potentially harmful to biodiversity at over US$500bn/yr across agriculture (US$451bn/yr), forestry (US$55bn/yr) and fisheries (US$36bn), with a further US$395-478bn of fossil fuel production subsidies identified. These are public sector resources which push economic activity to act in a counter way to the objectives of the biodiversity MEAs, to be compared with the global public expenditures

[28] CBD Panel of Experts on Resource Mobilization (2020) *Third Report of the Panel of the Panel of Experts on Resource Mobilization: I. Introduction*. Subsidiary Body on Implementation, Convention on Biological Diversity.
[29] Agarwala, M. et al. (2020) *Building Forward: Investing in a Resilient Recovery*. Wealth Economy Report to LetterOne. Bennett Institute for Public Policy, University of Cambridge.
[30] O'Callaghan B.J, Murdoch M. (2021), *Are we building back better? Evidence from 2020 and Pathways for Inclusive Green Recovery Spending*
[31] Deutz, A. et al. (2020) *Financing Nature: Closing the Global Biodiversity Financing Gap.* The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability.

for biodiversity protection[32] of around US$72-77bn/yr. **Cumulatively the public sector spends at least 6 times more harming biodiversity as it does trying to protect it.**

- *Redirecting revenues for activities that are beneficial for people and nature*

  Incentive reforms, especially in the context of COVID, can be designed to be fiscally neutral and therefore do not increase the burden on public expenditure.

  Building on lessons learned from the recession caused by the financial market collapse of 2008/9, UNEP[33] flags the value of options around **re-directing fossil fuel subsidies, and introducing carbon taxes, with the revenues being channelled into 'natural climate solutions'** aimed at *"conserving, restoring and improving land management to protect biodiversity and ecosystem services".*

  This is not just a solution for developed countries. For example, the same UNEP report estimates that over 80% of fossil fuel subsidies are allocated by developing countries, and a 10-30% shift in subsidies could tip the balance between fossil fuel and renewable energy sources. As subsidies tend to disproportionately benefit already richer sectors of society[33], their redirection (especially if they support the poorest and help deliver the SDGs) can improve equity and alleviate poverty alongside improving environmental outcomes.

- *Accounting for the impacts on nature when financing economic activities*

  It is also important to **look beyond explicit subsidies and focus on 'implicit subsidies',** including **economic activities that take place without accounting for their impacts on nature or compensating for damages** they cause, amounting to implicit subsidies to drivers of biodiversity loss. A recent report[34] revealed that **in 2019, the world's largest banks invested more than US$2.6 trillion in sectors that are the primary drivers of biodiversity destruction**.

  The International Resource Panel's[35] 2019 Global Resource Outlook[36] highlighted that 90% of biodiversity loss and water stress are caused by resource extraction and processing. The **largest proportion of biodiversity loss is associated with land use and the extraction of biomass.** The Outlook also highlights that with urgent and concerted action, rapid growth and inefficient use of natural resources will continue to create unsustainable pressures on the environment; extrapolating historic trends suggests this would mean losing more than 10% more of the world's forests and around 20% of other natural habitats.

  Research for the World Economic Forum[37] suggests that **80% of threatened and near-threatened species are endangered by the 3 key systems: food, land and ocean use; infrastructure and the built environment; energy and extractives.** However, **positive transitions in these sectors were also highlighted to have the potential to not only address species threats, but also generate annual business opportunities worth US$10 trillion that could create 395 million jobs by 2030**. The Paulson Institute estimates that over **50% of conservation finance needs are related to changing agricultural, so redirecting how resources are used to produce food is clearly key[31].**

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[32] OECD (2020) *A Comprehensive Overview of Global Biodiversity Finance*, Organisation for Economic Cooperation and Development. Paris, France.
[33] UNEP (2020) *Building a Greener Recovery: Lessons from the Great Recession*. Barbier, E.B. United Nations Environment Programme, Geneva.
[34] Portfolio Earth (2020) *Bankrolling Extinction: The Banking Sector's Role in the Global Biodiversity Crisis*
[35] The International Resource Panel (IRP) is a scientific panel of experts that was launched by UNEP in 2007 to build and share knowledge on improving the use of resources worldwide.
[36] IRP (2019) *Global Resources Outlook 2019: Natural Resources for the Future We Want*. A Report of the International Resource Panel. United Nations Environment Programme. Nairobi, Kenya.
[37] WEF & AlphaBeta (2020) *New Nature Economy Report II: The Future Of Nature And Business*. World Economic Forum and AlphaBeta, Geneva, Switzerland.

- *Reducing unsustainable consumption*

  At the start of 2020, a call was published for high and middle-income countries to reduce livestock consumption to address climate change and to deliver co-benefits for health and biodiversity[38]. The paper highlighted that the **livestock sector could not realistically reduce emissions to the extent required by the Paris Agreement, hence shifts to more sustainable consumption were needed.** Similarly, the Dasgupta Review of the Economics of Biodiversity[27] articulates the need to reduce pressures on the biosphere at least to levels where we can rely on improvements in efficiency. This is relevant to resource mobilization as it reveals that **reducing unsustainable consumption can reduce the need for efforts to reduce or reverse impacts elsewhere**.

  "Recognising the broader economic and social issues which can be addressed through changing how resources are used will be a key part of building the argument for transformation, as it will help connect investment in biodiversity to agendas at the forefront of political discussions." (*Interim Report of the Dasgupta Review of the Economics of Biodiversity[19])*

- *Education and Equity*

  Alongside addressing unsustainable consumption, the Dasgupta Review highlights two potential areas where further resources could reduce pressures on biodiversity in the future. The first one is connected to education and reconnecting people with nature*, helping empower citizens to make informed choices and demand the change that is needed* from leaders, financial institutions and businesses as well as to sustain commitment to those changes over time. The other is linked to equity in the context of the implications that the growing human population has on humankind cumulative demands on nature. Addressing underinvestment in *improving women's access to finance, information and education and support for community-based family planning programmes* the Review highlights is essential[39].

2.2. Enhance the effectiveness and efficiency of resource use: doing better with what we have

Resources for biodiversity can be deployed more effectively and efficiently in the absence of perverse economic incentives. Being more efficient is about breaking silos, understanding shared goals therefore attracting resources which are interested in delivering good value for money.

Strengthening synergies between MEAs, and with the 2030 Agenda for Sustainable Development

As already illustrated, efforts to tackle climate change, desertification and chemical pollution all support efforts to meet biodiversity goals. Identifying investments which can deliver (cost effectively) across MEAs offers the potential to broaden the pool of resources which can contribute directly to meeting biodiversity goals.

Investments in biodiversity have been shown to offer good value mechanisms to meet a range of goals. For example, research found that natural climate solutions can *provide over one-third of the cost-effective climate mitigation needed between now and 2030 to stabilize warming to below 2°C.[40]*

A report on strengthening synergies between global biodiversity and climate mitigation[41] shows this potential by examining the strategic choice of areas for management. Under a scenario where 30% of the global land surface is managed for conservation - **if areas are chosen taking into account both biodiversity and carbon, it is possible to secure 95% of the biodiversity benefits and nearly 80% of the carbon stock**

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[38] Harwatt et al. (2020) Scientists call for Renewed Paris Pledges to Transform Agriculture, *The Lancet – Planetary Health*, Volume 4, ISSUE 1, e9-e10

[39] Dasgupta, P. (2021) The Economics of Biodiversity: The Dasgupta Review. (London: HM Treasury)

[40] Griscom, B. W. et al. (2017) Natural Climate Solutions. *Proceedings of the National Academy of Sciences*, 114(44), 11645-11650.

[41] De Lamo, X.et al (2020) *Strengthening Synergies: How action to achieve post-2020 global biodiversity conservation targets can contribute to mitigating climate change.* UNEP-WCMC, Cambridge, UK.

compared to what could be obtained by prioritizing based on either value alone. This could safeguard 500 gigatons of carbon stored in vegetation and soils – around half the world's vulnerable terrestrial carbon stocks – and reduce the extinction risk of nearly 9 out of 10 threatened terrestrial species.

The potential of efficient investments in nature to deliver benefits more broadly has also been shown for climate adaptation[42], in the context of food systems transformations[43], for access to water[44] and some aspects of human health[45]. Recent work from WWF and the International Labour Organisation has also flagged the potential multiple benefits of devoting economic stimulus resources to job-intense investment in nature-based solutions[46].

Negative trends in biodiversity loss and ecosystems degradation currently hinder progress towards 35 out of 44 SDGs targets related to poverty, hunger, health, water, cities, climate, oceans and land[47]. Despite the potential and need for biodiversity conservation and restoration to meet the SDGs, an analysis of progress towards the SDGs based on 30 countries' Voluntary National Reviews[16] showed that **only 20% identified biodiversity as a priority for sustainable development and only half mainstreamed biodiversity throughout their reviews.**

2.3. Generate additional resources for biodiversity-positive outcomes

Reducing resource use that damages biodiversity and more effective and efficient use of public resources devoted to biodiversity and the SDGs will not be sufficient to deliver the transformative change needed to reverse biodiversity loss. **We also need to increase the amount of resources devoted to maintaining ecosystem health and to restoring degraded ecosystems.**

Increasing financial resources for biodiversity

Alongside reforming fiscal policy (taxes and subsidies), the Paulson Institute's Financing Nature Report[31] identifies a range of potential vehicles to draw more financial resources into biodiversity. These include proposed investment from municipal government in natural infrastructure – to help maintain and protect water supplies and to reduce exposure to risks associated with more extreme weather and sea-level risk; and more rigorous application and enforcement of the mitigation hierarchy to reduce pressures of biodiversity and to increase offsetting of residual impacts where they arise. The report also flags the important role of greening supply chain and green finance products to help make sure resources are able to flow into biodiversity-positive investments. The strongest message from the report, however, is the **need for all countries to adopt and strengthen policies aimed at protecting biodiversity and reducing harmful economic practices. Without this, the potential investments from the private sector will not be forthcoming.**

Thinking about resource needs beyond finance for conservation actions

The discussion above highlights the need to focus not narrowly on resources directly flowing into conservation, but also on resources flowing through the economy more broadly, feeding drivers of biodiversity loss and habitat degradation.

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[42] Kapos, V., et al. (2019) The Role of the Natural Environment in Adaptation, *Background Paper for the Global Commission on Adaptation*. Rotterdam and Washington, D.C.: Global Commission on Adaptation.
[43] FOLU (2019) *Growing Better: Ten Critical Transitions to Transform Food & Land Use,* the Global Consultation Report of the Food & Land Use Coalition.
[44] Mulligan M. et al. (2020) Mapping Nature's Contribution to SDG 6 and Implications for other SDGS at Policy Relevant Scales, *Remote Sensing of Environment,* Vol. 239, 15.
[45] Fisher B. et al. (2019) Can Nature Deliver on the Sustainable Development Goals? *The Lancet – Planetary Health.* Vol. 3. March 2019.
[46] WWF/ILO (2020) *Nature Hires: How Nature-based Solutions Can Power a Green Jobs Recovery*, World Wide Fund for Nature (WWF) and the International Labour Organization (ILO). October 2020.
[47] Wood, S. L., et al. (2018) Distilling the Role of Ecosystem Services in the Sustainable Development Goals. *Ecosystem Services*, 29, 70-82.

Within the CBD this logic flowed through the Aichi biodiversity targets, but did not necessarily connect to the resource mobilization agenda, as highlighted by the First Report of the CBD Panel of Experts on Resource Mobilization[5]. The IPBES Global Assessment also highlights a disconnect between efforts related to meeting specific conservation goals, and those required to tackle the drivers of biodiversity loss. The extent to which this is taken on board is also reflected in the Second Report of the CBD Panel of Experts on Resource Mobilization which flags resource needs focused mainly on protected areas at around $100bn - $400 per year, but resource needs which think across the post-2020 biodiversity framework around $600bn - $900bn per year[48].

Whilst meeting direct biodiversity-related goals may be directly delivered by environmental ministries with an interest in the outcomes, addressing the drivers of biodiversity loss requires the biodiversity sector to empower and influence others. The **needs here are not so much in terms of financial resources, but rather in terms of skills and mandate to work across governments to ensure that all sectors are regulated and managed in a way that they can deliver net benefits to biodiversity**. As an example of this, the First Report of the CBD Panel of Experts on Resource Mobilization proposed to extend training and capacity-building beyond ministries of environment, to the ministries of finance and planning, central banks, and relevant sectors' ministries (such as agriculture, forestry, fisheries, water, energy, transport).

In their resource mobilization strategies, biodiversity-related MEAs need to address not only financial resources needed to protect, for example, biodiversity in agricultural landscapes, but also resources needed to influence how agricultural production relates to biodiversity. As **drivers of biodiversity loss are a common target of action to MEAs,** coordination in resource mobilization is highly relevant to avoid duplicative efforts and shift mainstream economic activity.

The 'Beyond Business as Usual'[49] report and forthcoming UNEP Finance Initiative guidance to implement the Principles for Responsible Banking provide toolkits for private financial institutions to align their portfolios with biodiversity goals, for example a target of "no net loss" or "net gain" of biodiversity, or the post-2020 global biodiversity goals. The recently released Little Book of Investment in Nature[50] also details a catalogue of public policy tools and various financial instruments which generate resources to invest in nature and steer investments away from those harmful to nature and into more ecologically sustainable activities.

3. How *can we better mobilise resources to achieve our goals for people & nature?*

In this section, we discuss how biodiversity-related MEAs can develop cross-sectoral synergies in resource mobilization with 3.1) other environmental processes, 3.2) other social processes for sustainable development, and 3.3) the business and finance sector.

3.1. Linking and coordinating biodiversity efforts with other environmental processes

Achieving global environmental goals will depend on coordinating resource mobilization efforts between MEAs at the global level and, even more importantly, at the national level. Collective and coordinated mobilization within national governments is key to enhancing the use of existing resources to achieve the various objectives of the different MEAs, as well as generating additional resources. The following subsections contain examples of how further coordinating biodiversity efforts with other environmental

[48] CBD Panel of Experts on Resource Mobilization (2020) *Second Report of the Panel of the Panel of Experts on Resource Mobilization: I. Introduction*. Subsidiary Body on Implementation, Convention on Biological Diversity

[49] Natural Capital Finance Alliance (2020) Beyond 'Business as Usual': Biodiversity Targets and Finance – United Nations Environment – Finance Initiative

[50] Tobin-de la Puente, J. and Mitchell, A.W. (eds.) (2021) The Little Book of Investing in Nature, Global Canopy: Oxford.

agendas could support resource mobilization efforts.

3.1.1. Nature-based solutions to combat climate change & desertification

The three Rio Conventions are fundamentally interconnected. Land-use change and unsustainable consumption are the key connecting drivers for climate change, biodiversity loss and land degradation. Addressing them requires integrated approaches and coordinated mobilization of resources. Recent efforts have been undertaken in this logic[51], and need to be accelerated. The voluntary guidelines for the design and effective implementation of ecosystem-based approaches to climate change adaptation and disaster risk reduction[52] adopted by CBD COP in 2018 explicitly recognise these interlinkages. Technical resources such as *Nature Map*[53] can provide guidance on where coordinated actions can help achieve conservation and climate change mitigation goals[54]. The Land Degradation Neutrality (LDN) Fund, spearheaded by the UNCCD is an impact investment fund which combines resources from the public, private and philanthropic sectors to address land degradation through cross-sectoral landscape approaches. It aims to address the underlying drivers of biodiversity loss, land degradation and climate change by supporting financially viable private projects on land rehabilitation and sustainable land management.[55] Similarly, the Green Climate Fund (GCF), the largest global fund dedicated to addressing climate change, actively endorses the financing of nature-based solutions (NbS).[56]

More generally, Rio Conventions should work jointly to identify and reduce harmful economic subsidies of these drivers and redirect them to NbS.

Some NbS can have immediate impacts for mitigation and adaptation, including the conservation of high-carbon ecosystems such as wetlands, peatlands, mangroves and forests.[57] Others take more time to deliver measurable results[ibid]. But their effectiveness to tackle climate change, desertification and biodiversity loss requires systemic changes in land-use, driven by the pursuit of multiple goals rather than high yields within a silo. To address the social and economic dimensions of these changes, resource mobilization must leverage the collaboration of researchers from the social and natural sciences, as well as economists.[58]

The long-term effectiveness of resources invested in NbS will also depend on community ownership at the landscape level. Policymakers and researchers must take into account, for example, issues of land tenure security, distribution of benefits, and the wider rights of indigenous peoples and local communities (IPLCs)[59], who manage more than a quarter of terrestrial land surface.

3.1.2. Chemical pollution and biodiversity

Pollution from chemicals is a major driver of biodiversity loss. People and nature are facing increasing threats linked with the 40,000 - 60,000 types of industrial chemicals used globally, including pesticides. [60]

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[51] CBD Secretariat (2020), *Resource Mobilization*, Item 6 of the provisional agenda by the Subsidiary Body on Implementation for the Convention on Biological Diversity.
[52] CBD COP Decision 14/5
[53] Nature Map Earth is an integrated global map of biodiversity, carbon storage, and clean water supply to support countries to integrate nature and climate in decision making and promote nature-based solutions.
[54] De Lamo, X.et al (2020) *Strengthening Synergies: How action to achieve post-2020 global biodiversity conservation targets can contribute to mitigating climate change.* UNEP-WCMC, Cambridge, UK.
[55] UNCCD – LDN Fund: An Impact Investment Fund for Land Degradation Neutrality, UNCCD,
[56] Green Climate Fund (2020), *Tipping or turning point: Scaling up climate finance in the era of COVID-19.*
[57] IPCC (2019) *Special Report on Climate Change & Land*, Intergovernmental Platform on Climate Change.
[58] Seddon, N. et al. (2020) Global Recognition of the Importance of Nature-based Solutions to the Impacts of Climate Change, *Global Sustainability* Vol. 3 2020.
[59] One Earth Voices (2019) Learning from Indigenous Populations & Local Communities, *One Earth, 1, Sep 2019*
[60] IPBES (2016) *The Assessment Report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services on Pollinators, Pollination and Food Production.* Bonn, Germany. 552 pages

The global pesticide industry is worth over €45 billion and uses about 600 different active substances, six times more than in 1960. [61]

Despite their direct impacts on biodiversity, pesticides are mainly governed in the chemicals arena by policies and institutions separate from those governing biodiversity. [62] The Stockholm Convention on Persistent Organic Pollutants and Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade are key avenues for connecting the biodiversity and chemicals regimes, as well as coordinating resource mobilization efforts.[62] Yet, existing mechanisms are not as effective in governing pesticides as most pesticides are currently not covered by the conventions. Different actors are calling for stronger international instruments to fill this gap with stronger legally binding mechanisms on hazardous pesticides.

The words "biodiversity" or "ecosystems" and even "nature" rarely appear in the reports of the last meeting of the COP of the three chemicals conventions.[62] This illustrates the need to increase the way they take into account biodiversity-related concerns, as also highlighted in the new UNEP Mid-term strategy. This is all the more relevant as the chemicals conventions' mandate is not limited to the direct impacts on human heath, but also includes the indirect impacts to wellbeing through biodiversity and ecosystem services. Collaborative expertise on ecosystem services and ecotoxicology should provide an evidence-base to guide the integration of biodiversity into the Stockholm and Rotterdam Conventions, which remain the major instruments available to negotiate the international regulation of pesticides. Another widely supported approach is to elaborate a global protocol on pesticides.[62]

Mobilising resources for biodiversity and safe chemicals

Mobilising resources for biodiversity and safer chemicals should prioritise coordinating efforts between conventions to reduce subsidies to harmful chemicals, as well as redirect resources to safer alternatives for biodiversity and ecosystem services.

Existing resources and capacities can be better mobilised and deployed when national-level planning and implementation are coordinated. Coherence between the national action/implementation plans for the biodiversity and chemicals conventions is key for mobilising and managing policies, skills and finances.[62] This should include the engagement of multi-stakeholder processes like the Strategic Approach to International Chemicals Management (SAICM) and non-State bodies to support cross sectoral mobilization of resources to achieve common goals. [62 ibid]

Resource mobilization must complement the promotion of transformative changes in food and agricultural systems. Generating new resources for the biodiversity and chemicals conventions will largely depend on their ability to prioritise food security alongside the critical ecosystem services that underpin these conventions, including soil health, clean water and pollination.

3.2. Linking biodiversity with other societal agendas for sustainable development

This section highlights critical links between biodiversity and the agenda for sustainable development, emphasizing perspectives on coordinated resource mobilization with traditionally 'non-environmental' sectors, which will be essential for furthering research and policy, including planning and implementation.

3.2.1. Health & biodiversity

COVID-19 emphasized, more than ever, the relationship between biodiversity and human health. The underlying drivers of biodiversity loss are fuelling the risk of infectious diseases in people, plants and animals. Biodiversity loss also threatens the health of people around the world due to the loss of micronutrients in soil and food products, as well as the loss of microbial diversity in the human

[61] UNEP (2013) *Global Chemicals Outlook: Towards Sound Management of Chemicals*
[62] IDDRI (2019) *Mobilising the chemical conventions to protect biodiversity: An example with pesticides and the Stockholm and Rotterdam Conventions*

'microbiome'- compromising our 'inner ecosystem' and immune function[63]. Research also suggests that proximity with nature could reduce levels of various diseases[45].

Infectious Diseases

Evidence shows that pandemics are becoming more frequent due to increasing activities that bring people, livestock and wildlife in closer contact[64], which favours disease outbreaks through the transfer of microbes from animals to people. Global environmental impacts of land-use change, agricultural intensification/expansion, and consumption patterns are therefore fuelling diseases alongside biodiversity loss and climate change.

The prevention of infectious diseases is tied with the prevention of biodiversity loss and addressing the underlying drivers that connect them. The **estimated economic impacts of pandemics are 100 times the estimated cost of their prevention**. The IPBES Workshop on Biodiversity and Pandemics estimates that global strategies to address biodiversity loss will cost between US$22-31.2 billion, a fraction of the US$11 trillion of expected losses from 2020 alone.

Resource mobilization for preventing pandemics

Mobilising resources for disease-prevention strategies will depend on **reducing and redirecting subsidies for unsustainable land-use change that increases contact between wildlife, livestock and people**. This would shift us from costly 'responses' to cost-effective 'prevention'.

Resources that are redirected should also **prioritise the "One Health" approach**, that integrates human health, animal/plant health and environmental sectors [65] and may be beneficial for generating new resources and increasing the effective use of existing resources.

What were once disjointed efforts to address food security, population health and biodiversity loss, now offer an **opportunity to increase the impact of existing resources** through cross-sectoral and transformative efforts. **Incorporating potential health impacts into nature-related policies and land use planning can also generate additional resources** for the implementation of the post-2020 global biodiversity framework. International **financial aid for land use activities must explicitly recognise and address the risk of infectious diseases alongside biodiversity loss**. This may support generating additional funds from international financial institutions including development banks.[65]

Additional resources can also be generated by **appropriately integrating the economic costs of pandemics into consumption, production and government policies and budgets**.[65] This can **maximise resources for pandemic prevention strategies that also address biodiversity and food security, while also addressing the issue of 'implicit' subsidies to economic activities that do not account for their impacts on people and nature**. Deploying **new investment tools like green corporate/sovereign bonds and blended finance** can further support resource mobilization efforts alongside economic recovery efforts.[65]

To ensure the success of resource mobilization efforts for biodiversity and pandemics**,** it is **critical for international conventions and organisations to officially recognise a shared mandate that acknowledges human health and biodiversity as pre-requisites for socioeconomic wellbeing and development**. **The post-2020 global biodiversity framework should aim to officiate this mandate alongside WHO and FAO**, **with clear support from international financial institutions.**

Furthermore, UNEP has recently captured evidence on the root causes of emergence and spread of new

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[63] Van Bruggen et al. (2019) One Health - Cycling of Diverse Microbial Communities as a Connecting Force for Soil, Plant, Animal, Human and Ecosystem Health, *Science of the Total Environment Vol.664, pg. 927-937*

[64] Keesing et al. (2010) Impacts of Biodiversity on The Emergence and Transmission of Infectious Diseases, *Nature 468, pages 647–652*

[65] IPBES (2020) *Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services*. IPBES secretariat, Bonn, Germany.

diseases, and developed a set of practical recommendations to help policymakers prevent and respond to future disease outbreaks. This includes efforts which can support meeting biodiversity goals, such as the phase out of unsustainable agricultural practices[66].

3.2.2. Food and water security

Nature can play a vital role in protecting vulnerable people and communities. Looking across water quality regulation, coastal protection, and crop pollination services, in 2019 researchers showed that **by 2050, up to 5 billion people may be at risk from diminishing ecosystem services, particularly in Africa and South Asia**[67]. They also estimated that the threats associated with continued degradation and destruction of nature can be reduced 3 to 10-fold by moving to a more sustainable development pathway.

To ensure that resources dedicated to protecting vulnerable people also help nature to thrive, it is essential to mobilise political support and raise societal awareness on the importance of nature's contributions to people and, in turn, the importance of integrating them into decision-making. As noted previously, this will require **resources from across the biodiversity-related MEAs, to develop and promote the science and knowledge showing where investments in nature have greatest benefits to people, particularly regarding food and water security**.

This knowledge should also contribute to discussions on subsidies reform within the context of food systems. **While an obvious focus has been the ecological implications of harmful subsidies, it is also critical to identify and address their potential socioeconomic consequences**. Such consequences may impact competitiveness and increase existing inequalities, **as evidenced in fisheries subsidies around the world**.[68] **Future resource mobilization efforts could be closely coordinated with the efforts of the World Trade Organisation for example, with regards to negotiations on fisheries subsidies**.[69]

Beyond food and water security, how trade rules can support environmental outcomes more broadly is getting increasing attention, for example a group of WTO members launched the Agreement on Climate Change, Trade and Sustainability (ACCTS) initiative which is exploring how a broader set of trade related measures (including fossil fuel subsidy reform and eco labelling) could contribute meaningfully to addressing sustainability issues.[70]

3.3 Linking Biodiversity with Business, Finance and Industry

The connection between government action and the contribution of the finance and private sectors to the transformation in our relationship with nature is critical. As the final report of the Dasgupta Review of the Economics of Biodiversity sets out: "*We need a financial system that channels financial investments – public and private – towards economic activities that enhance our stock of natural assets and encourage sustainable consumption and production activities. Governments, central banks, international financial institutions and private financial institutions all have a role to play*" [27] [71].

Governments can influence public financial flows and the actions of multilateral development banks directly to stimulate investment in nature, but also need to play a role in changing how private finance and business behaviour. For example, the Natural Capital Declaration[72] – signed by the CEOs of more than 40 financial institutions from around the world at the Rio+20 Conference in 2012 – formalises the finance institutions commitment to the **integration of natural capital considerations into financial sector reporting**, but also

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[66] United Nations Environment Programme and International Livestock Research Institute (2020) Preventing the Next Pandemic: Zoonotic diseases and how to break the chain of transmission. Nairobi, Kenya.

[67] Chaplin-Kramer, R., et al (2019) Global Modeling Of Nature's Contributions to People. *Science, 366(6462)*

[68] World Bank Group (2017): *The Sunken Billions Revisited*

[69] World Trade Organisation (2020): Factsheet: Negotiations on fisheries subsidies

[70] The ACCTS Initiative was launched in 2019 by New Zealand, Fiji, Iceland, Norway and Costa Rica

[71] A more comprehensive analysis and set of proposed responses to the Dasgupta Review's findings on finance has been published by the Finance for Biodiversity Initiative

[72] The Natural Capital Declaration (2020) – Natural Capital Finance Alliance

"*calls upon governments to develop clear, credible, and long-term policy frameworks that support and incentivise organizations – including financial institutions – to value and report on their use of natural capital*." ibid

UN Environment Programme Finance Initiative (UNEP FI) is playing a key role in strengthening links with the global financial sector to mobilize finance for sustainable development. It is accelerating sustainable finance using industry-based principles on banking, insurance, and responsible investment to align financial flows with global goals.[73] UNEP FI promotes the concept of "portfolio alignment" for private financial industries to move their entire financial portfolios, including underwriting and forms of transactions where use of proceeds is not known such as corporate loans, in line with nature positive goals. The Paris Agreement article 2.1c call for alignment of finance with its goals inspired a major response from private finance including the Net Zero Asset Owners Alliance, Net Zero Banking Alliance and forthcoming Net Zero Underwriting Alliance: similar wording within the post-2020 global agreement would be expected to spur a response of 'Nature Positive' portfolio-wide responses from the private financial sector, enabling financial institutions to align strategies with the international biodiversity frameworks. The Science-based Targets Network (SBTN) is working on appropriate methodologies for both finance and the real economy sectors to align with biodiversity targets.

Similarly, through the Business for Nature Coalition[74] more than 600 companies with revenues of US$ 4.1 trillion have adopted a call for action which states: "*Healthy societies, resilient economies and thriving businesses rely on nature. Governments must adopt policies now to reverse nature loss in this decade. Together let's protect, restore and sustainably use our natural resources.*"

To support this transition in their report on the Urgency of Biodiversity Action[75], the Natural History Museum and Vivid Economics advocate the development and promotion of investor-relevant scenarios, consistent with future ambitions and likely biodiversity incentives, so that businesses and their financiers can take investment decisions in this light. Similarly, Principles for Responsible Investment have published transition pathways for biodiversity geared to investors[76].

The importance of the role of the business and finance sector is also highlighted – with suggestions for engagement – in the Third Report of the CBD Expert Panel on Resource Mobilization[5].

Managing environmental risk

The growing risks that the world economy faces from the decline in nature are increasingly apparent, for example in the 2020 and 2021 World Economic Forum's Annual Risk Report[77] where **environmental risks now dominate the top 5 global economic risks both in terms of likelihood and magnitude of impacts**. **Biodiversity loss appears on both lists**. In June 2020 the Dutch Central Bank was the first central bank to **highlight biodiversity as a material financial risk** in their report "Indebted to Nature" [78]. While acknowledging the challenges in accessing data and information to assess biodiversity risks, it estimated that 36% of investments of Dutch financial institutions around the world have exposure to companies with high or very high dependency on one or more ecosystem services, and are therefore vulnerable to the impacts of biodiversity loss and ecosystem degradation. WWF Switzerland and PwC have characterised these as financial risks along the lines familiar to climate risk: physical risk, transition risk, litigation risk and

[73] UNEP Finance Initiative (UNEP FI)
[74] Business for Nature Coalition
[75] NMH & Vivid Economics (2021) The Urgency of Biodiversity Action
[76] PRI (2020) Investor action on biodiversity: discussion paper (unpri.org)
[77] WEF (2020) The Global Risks Report 2020, World Economic Forum and WEF (2021) The Global Risks Report 2021, World Economic Forum
[78] DNB/PBL (2020) *Indebted to Nature: Exploring Biodiversity Risks for the Dutch Financial Sector*

systemic risk[79]. Other approaches such as the IFC Performance Standard 6 focus on minimum safeguards for biodiversity within a risk identification, management and mitigation approach.

To promote sustainable finance for nature, the biodiversity community could identify investments which will help improve ecological resilience and stability, and therefore promote sustainable production which also supports biodiversity objectives. For example, the Food and Land Use Coalition's Growing Better Report[80] highlights investments for protecting and restoring ecosystems as part of the food systems which will generate business opportunities four times the size of the investment and will deliver social benefits a further four times greater. It will be important to help businesses and financiers understand and identify where they can do better. As an example of this kind of action, UNEP supports a number of proofs-of-concept such as the Restoration Factory, Tropical Landscape Finance Facility, Agri3 fund and others which are focussed on identifying lessons for up-scaling.

Finance & biodiversity

The importance of reaching mainstream finance is flagged in the Finance Watch Report "Making Finance Serve Nature" [81] which highlights that whilst **impact investing** (which seeks quantified environmental benefits alongside financial returns) **holds assets worth approximately** US$500 billion, **traditional investing** (with no clear sustainability principles) **holds assets worth approximately US$ 300,000 billion. These investments are feasible because they do not bear the costs of their environmental impact**. Avoiding or reversing the damage the report highlights will "*involve* ***bringing these costs into decision-making, which requires new ways to measure environmental impact and risk***". The resource mobilization challenge for the biodiversity-related MEAs and the post 2020 biodiversity framework is to **understand what investments are needed from the biodiversity community to bring forward,** for example**: the data and knowledge needed to advance accounting and disclosure methods** (refer to the proposed Taskforce on Nature-related Financial Disclosures[82] which aims to develop awareness, capacity and transparency around financial flows); **regulations to help the finance sector understand risks and address indirect costs associated with impacts and dependencies on nature** in a given country. The CBD Expert Panel on Resource Mobilization's Third Report picks up the important role of central banks in ensuring that the finance sector takes steps to reduce the systemic risk associated with ecological collapse, for example through capturing the impacts of biodiversity loss in economic stress tests[5].

4. Conclusion: Who? And When?

This document has shed light on multiple considerations and approaches to mobilising resources for biodiversity, highlighting priorities and outlining tactics for resource mobilization between and beyond the Rio Conventions. Section 1 highlighted *why* resource mobilization approaches need to be revised. Section 2 outlined the key objectives for successful resource mobilization, namely i) reducing and redirecting harmful subsidies, ii) generating new financial resources, and iii) increasing the efficiency of existing resources. Section 3 outlined *how* we can better achieve the aforementioned objectives by linking and coordinating the biodiversity sector's resource mobilization efforts with other environmental agendas, other social agendas for sustainable development, and the business and finance sectors.

Several actors and sectors were mentioned throughout this document due to the critical role they (can) play

[79] WWF Switzerland and PwC (2020) Nature is too big to fail | PwC Switzerland
[80] FOLU (2019) *Growing Better: Ten Critical Transitions to Transform Food and Land Use*; The Global Consultation Report of the Food and Land Use Coalition
[81] Finance Watch (2019*)* *Making Finance Serve Nature: From the Niche of Conservation Finance to the Mainstreaming of Natural Capital Approaches in Financial Systems*
[82] Taskforce on Nature-related Financial Disclosures

in supporting and/or benefiting from coordinated resource mobilization efforts. Annex 1 lists many of the priority actors and sectors that should be incorporated into resource mobilization strategies for biodiversity. While their remits are interconnected, they are listed in Annex 1 as international and national-level actors and sectors, and their collaboration on resources will be essential to achieving the goals of the post-2020 biodiversity framework. There is an urgent need to tackle the underlying drivers of biodiversity loss and to (re)direct significant resources towards embedding nature within the basic functions of the global economy. This urgent need will depend on resource mobilization strategies' engagement with multiple stakeholders, from international secretariats and national ministerial focal points of MEAs, to heads of state, cabinet members, and industry leaders around the world.

Political support for nature and its contributions to people is rapidly growing. From the UN Biodiversity Summit in 2020 to the One Planet Summit for Biodiversity in 2021, world leaders have pledged their commitment to placing nature alongside climate at the core of the global recovery from the COVID-19 pandemic. Calls for integrating biodiversity into the global political economy have been echoed by many of the world's leading experts and figures at the intersections of development economics, finance and biodiversity, with an astounding amount of resources published in the last few years referenced throughout this document. Similarly, from the Conservation sector, members of the International Union for the Conservation of Nature (IUCN) have recently voted in favour of a motion on biodiversity finance, which calls on states to *"integrate biodiversity goals and considerations into the national development plans and policies of key economic sectors*." [83]

The timing is now critical. As research by the Natural History Museum and Vivid Economics[75]shows, delaying action on biodiversity by a further decade, will not only mean it is unfeasible to stabilise levels of biodiversity intactness even at today's levels, it will also **double** the cost of action over 30 years.

Business and the wider finance sector seem ready to move but need governments to lead. The demands for action are clear, and the COVID-19 pandemic adds momentum. The challenge will be rising to this, as the changes needed are profound. As the Dasgupta Review of the Economics of Biodiversity[27] reflects - *choosing a sustainable path will require transformative change, underpinned by levels of ambition, coordination and political will akin to, or even greater than, those of the Marshall Plan*[84]. Mobilising resources for achieving the post-2020 global biodiversity strategy will depend on leveraging the current political momentum to reduce and redirect harmful subsidies, generate new resources, and increase the efficiency of existing resources allocated to the biodiversity sector. Coordination across the biodiversity-related MEAs and beyond will be imperative.

[83] IUCN (2020) *Motion 068 – Biodiversity Financing,* IUCN World Conservation Congress 2020, Marseille.
[84] The Marshall Plan was a US financed scheme to help rebuild and stabilise the economies and societies of 17 Western and Southern Europe after World War II.

Annex 1: Actors & Sectors Critical to Achieving Resource Mobilization Objectives

Annex 1.1 International-level actors and platforms

- *Secretariats of multilateral environmental agreements (MEAs):*
    - Secretariats of the Rio Conventions: CBD, United Nations Framework Convention on Climate Change (UNFCCC) and United Nations Convention to Combat Desertification (UNCCD).
    - Secretariats of other biodiversity-related agreements, including but not limited to species-focussed agreements (i.e. Convention on International Trade in Endangered Species of Wild Fauna and Flora, Convention on Migratory Species, Commission on the Conservation of Antarctic Marine Living Resources) and landscape-focussed agreements (International Tropical Timber Agreement, Ramsar Convention, Bern Convention on the Conservation of European Wildlife and Natural Habitat).
    - Secretariats of the conventions on chemicals, hazardous substances and waste, including Basel, Rotterdam and Stockholm Conventions.
- *Secretariats of other relevant international frameworks:*
    - Secretariat of the UN's 2030 Sustainable Development Agenda (SDGs), with a focus on mobilising resources for biodiversity as underpinning successfully achieving the Sustainable Development Goals.
    - Secretariat of the Sendai Framework for Disaster Risk Reduction, coordinating resource mobilization strategies that address both disaster-risk and biodiversity loss, with an emphasis on nature-based solutions and ecosystem-based adaptation[85].
- *UN agencies, programmes and commissions*:
    - Social and environmental international entities, including: United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), and the World Health Organization (WHO), UN Water.
    - Food-related bodies including: Food & Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP).
    - Trade and industry-focused bodies including: International Labor Organisation (ILO), United Nations Conference on Trade & Development (UNCTAD), United Nations Industrial Development Organisation (UNIDO), World Trade Organisation (WTO).
- *International environmental funding and financing bodies:*
    - Environment-related funds/funding bodies including: Global Environment Facility (GEF), Green Climate Fund (GCF), Climate Investment Funds (CIF), UNEP Environment Fund, UNEP Finance Initiative (UNEP FI), UNCCD's Land Degradation Neutrality (LDN) Fund, as well as Nature+ Accelerator Fund.
    - International environmental funding bodies nested within national governments, including: Germany's International Climate Initiative (IKI) and Japan Biodiversity Fund (JBF).
- *International financial institutions & intergovernmental economic organisations and forums:*

[85] UNDRR (2020), *Ecosystem-Based Disaster Risk Reduction: Implementing Nature-based Solutions for Resilience,* United Nations Office for Disaster Risk Reduction – Bangkok, Thailand.

- Multilateral development banks (MDBs) including: World Bank and its International Finance Corporation (IFC) and International Development Association, Asian Development Bank (ADB), African Development Bank (AfDB), European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Development Bank of Latin America (CAF).
- Multilateral financial institutions including: European Commission (EC) and once again the International Fund for Agricultural Development (IFAD).
- Intergovernmental economic organisations including the Organisation for Economic Cooperation & Development (OECD) and International Monetary Fund (IMF).
- International economic and financial forums including: G20 (i.e. Group of 20) and the World Economic Forum (WEF).

- *International non-governmental organisations (INGOs):*
  - Nature-focussed INGOs such as: International Union for Conservation of Nature (IUCN), World Wide Fund for Nature (WWF), Conservation International (CI), The Nature Conservancy (TNC), Ocean Conservancy.
  - Other INGOs engaging with environmental issues including: 350.org, Greenpeace International, Natural Resources Defence Council, World Resources Institute (WRI).
  - INGOs and international foundations with a focus on societal development and/or human rights including: Oxfam, Amnesty International, Survival International, Gates Foundation, Aga Khan Foundation.

Annex 1.2 National-level actors and sectors

- *Collaboration within and between government ministries*
  - National focal points of multilateral environmental agreements (MEAs) coordinating resource mobilization objectives between and beyond the Rio Conventions.
  - Environmental ministries' engagement with other governmental ministries that directly engage with biodiversity, ecosystem services and other environmental components, including: ministries of agriculture and fisheries, water resources, irrigation, and energy.
  - Environmental ministries' engagement with traditionally 'non-environmental' ministries that influence the underlying drivers of biodiversity loss, including ministries of health, industry, economy, finance, planning, commerce, infrastructure, housing and foreign affairs.
  - Ministries and national agencies focussed on international cooperation and aid to be engaged in resource mobilization strategies, ensuring less support to harmful subsidies and more support for activities that sustain nature and its contributions to people.
  - Heads of State championing the aforementioned national and international coordination of efforts to address the underlying drivers of change impacting people and nature.

- *Finance, banking and insurance*
  - Public and private finance sectors taking the lead from the scientific knowledge and the post-2020 global biodiversity framework, to better integrate biodiversity opportunity and risk into banking, credit, capital markets, and risk management (e.g. Dutch Central Bank leading on nature-related risk [86]). Private finance leadership platforms such as UNEP Finance Initiative (partnership between UNEP and the private financial sector), Principles for Responsible Banking, Principles for Sustainable

[86] Dutch Central Bank (2020) *Values at Risk? Sustainability Risks and Goals in the Dutch Financial Sector*

Insurance, Principles for Responsible Investment, Equator Principles and Finance for Biodiversity Pledge.

- Public and private insurance sectors readjusting policies to better account for benefits and impacts to biodiversity and ecosystem services and to address related risks and opportunities.