

## **Joint Donor Statement on International Finance for Biodiversity and Nature**

### **Financing Biodiversity: The Role of International Finance**

We are committed to reaching a transformative Global Biodiversity Framework (GBF) with ambitious goals and targets, and a strong monitoring, reporting and review mechanism. We know this requires significant flows of domestic and international biodiversity finance.

Here in Montreal at CBD COP15.2, in line with the commitments made by G7 members, and the *10 Point Plan for Financing Biodiversity*, and the imperative highlighted by the Dasgupta Review to increase natural capital wealth, we confirm that we have collectively delivered on our existing biodiversity development finance commitment. We exceeded the Hyderabad financial commitments set in support of the Aichi targets. **As DAC members, we successfully doubled our biodiversity finance by 2015 and maintained an average of ~\$5bn between 2015-2020, verified by the OECD.**<sup>1</sup> We announce our intention to continue increasing international biodiversity finance and align relevant international development flows, commensurate with ambition of the GBF. In this spirit, we will work towards an agreement of an international finance target in 19.1.

We also recognise that international development finance alone will never be sufficient to bridge the biodiversity finance gap. Mobilizing domestic and international finance from all sources remains essential to deliver on the GBF. However, international development finance is critical to unlock further domestic public finance, as well as private and philanthropic finance.

Delivering on the goal of halting and reversing biodiversity loss by 2030 requires all countries to manage the financial and economic risks associated with biodiversity loss and seize the opportunities from nature positive investment.

We welcome international initiatives and partnerships which support partner countries to increase access to biodiversity finance and mobilise domestic resources.

**We commit to work together**, and with our partners, to:

#### **(1) Continue increasing the amount of international public finance for biodiversity**

Recognising the importance of increasing international financial support for biodiversity, we have made commitments to provide for the protection, restoration, and sustainable use of biodiversity and nature, as outlined below, with further commitments expected moving forward:

<b>Donor</b>	<b>Public Commitments</b>
<b>Australia</b>	Australia plans to increase its international public finance for nature through to 2030 to support developing countries implement an ambitious GBF. This builds on Australia's existing commitment to provide AUD\$2 billion in climate finance over 2020-2025 period, including for environment and biodiversity projects.

<sup>1</sup> [Biodiversity and development finance: Main trends, 2011-20 | en | OECD](#)

<b>Canada</b>	Doubling of international climate finance commitment to CAD 5.3 billion over 2021-26, including a commitment to dedicate 20% of this funding to projects that leverage nature-based climate solutions and projects with biodiversity co-benefits. Canada will provide a new contribution of \$350 million to support developing countries – home to the vast majority of the world’s biodiversity – to advance conservation efforts. This funding will support the implementation of the future GBF.
<b>EU</b>	The EU is doubling its ODA funding and has pledged EUR 7 billion for biodiversity over 2021-27, in particular for the most vulnerable countries.
<b>France</b>	France announced it would double its international finance for biodiversity to reach EUR 1 billion per year by 2025.
<b>Germany</b>	Germany will increase its international biodiversity funding to EUR 1.5 billion by 2025, as part of the increase of its international climate budget to 6 billion euro annually by 2025 at the latest.
<b>Japan</b>	Japan has pledged 71.4 billion yen to the GEF 8 and 1.8 billion yen to the second phase of the Japan Biodiversity Fund. Furthermore, Japan will pledge 117 billion yen for biodiversity over fiscal year 2023 to 2025.
<b>Netherlands</b>	In line with the 50% increase of its annual contribution to GEF-8, the Netherlands announced its commitment to increase its total biodiversity-related development finance by 50% in 2025, resulting in a target of EUR 150 million for 2025.
<b>Norway</b>	Norway currently provides NOK 3.5bn annually in development assistance towards biodiversity, including through our international forest and climate initiative. Norway will significantly increase its nature finance from all sources towards 2025.
<b>Spain</b>	Spain intends to double its international funding for biodiversity, aiming to dedicate at least 550 million € of its Official Development Aid for biodiversity over the period 2021-2025.
<b>United Kingdom</b>	The UK intends to meet its existing commitment of £3bn finance for climate change solutions that protect, restore, and sustainably manage nature as previously stated from 2021-2026.
<b>USA</b>	The United States has pledged \$600.8 million to GEF-8. In 2021, USAID invested \$319.5 million to conserve biodiversity, reduce wildlife trafficking and other nature crimes, and support the resilience of vulnerable and marginalized communities who depend on biodiversity and healthy ecosystems for food, jobs, and security. USAID’s funding for biodiversity continues to grow with FY 2022 appropriated biodiversity funding at \$385 million.

These commitments build upon our successful track record of delivering increases in international financial support for biodiversity in the past decade.

As a part of this commitment, we support the Global Environment Facility (GEF), as the financial mechanism for the Convention of Biological Diversity (CBD). Collectively, donors have committed an unprecedented \$5.33 billion to the 8th replenishment of the GEF (GEF8), with a minimum of 60% of all GEF financing delivering outcomes which benefit biodiversity. We support GEF’s additional reforms to improve recipient countries’ access to finance and to develop ambitious National

Biodiversity Strategy and Action Plans (NBSAPs) and national biodiversity finance plans.

We plan to take an integrated approach to delivering on our climate and biodiversity goals across the international development system in support of the wider Sustainable Development Goals agenda. These include eradicating poverty, supporting climate action, improving global health and gender equality. Active involvement of Indigenous Peoples and local communities is critical to ensuring all these outcomes.

We intend to build upon progress made across the One Planet Summit 2021, in the G7, G20 and at UNFCCC COP26 and COP27 in relation to climate finance and dedicate a meaningful amount of climate finance to biodiversity and nature, recognising that nature-based solutions can deliver up to one third of the mitigation potential needed to keep the 1.5C temperature limit within reach<sup>2</sup>, while offering significant benefits for adaptation.

We call on donors who have not made commitments to join us in doing so. We also call on other countries with capacity to do so to contribute to international biodiversity financing efforts and report this to the OECD DAC.

## **(2) Implementing the GBF: Partnerships and Initiatives**

We welcome and support international initiatives and partnerships which contribute to strengthening resource mobilisation and improve access to finance for biodiversity. Such initiatives aid the implementation of the GBF in partner countries. These include:

- The NBSAP Accelerator Partnership aims to support partner countries in implementing the GBF's goals and targets at national level. Among other things, the partnership will facilitate access to financial and non-financial resources.
- The High Ambition Coalition for Nature and People 2.0 aims to provide an operational and collaborative platform to support members to implement the 30 by 30 global target once the GBF is adopted. It will focus on capacity building and providing both technical and financial matchmaking to connect experts, funders and projects on the ground.
- Since 2012, BIOFIN works in response to the urgent global need to divert more finance from all possible sources towards global and national biodiversity goals. Now present in 40 countries, BIOFIN is working with governments, civil-society, vulnerable communities, and the private sector to catalyse investments in nature.

## **(3) Work with the Multilateral Development Banks (MDBs) to increase their investment for the protection and restoration of biodiversity**

We welcome the progress made to implement the commitments in the COP26 MDB Joint Statement on Nature, People and Planet, which commits MDBs to develop tools and methodologies to track and strengthen reporting on 'nature positive' investments.

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<sup>2</sup> [Natural climate solutions | PNAS](#)

As shareholders, we call upon all multilateral development banks to deliver on these commitments in the short term and to scale up all forms of support for countries in delivering the GBF, and to set a target for biodiversity finance for 2025.

In support of this, we also call upon the MDBs to strengthen reporting and tracking of individual and collective commitments, such as through the Rio markers. This can provide a foundation against which further increases in investment can be measured.

We recognise evolving discussions around the need for MDBs to better respond to global challenges, and countries party to the CBD, call on MDBs to align their operations with the international mission to halt and reverse biodiversity loss by 2030, and the GBF.

#### **(4) Align international public finance with the emerging mission of the GBF**

As governments, we will ensure that our development assistance does no harm to nature, and that it becomes 'nature positive' overall. This means avoiding, reducing, or mitigating nature-related risks and impacts, including to natural capital accounts at project level and portfolio level<sup>3</sup>; taking steps to assess the risks across our financial systems from biodiversity loss including in macroeconomic models and forecasts; supporting recipient countries in their transition to a net zero nature-positive economy; and increasing finance for projects aligned with this international mission.

We intend to align our development assistance with the international mission to halt and reverse biodiversity loss by 2030. Countries party to the CBD will take further steps to align with the GBF targets, once agreed.

#### **(5) Leverage international public finance to generate private resources to implement an ambitious GBF**

We commit to leveraging our international public finance to mobilise private resources to implement an ambitious GBF.

We need to encourage investments in biodiversity by the private sector, including through blended financing mechanisms and other innovative approaches which mobilise public and private finance. This includes the LEAF coalition (~US\$1.5bn) the Global Fund for Coral Reefs (~US\$2-3bn), Legacy Landscapes Fund (funding goal ~US\$1bn), and the Accelerator of the Great Green Wall for the Sahara and the Sahel (~US\$19bn).

We welcome the inauguration of the International Sustainability Standards Board (ISSB). We encourage it to expand its focus to include nature-related financial risks. We also support the Taskforce on Nature-related Financial Disclosures, an independent, market-led global initiative, which will enable financial institutions to understand and disclose nature-related risks, impacts and dependencies. This would enable investors to make informed decisions, align their investments with biodiversity goals, and support the transition to a nature positive economy.

#### **(6) Support the mobilisation of domestic funding**

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<sup>3</sup> We recognise that development assistance is vital for supporting humanitarian emergencies and other critical areas and therefore it may not be possible to have nature positive outcomes in every project, however, we reassert our commitment to strong safeguards and will work to ensure our financial flows are aligned with these goals at portfolio level.

All governments must mobilise additional domestic resources for nature and put policies in place that help to unlock private financial flows.

For countries party to the CBD this means aligning public and private financial flows with biodiversity objectives including identifying and redirecting or eliminating subsidies harmful to biodiversity, at the latest by 2030, and taking initial steps without delay. We call on all financial institutions to do the same.

We also welcome the International Development Finance Club (IDFC) and its 27 national and international public banks' commitment to support the implementation of an ambitious GBF and its target to mobilize by 2027 more than \$100bn of biodiversity finance<sup>4</sup>.

We have committed to use financial and policy levers to mobilise more biodiversity finance domestically and where appropriate support other countries to do the same.

This includes adopting appropriate fiscal policies, such as those supported by natural capital accounting; green financial products; investments in green infrastructure and other nature-based solutions; payment for ecosystem services; and high integrity carbon markets and other environmental markets to incentivise private sector flows.

It is equally important to work to ensure that flows of public and private finance considers the true value of nature and the benefits of biodiversity in financial decision-making, as well as identifying and managing the risks associated with biodiversity loss.

We will aim to support the implementation of countries' national biodiversity finance plans, and request that multilateral and bilateral institutions support countries in this important endeavour.

**Supported by:**

Australia

Canada

Czech Republic

EU

Finland

France

Germany

Japan

Netherlands

Norway

Spain

Switzerland

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<sup>4</sup> The IDFC has 27 Members from developed and developing countries including national and regional development banks from Africa, Asia, Europe, Central and South America, and Caribbean.

United Kingdom

United States