



Coalition for Capacity on Climate Action (C3A)

Side-event at COP 16 :

*“Mobilizing and reforming the financial system
to achieve the GBF targets”*

Date: October 28th, 2024

Time: 08:00 am – 09:00 am (Cali, Colombia) UTC-05:00

Venue: COP16 MDB Pavillion (“Blue Zone”)
Centro de Eventos Valle del Pacífico
Cl. 15 #26-120, Arroyo Hondo, Yumbo, Valle del Cauca, Colombia

Key questions:

- *How much finance is needed to achieve the halt and reverse biodiversity losses, and fulfill the Global Biodiversity Framework targets?*
- *How much biodiversity finance is currently being mobilized?*
- *To what extent are developed countries meeting their targets for biodiversity-related official development assistance targets?*
- *What can be done to mobilize global finance and reform financial institutions to help meet global biodiversity targets?*

*“Mobilizing and reforming the financial system to achieve the
GBF targets”*

One of the most important dimensions of efforts to implement the Global Biodiversity Framework (GBF) is the explicit goal of addressing global finance and capacity gaps. For example, the GBF estimates that halting and reversing biodiversity losses will require funding of around \$700 billion per year until 2030, to be filled through the reduction of harmful subsidies (GBF Target 18) and a massive increase in public and private financial resources (GBF Target 19). The UNEP further suggests that upwards of \$7 trillion per year in nature-negative investments will need to be repurposed to meet global biodiversity goals.¹ In short, massive amounts of financing will be necessary to protect, sustainably manage, and restore ecosystems in the coming years.

Policymakers and financial supervisors must therefore ensure that the funding needed for a global nature transition is made swiftly available and effectively distributed to those projects and places most in need. A diverse array of new financial instruments are already being put forward for this purpose. Besides calls for grants and concessional loans from MDBs and repurposing domestic public resources, new tools have been developed to finance environmental initiatives, such as sustainability-linked bonds, blended finance initiatives, and innovative schemes such as payment for ecosystem services, debt-for-nature swaps, biodiversity offsets and credits, and benefit-sharing mechanisms.

Along similar lines, researchers and global institutions are increasingly calling for reforms of the global financial architecture to remove any structural impediments to directing biodiversity funding to where it is needed most. For example, some have called for a massive expansion of the use of the IMF's Special Drawing Rights (SDRs) to support transitions and limit financial constraints in climate-vulnerable countries.^{2 3} Under the leadership of Brazil, the G20 is also now proposing to introduce debt suspension clauses in loan agreements for countries affected by a natural disaster,

¹ UNEP. (2023b). State of Finance for Nature: The Big Nature Turnaround – Repurposing \$7 trillion to combat nature loss. Nairobi. <https://doi.org/10.59117/20.500.11822/44278>

² Volz, U. (2022). Climate-proofing the global financial safety net. *Journal of Globalization and Development*, 13(1), 1-30.

³ Aglietta, M., & Espagne, É. (2022). Environmental change and the international lender of last resort. In *Central Banking, Monetary Policy and the Environment* (pp. 111-134). Edward Elgar Publishing.

and debt-for-investment exchanges to support countries that have less fiscal space to engage in the transition.

With this in mind, there is perhaps no other question that is more central to the discussions at COP16: *What can be done to mobilize global finance and reform financial institutions to help meet global biodiversity targets?*

To answer this question, head-on, C3A proposes an event that will include a panel discussion of experts, representatives of Ministries of Finance, and policymakers to engage with the promises and pitfalls of different nature-finance strategies. Speakers will present the state-of-the-art of the current landscape of biodiversity finance, highlight the practical challenges to mobilizing financial resources for biodiversity and the “nature” agenda, and consider what future changes to the global financial architecture may be needed to support action to meet the Global Biodiversity Framework targets.

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Event Agenda:

- **Welcome and Introduction (10 mins)**
 - Welcoming Remarks: **Romain Svartzman (C3A & Research Fellow, Bocconi University)**
 - Keynote Introduction: **Diego Guevara (Vice Minister, Ministry of Finance, Colombia, tbc)**
- **Presentations (30 mins)**



- Overview of international financing needs for biodiversity: **Jeffrey Althouse (C3A)**
 - Progress and promises on the road to achieve 20bn/year in international biodiversity finance: **Mark Opel (Finance Lead, Campaign for Nature)**
 - Pathways to mobilizing international biodiversity finance for low-income nations: **Hon. Jiwoh Abdulai (Minister of Environment and Climate Change, Republic of Sierra Leone)**
 - Utilizing national development banks to support the nature transition: **Odette Lima Campos (Coordinator of the Environment Division, BNDES)**
- **Panel discussion and Q&A (20 mins)**