IDFC Common Position Paper on Biodiversity
November 2022

Preamble

Conscious of the intrinsic value of nature being essential for human existence, human and biosphere health, livelihoods and economic activities, and playing a critical role in providing food and feed, energy, medicines and genetic resources and a variety of materials fundamental for people's physical well-being and for maintaining culture,

Concerned that biodiversity is increasingly under threat due to global anthropogenic pressures including land and sea-use change, overexploitation of resources, climate change, pollution and impacts of invasive alien species that put humanity's socioeconomic systems at risk,

Conscious of the terrible social and economic shock resulting from the COVID-19 crisis and the need to build back better, more inclusive, resilient and greener societies, taking into account the links between biodiversity management and the emergence of pandemics,

Noting that biodiversity and ecosystem services loss is part of the five top global risks based on impact and likelihood of occurring (as shown in the World Economic Forum's most recent Global Risks Report), and that the costs of the ecosystem services loss is estimated to range between USD 4,3 and 20,2 trillion per year according to OECD,

Recalling the relevance of the 2050 Vision for Biodiversity "living in harmony with nature",

Noting that climate change and biodiversity loss are two sides of the same coin, and that nature-based solutions contribute to climate change mitigation and adaptation and to achieve the goals of the Paris Agreement, complementing stringent emission reductions, and avoiding negative impacts on biodiversity and food security,

Recognizing the urgent need for transformational changes across economic, financial, social, political and technological systems, beyond protected areas, and therefore that mainstreaming biodiversity in every economic sector is key to conserve ecosystem services, and a condition to achieve Sustainable Development Goals,

Highlighting the challenge raised by filling the biodiversity financing gap to implement the future Global Biodiversity Framework,

Acknowledging that resource mobilization, especially through the finance of biodiversity positive economic activity, is fundamental to the achievement of the objectives of the Convention on

Biological Diversity (CBD) and should be an integral part of the post-2020 global biodiversity framework.

Noting in this regard the need for additional public and private financing from all sources, but also the importance of redirecting harmful economic incentives and investments to biodiversity protection and enhancing the effectiveness and efficiency of resource use.

Aware of the crucial role of the financial sector to invest 'better' and more in biodiversity and of its capacity to leverage innovative funding and partner with the private sector,

Building on existing work to support the development of National Finance Biodiversity Plans to implement National Biodiversity Strategies and Action Plans (NBSAPs),

IDFC members commit to support an ambitious and effective Post-2020 Global Biodiversity Framework by 2027 through:

Developing their biodiversity strategy or action plans, combining risk management, impact mitigation, as well as direct conservation and mainstreaming finance, with quantified [financial] targets and goals to be achieved, in line with the global policies and in accordance with their governments' guidance and priorities,

Supporting the development of biodiversity/nature strategies at their client level,

Increasing the mobilization of finance for nature-positive projects and policies, through nature-based solutions or other mainstreaming approaches,

Allocating a substantive part of climate finance to projects with positive impacts on nature/biodiversity,

Leveraging private finance through the development of adequate financial mechanisms such as blended finance, and building effective partnerships and share experience to strengthen their contribution to the global biodiversity agenda, as they do for the objectives of the Paris agreement and the SDGs,

Addressing the direct drivers of biodiversity loss by managing nature-related risks, impacts and dependencies at project level, using a range of approaches[1] ,

Working on integrating these nature-related risks in the financial decisions, and at portfolio level through stress tests,

[1] such as the implementation of environmental and social safeguards or guidelines, due diligence, off-setting, or the exclusion of activities that have harmful impacts upon biodiversity and ecosystem services

Measuring (tracking), reporting on and disclosing the nature-related risks, impacts, dependencies and opportunities, through relevant and, whenever possible, common methodologies or frameworks such as the Taskforce on Nature-related Financial Disclosures – TNFD

Recognizing the links between social, biodiversity and climate finance and progressively strengthening the convergence between these three overall finalities by developing approaches with multiple cobenefits, in line with the 2030 Agenda and the SDGs. In light of the above and with a view to achieving an ambitious and effective Post-2020 Global Biodiversity Framework, IDFC has the potential to mobilize more than 100 billion USD of biodiversity finance in five years, by 2027, in order to help achieve these goals.