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## Discussion Paper on the Global Biodiversity Framework Resource Mobilization Strategy

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The current negotiations under the UN Convention on Biological Diversity (CBD) will develop a new Global Biodiversity Framework, with an updated set of global goals and targets for biodiversity. The [Dasgupta](#) review shows we have collectively failed nature, with our demands on nature far outstripping its capacity to supply us with goods and services, putting at risk the prosperity of current and future generations. The recognition that ‘our economies are embedded within nature, not external to it’ should be a guiding principle for the CBD Global Biodiversity Framework.

In line with the new framework, Countries will then be expected to update their National Biodiversity Strategies and Action Plans (NBSAPs, the main vehicles for national implementation). Updating and implementing NBSAPs with new commitments will require additional financial resources, as well as a reduction in financial flows harmful to biodiversity, ecosystems, and people. The starting points for our recommendations are the [Financing Nature](#) report - which estimates the global annual financing gap for biodiversity at \$700B and spells out a range of finance and policy mechanisms to fully close the gap – as well as the recommendations of the [CBD Panel of Experts on Resource Mobilization](#).

The critical insights of those reports are that:

- The biodiversity finance gap can be closed through a combination of reducing the need for new financial resources through elimination or redirections of harmful subsidies, increasing the flow of positive finance for biodiversity, and improving the efficiency of financial resources.
- While most of the current funding for biodiversity comes from domestic government resources, the greatest opportunities for increasing financial resources will come from unlocking private sector financial flows, provided adequate safeguards are in place.
- National level policy reform is also needed to:
  - restructure positive and negative incentives,
  - improve regulatory frameworks in line with a precautionary approach,
  - create and support nature-positive market-based opportunities as part of an overall approach that prioritizes avoidance and minimization of negative impacts.
- In addition to addressing the government's financing gaps, biodiversity loss cannot be halted and reversed without acting on the structural deficiency of the private financial market to incorporate nature. The finance sector should be enabled, and required, to account for dependencies, impacts and risks associated with biodiversity loss, and to reflect these in investment decisions. Governments should require that the financial sector report on its actions and risks related to biodiversity.

Following the adoption of the new Global Biodiversity Framework, Parties will be expected to update their NBSAPs. COP 15 should require them to also develop National Biodiversity Finance Plans to identify the policies and mechanisms, tailored to their national circumstances, that close their own national financial resource gaps, align all public and private financial flows and allow them to fully implement

their updated NBSAPs; and for all countries, to assist implementation of the Global Biodiversity Framework beyond their borders when they can. The Biodiversity Finance Plans should address opportunities to mobilize resources at all levels – local, national, and global – as well as from all sources – public, international, and private/philanthropic. They should also identify and advance synergies with other processes and associated finance flows under climate and development finance. National budgets need to include specific allocation for IPLC’s activities that contribute to the conservation of biodiversity. Furthermore, the full and effective participation of IPLCs, women and youth, is needed in national biodiversity finance planning. IPLC's role in protecting and conserving biodiversity should be quantified, and their contribution be factored as a resource in resource mobilization.<sup>1</sup>

### **Proposal for Global Biodiversity Framework**

To achieve this outcome, we recommend the following suite of resource mobilization elements in the goals and targets for the Global Biodiversity Framework, to replace the current proposal in draft Targets 17 and 18 of the updated Zero Draft (CBD/POST2020/PREP/2/1):

- *[Goal] Parties should collectively fully close the global biodiversity finance gap by 2030 by both increasing funding for biodiversity from all sources and eliminating or redirecting public and private financial flows harmful to biodiversity.*
- *By 2022, 100% of Parties develop and by 2024 implement National Biodiversity Finance Plans, collectively mobilizing 100% of the necessary resources identified in their National Biodiversity Finance Plans by 2030, to close their national biodiversity finance gaps by increasing funding for biodiversity from all sources and eliminating or redirecting expenditures harmful to biodiversity from all sources.*
- *By 2025, total biodiversity-related international financial resource flows to developing countries have increased by at least 100%<sup>2</sup>, and at least maintaining this level until 2030, including to cover the costs for developing countries to develop and implement National Biodiversity Finance Plans, while also increasing relevant capacity building and technical and scientific cooperation, technology transfer and innovation.*
- *By 2025, strengthen or develop, and implement regulatory measures for public and private financial institutions and businesses to align financial flows with the goals and targets of the post-2020 Global Biodiversity Framework*

### **The Role of Development Assistance**

The previous resource mobilization strategy for the Aichi targets encouraged countries to develop National Biodiversity Finance Plans. Unfortunately, few of them did (only 12% developed elements of a finance plan), mainly because of lack of government capacity and financing for the planning process. For

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<sup>1</sup> Research in 2020 by the Rights and Resources Initiative found that indigenous peoples, local communities, and Afro-descendants already “make investments equal to a quarter of global investment in conservation”, a contribution which remains under-recognized and under-supported. (Rights and Resources Initiative (2020). *Rights-Based Conservation: The path to preserving Earth’s biological and cultural diversity?* Available at: <https://rightsandresources.org/publication/rights-based-conservation/>)

<sup>2</sup> Compared with a baseline of average annual biodiversity spending for the years 2016–2018.

that reason, we recommend a global support system for all countries to have the capacity to develop and implement National Biodiversity Finance Plans. This can be built on existing mechanisms.

Deutz et al. (2020) demonstrated that the global biodiversity finance gap is approximately \$700 billion USD per year. Closing this gap will require significant effort by all CBD Parties, including, but not limited to, an increase in concessional flows to developing countries – for example through official development assistance (ODA). At CoP15, Parties should establish a shared global goal to close national and international biodiversity finance gaps, as well as more specific, quantitative targets for a collective increase of national and international spending on biodiversity and nature conservation. In developing this target or set of targets, Parties could again commit to doubling international flows (with indicators including and going beyond ODA as laid out in CBD Decision 12/3), to repeat the success of the Aichi Target on resource mobilization. Parties must also ensure that any national, bilateral or multilateral investments in biodiversity conservation are sustainable by: codifying financial commitments; securing new revenue streams; capitalizing conservation trust funds; and prioritizing highly intact and resilient ecosystems.

The **Global Environment Facility** already provides funding for countries to develop their NBSAPs, based on guidance from the CBD COP. UNDP's BioFin program has developed a robust methodology for developing countries to develop national biodiversity finance plans. Thus, the CBD COP should provide guidance to the GEF in its role as the financial mechanism of the convention to:

- provide additional resources to developing countries for the development of National Biodiversity Finance Plans, alongside their updated NBSAPs, through the Enabling Activities window;
- increase the amount of resources available for the biodiversity focal area to support countries with the implementation of National Biodiversity Finance Plans;
- prioritize funding for domestic policy reform, in addition to discrete biodiversity field projects.
- amend GEF's procedures to be more inclusive and more adequately reflect the role of IPLCs in the achievement of the goals of the GBF, such as a dedicated fund within the GEF-8 to support efforts by IPLCs to meet their commitments.

National governments will need to do the hard work of implementing the plans once they are developed. For developing countries, **bilateral aid agencies and development finance institutions** should support those *implementation* efforts, beyond the support for the *development* of the plans. Many of the most important resource mobilization mechanisms are contingent on domestic policy reforms to create the right regulatory conditions, incentives, and market conditions to generate and/or redirect financial flows in biodiversity-positive directions. To the extent that countries have articulated these intentions in their National Biodiversity Finance Plans, they provide a clear expression of country ownership and thus a clear roadmap for foreign assistance in the form of institutional capacity building and support for domestic policy reform. Bilateral agencies and multilateral development banks should prioritize the provision of capacity-building for policy reform through policy-based lending, and funding to cover the costs of just sectoral transitions to support developing countries to implement their National Biodiversity Finance Plans. Donor countries and agencies should implement safeguards to ensure all ODA is nature positive and carbon neutral.

### **Links to the Mainstreaming Agenda**

Lastly, the Resource Mobilization Strategy must be tightly linked with the mainstreaming agenda, particularly in three priority areas:

- **Agriculture, Forestry and Fisheries** – The *Financing Nature* report found that reversing or neutralizing perverse subsidies in the agriculture, forestry and fisheries sector is the single biggest opportunity to reduce the need for additional biodiversity finance. Parties should undertake national reviews of the harmful and harmful perverse incentives in alignment or integrated in their National Biodiversity Finance Plans as part of a comprehensive national and international program to make agriculture both climate resilient and nature-positive by 2030.
- **Infrastructure and Extractives** – CBD COP Decision 14/3 addresses mainstreaming biodiversity in the infrastructure and extractives sectors and calls for the universal adoption of large-scale spatial planning and the mitigation hierarchy, including the use of biodiversity offsets as a last resort. The *Financing Nature* report found that universal implementation of this Decision could be the single largest generator of new financial resources for biodiversity given the expected trends in infrastructure investment to achieve the SDGs and the Paris Agreement goals. Parties should follow up on this decision by including specific action targets on mainstreaming for these sectors in the GBF.
- **Financial Services** – The finance sector has not yet come to terms with biodiversity loss as a systemic threat, as it is beginning to do with climate change. Nevertheless, the financial services sector, particularly banks and institutional investors should be required to account for dependencies, impacts and risks associated with biodiversity loss, and to reflect these in investment decisions. Governments should require that the financial sector report on its actions and risks related to biodiversity, as France has done in its 2019 law on energy and climate. Biodiversity risk should be integrated into conventional risk management processes in financial markets. As an urgent first step, financial institutions should be encouraged to engage in the newly established processes, such as the Taskforce on Nature-related Financial Disclosure, to develop metrics and disclosure requirements for nature-related risk. This should be seen as a stepping-stone towards sector-wide targets to make financial investments and portfolios nature-positive by 2030.

#### **Additional Considerations for COP15: Mainstreaming Biodiversity in Development Finance**

The CBD COP 15 should be an opportunity to mobilise Development Finance Institutions (DFIs) to make commitments regarding:

- Mobilizing resources for biodiversity
  - Setting operational targets for biodiversity finance in the DFI's multi-year strategies, aligned with the biodiversity targets to be agreed upon at CBD COP 15.
  - Reducing, with the aim to eliminate, investments that are harmful to biodiversity, including by strengthening and monitoring biodiversity standards at project implementation and portfolio levels, and sharing data on the application of mitigation hierarchy frameworks, as well as the reporting, verification, and monitoring of biodiversity offsets.
  - Supporting capacity building, and influence policy and regulatory changes both at national and multilateral levels to eliminate harmful subsidies and to adopt improved planning and mitigation approaches for infrastructure development that result in the least potential conflict among people, water, and wildlife.
- Mainstreaming biodiversity in their operations
  - Developing and applying harmonized definitions and reporting guidelines for biodiversity finance.
  - Developing methodologies and metrics to assess and incorporate biodiversity risks and impacts in strategic and operational decisions at both project and portfolio levels.

- Defining targets to dedicate a significant share of development assistance earmarked for climate action to be directed towards supporting nature-based solutions, to achieve climate and biodiversity objectives simultaneously.

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