



## High-Level Segment

2020 United Nations Biodiversity Conference, Kunming, People's Republic of China  
“Ecological Civilization-Building a Shared Future for All Life on Earth”

### Roundtable B: Closing the Financing Gap and ensuring the means of implementation

Transforming incentives, mobilizing resources and aligning financial flows to support biodiversity, including through COVID-19 economic recovery programmes

#### Context

Biodiversity underpins ecosystem functioning and provides significant benefits to human well-being. Approximately USD 44 trillion – more than half of global GDP – of economic value generation is at least moderately or highly dependent on ecosystem services (World Economic Forum, 2020). But biodiversity is declining more rapidly than at any other time in human history.

In line with the 2019 IPBES Global Assessment Report on Biodiversity and Ecosystem Services urgent policy action is required at global, regional and national levels to transform economic, social and financial models, with a view to stabilize biodiversity loss by 2030 and to allow for the recovery of natural ecosystems by 2050. The implementation of the post-2020 global biodiversity framework requires an unprecedented mobilization of financial resources from all sources, the development of capacities at all levels and the mainstreaming of biodiversity in all relevant economic sectors.

#### Ways and means to mobilize resources needed

1. The CBD expert panel on resource mobilization (2020) noted that resource mobilization is central to achieving the requisite transformative change and to the success of the post-2020 global biodiversity framework. The panel proposes a three-pronged approach:
  - a. Reducing or redirecting financial resources causing harm to biodiversity;
  - b. Generating additional financial resources, both domestic and international, from all sources to achieve the three objectives of the Convention;
  - c. Enhancing the effectiveness and efficiency of resource use.
2. Effective resource mobilization from all sources requires transformative, inclusive and equitable change across economies and society. It will require action by governments at all levels as well as by businesses and public and private financial institutions. Stakeholder groups as well as indigenous peoples and local communities can also play an important role, including in mobilizing non-financial resources.
3. Several reports highlighted the need to increase financial resources significantly for effective global biodiversity framework implementation. For instance, the TNC/Paulson report noted that *Parties should collectively fully close the biodiversity finance gap (estimated at \$700B per year) by 2030, both by increasing funding for biodiversity from all sources and by reducing expenditures harmful to biodiversity.*

4. Removing subsidies that are harmful to biodiversity (conservatively estimated at \$500bn/year) can contribute to reducing financial needs and also to mobilizing additional resources for biodiversity, if at least part of the savings from the removal of harmful subsidies are transformed into expenditures that are positive for biodiversity.
5. While public financial resources, both international and domestic, remain a key part of the equation, public sector resources alone are unlikely to meet this financing challenge, and the mobilisation of institutional and private capital and from all types of actors, including the financial sector, will be critical.
6. The post-2020 GBF has the potential to promote the transformative changes in global finance necessary to achieve the 2050 vision of living in harmony with nature. According to the Dasgupta Review (2021), our global financial system is critical to supporting a more sustainable engagement with Nature and we thus need a financial system that aligns financial flows with biodiversity objectives. Governments, central banks, international financial institutions, and private financial institutions will all have a role to play. Financial actors can also help manage and mitigate the risks and uncertainty that result from our unsustainable engagement with Nature.
7. “Aligning flows” means channeling financial investments – public and private – towards economic activities that enhance our stock of natural assets and encourage sustainable consumption and production. It would entail the following actions by financial institutions:
  - a. Managing the risks, dependencies and impacts of their investments on biodiversity, by adopting and applying (E&S/Biodiversity) standards and integrating these nature-related risks in their financial decisions (greening finance);
  - b. Mobilizing funding for a pro-nature/nature positive economy, (*conservation projects, mainstreaming biodiversity in economic sectors for sustainable use, financing transitions, nature-based solutions...*) and developing adequate financial mechanisms such as blended finance (financing green);
  - c. Helping countries, including through the public development banks, in the development of national strategies, national biodiversity financial plans, an enabling environment for the financial sector (regulations, support, market-based tools and incentives...);
  - d. Reporting on, and disclosing, their nature-related risks and opportunities (see the work of the Taskforce on Nature-related Financial Disclosure).
8. There are many opportunities for responses to COVID-19, including both short term stimulus measures and longer-term approaches to ‘build back better’ to contribute to sustainable development, and reduce the risk of future pandemics. Recent studies have identified a range of options to integrate biodiversity considerations into such stimulus and recovery measures. These include: strengthening and enforcing regulations on land use, wildlife trade and pollution; screening and conditionality projects for biodiversity impacts, promoting jobs and income support for biodiversity conservation, sustainable use and restoration, improving incentives, and engaging business and the financial sector along the lines discussed above.

Guiding questions:

1. *What opportunities and challenges does your government have to eliminate harmful incentives and subsidies or redirect them to biodiversity conservation and sustainable use?*

2. *What opportunities and challenges does your government have to mobilize additional financial resources from all sources, both domestically and internationally?*
3. *How is your government promoting the conservation and sustainable use of biodiversity as part of a sustainable recovery from COVID-19?*
4. *What opportunities and challenges does your government have to develop enabling conditions for the business and finance sector to reduce/manage biodiversity risks and increase their funding for nature positive projects?*
5. *What would your government include in your national biodiversity finance plan?*