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T7 Task Force Climate and Environment

POLICY BRIEF

ALIGNING CLIMATE AND BIODIVERSITY FINANCE

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Executive Summary

The G7 can provide a powerful signal on resource mobilization for biodiversity and climate change ahead of the Biodiversity Convention COP15 in Kunming to ensure that financing efforts to address the global climate crisis and the global biodiversity crisis are synergistic and mutually re-enforcing. G7 countries should commit to allocate 30% of their international climate finance towards nature-based solutions in order to simultaneously achieve climate and biodiversity outcomes. Furthermore, the G7 should commit to ensure that, in achieving the \$100B climate finance commitment, all climate finance is screened to be nature-positive. Additionally, Lastly, the G7 should call upon the Multilateral Development Banks to build on the MDB Joint Nature Statement from Glasgow to become “Kunming Aligned” following the adoption of the Global Biodiversity Framework at UNCBD COP15, just as they have previously committed to become “Paris Aligned.”

Challenge

G7 and other countries have committed to mobilize \$100B in international climate finance for developing countries¹, as well as to ensure that the global financial system takes climate change into account following the recommendations of the Task Force on Climate-Related Financial Disclosure and other processes. Complementary processes are developing to ensure the global financial system also takes nature into account through the Task Force on Nature-Related Financial Disclosure.² The UN Biodiversity Convention negotiations on the Global Biodiversity Framework is likely to adopt a goal calling for the alignment of all public and private financial flows with the objectives of the Framework, modeled on a similar commitment in Article 2 of the Paris Agreement. These efforts to align the global financial system with climate and biodiversity objectives and to provide assistance to developing countries need to be complementary to ensure that efforts to address the global climate crisis and the global biodiversity crisis are synergistic and mutually re-enforcing, and do not inadvertently undermine each other.

Proposals

- The G7 should commit to ensure that, as they achieve the \$100B climate finance commitment, all climate finance is screened to be nature-positive.
- All G7 countries should allocate 30% of their international climate finance towards nature-based solutions in order to simultaneously achieve climate and biodiversity outcomes.
- Having previously requested the Multilateral Development Banks (MDBs) to develop plans to be “Paris Aligned” by UNFCCC COP26, the G7 can build on the MDB Joint Nature Statement from Glasgow and request the MDBs to initiate processes to become “Kunming Aligned” following the adoption of the Global Biodiversity Framework at UNCBD COP15.

Implementation

The timing of the G7 summit, a few months before the UNCBD COP15 in Kunming, China, presents an ideal opportunity for the G7 countries to demonstrate global leadership on nature finance issues and send critical signals to developing country partners in the negotiations, as well as to public and private financial institutions. Getting the signals right will improve the chances of success in the negotiations on the critical issue of resource mobilization. It will also reinforce the positive momentum in the private sector to shift their practices and investments to be nature-positive. In particular, a G7 commitment to allocate 30% of climate finance for nature-based solutions will generate new financial resources for biodiversity and meet the Official Development Assistance target in the current negotiating text, thus demonstrating donor country commitments and facilitating more ambitious commitments from developing countries. Additionally, if the G7 calls upon the MDBs to align their portfolios with the forthcoming Kunming Global Biodiversity Framework, the MDBs will have time to develop and announce a robust set of commitments

across their lending portfolios and programs to demonstrate commitment and the availability of resources to support client countries to implement more ambitious biodiversity commitments in the short term, and shift their economies to be carbon-neutral and nature-positive over the medium to long term.

Endnotes

¹ COP 26 Climate Finance Delivery Plan: <https://ukcop26.org/wp-content/uploads/2021/10/Climate-Finance-Delivery-Plan-1.pdf>

² TNFD Framework Beta version: <https://tnfd.global/tnfd-framework/>

About the Author



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Dr. Andrew Deutz is the Director of Global Policy, Institutions and Conservation Finance at The Nature Conservancy. He is an expert in international environmental law, policy and diplomacy. He directs the TNC's global policy work spanning the areas of biodiversity, sustainable development and conservation finance, as well as overseeing relationships with international organizations, multilateral development banks and foreign aid agencies.

Prior to joining TNC, he served in several leadership roles with the International Union for the Conservation of Nature and has also served as the acting Lead Forest Negotiator for the US State Department and as Forest Policy Advisor to the World Bank. He holds a doctorate in International Environmental Law from the Fletcher School of Law and Diplomacy. .



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