



Business for Nature position on the SBI Agenda Item 6

RESOURCE MOBILIZATION

***About Business for Nature** - Business for Nature is a global coalition that brings together business and conservation organizations and forward-thinking companies. Together, we demonstrate credible business leadership on nature and amplify a powerful leading business voice calling for governments to adopt policies now to reverse nature loss this decade. We work with more than 50 international and national partners and a diverse group of businesses from all sectors, sizes and geographies. We encourage companies to commit and act to reverse nature loss, and advocate for greater policy ambition.*

Business for Nature greatly appreciates the efforts of the Subsidiary Body on Implementation for highlighting the importance of addressing resource mobilization. However, we are concerned that due to some crucial shortcomings, the current draft of the Post-2020 Global Biodiversity Framework (the Framework) is still unlikely to trigger the change needed globally and the necessary resources to reverse nature loss by 2030.

Transformative changes cannot be achieved without proper incentive mechanisms and financial resources. This has been identified as a key element of failure in the Aichi targets. According to the Paulson Institute report "[Financing Nature](#)", we need to invest \$700 billion per year to reverse the global biodiversity crisis. It is therefore essential that the Framework identifies and promotes all sources available from both the public and private sectors. **Closing the finance gap must be a key priority of the Framework.**

For that, we welcome the recommendations of the panel of experts, which must be integrated into the Framework and supporting documents.

Business for Nature supports the following approach to address the finance gap:

- **Eliminating and redirecting all subsidies** and incentives that are harmful for biodiversity.
- **Greening mainstream finance:** align financial flows of financial institutions and businesses to a nature-positive world.
- **Increasing green finance:** Promote the rapid development and implementation of innovative financial solutions.

Our full position on the updated zero draft of the Post-2020 Framework is available [here](#). Below are our recommendations on resource mobilization as discussed under SBI agenda item 6 CBD/SBI/3/5 and particularly on Annex I: Draft elements on resource mobilization for possible inclusion in the post-2020 global biodiversity framework.

Business for Nature recommendations on Annex I - [CBD/SBI/3/5](#)

Business for Nature supports the draft elements on resource mobilization but believe that these recommendations must be strengthened to reflect the current finance gap on biodiversity, take into account the findings of the panel of experts, and learn from the Aichi Targets shortcomings.

Annex 1 must:

- **Recommend a stronger target 17 that commits to eliminate and redirect all subsidies** and incentives that are harmful for biodiversity: A systemic change in subsidies and incentives has the potential to leverage a large financial contribution to nature if it is redirected to support positive actions and to reward business leadership to design innovative, circular and profitable business models that deliver positive long-term outcomes on nature. We strongly regret that the wording of target 17 has been weakened in the updated draft. If we are to collectively reverse nature loss by 2030, harmful subsidies must be completely eliminated, and harmful practices must not be incentivized in any direct or indirect way. Only then can we create a level-playing field for businesses, which strongly encourages rapid transformation of business models.
- **Recommend a new target promoting regulatory measures to align financial flows** of financial institutions and businesses to a nature-positive world, including the integration of biodiversity into business and financial decision-making, the promotion of standardized frameworks and metrics, disclosure requirements on biodiversity risks, impacts and opportunities. Financial institutions should be actively incentivized to consider biodiversity impacts. This could include internal exclusion policies, thematic funds, and active engagement.
- **Recommend strengthening capacity development for businesses** in identifying, measuring, valuing and externally disclosing impacts and dependencies on nature. Standardized metrics, tools and guidance must be supported in addition to requiring businesses to internalize environmental externalities in decision-making and disclosure.
- **Recommend supporting the Task Force on Nature-Related Financial Disclosure (TNFD).** A commonly accepted way to report nature-related risks and dependencies is required to support the inclusion of nature in financial decision-making and investment, as with the TCFD on climate. Such an exercise needs to be linked to existing TCFD efforts and build on on-going work on measuring and valuing nature. Disclosure is required to ensure a level playing field and inform investors who can then redirect financing away from nature-negative outcomes.
- **Recommend to increase green finance.** The Post-2020 Framework needs to help unlock the innovative, transformative power of the full financial sector. It is therefore important that the role of innovative and new finance be recognized, and that actors from this sector are called on to contribute. SBI must recommend the GBF to promote the rapid development and implementation of innovative financial solutions such as green financing, large public funds and blended finance schemes to finance nature, including small and large-scale nature-based solutions.

ANNEX – Relevant text amendments to the updated zero draft of the Post-2020 Global Biodiversity Framework to address the recommendations above.

4.1	Current text	Suggested amendment
	<p>Section E – 2030 Action Targets</p> <p>[NEW]</p>	<p>Section E – 2030 Action Targets</p> <p>NEW Target: By 2025, strengthen or develop, and by 2030 implement regulatory measures for public and private financial institutions and businesses to:</p> <ul style="list-style-type: none"> a. Integrate biodiversity into business and financial decision-making and strategies, b. Support business in the development of standardized metrics to measure and value impacts and dependencies on biodiversity. c. Adopt disclosure requirements on biodiversity risks, impacts and opportunities.
<p><i>Justification: We will only see the transformation needed if financial flows are aligned with the CBD vision and mission. As this is a critical element of success and would also support resource mobilization, a specific target should be created to support alignment and application of frameworks and metrics to incorporate biodiversity into decision-making.</i></p> <p><i>While the focus should be on improving decision-making, a standardized mechanism to assess and disclose nature-related risks and dependencies is required to ensure a level playing field and inform investors. Disclosure methodologies and metrics are currently still being developed, for example by the Taskforce on Nature-related Financial Disclosures (TNFD), however we anticipate they will have been tested and agreed before the proposed deadline.</i></p>		

4.2	Current text	Suggested amendment
	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – b Capacity development</p> <p>[NEW]</p>	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – b Capacity development</p> <p>[NEW] (iv) Supporting and requiring business to internalize environmental externalities and integrate their impact and dependencies on nature in decision-making, risk management, supply chain management and external disclosure. This will require:</p> <ul style="list-style-type: none"> a) standardizing metrics, tools and guidance to undertake robust corporate natural capital assessments and accounting; b) promoting guidance on nature-related financial disclosures; and c) providing contextual natural capital data from national statistical systems.
<p><i>Justification: Identifying, measuring, valuing and externally disclosing impacts and dependencies on nature is relatively new for most businesses. Therefore, capacity development and standardized</i></p>		

metrics, tools and guidance must be provided in addition to requiring businesses to internalize environmental externalities in decision-making and disclosure.

Parties could support the development and implementation of a Task Force on Nature-Related Financial Disclosure (TNFD) and its linkage to the existing TCFD. Indeed, a commonly accepted way to report nature-related risks and dependencies is required to support the inclusion of biodiversity in financial decision-making and investment, as with the TCFD on climate. Such an exercise needs to parallel or be linked to existing TCFD efforts.

4.3	Current text	Suggested amendment
	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – b Capacity development</p> <p>[NEW]</p>	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – b Capacity development</p> <p>[NEW] (vi) Supporting and training the appropriate government organizations to implement the updated System of Environmental - Economic Accounting (SEEA-EA), with the aim to mainstream biodiversity into government accounting and use this as a basis to provide economy-related data on biodiversity to business.</p>
<p><i>Justification: Valuing and embedding nature in decision-making and disclosure is one of the key challenges that both the public and private sectors face. Governments can lead by example by implementing the agreed statistical framework for natural capital accounting. They can also further promote this approach to private actors by enabling them to use the improved statistical data on nature in relation to economic activities, and through this provide context for decision-useful information.</i></p>		

5.4	Current text	Suggested amendment
	<p>Section D – 2030 Milestones</p> <p>B.2. Nature is valued through green investments, ecosystem service valuation in national accounts, and public and private sector financial disclosures.</p>	<p>Section D – 2030 Milestones</p> <p>B.2. Nature is valued and embedded in decision-making, disclosure and market mechanisms across governments, businesses, financial institutions and civil society through green investments, ecosystem service valuation in national and business accounts, and public and private sector financial disclosures, and all investments.</p>
<p><i>Justification: A key element of transformation is to value and embed nature into all actors' decision-making. This milestone should reflect the four parts of society as identified by the CBD Long Term Approach on Mainstreaming (i.e., governments, businesses, financial institutions and civil society). "Green" investments seem limiting, especially now that mainstream financial institutions are recommending ESG investments as the default option.</i></p>		

5.5	Current text	Suggested amendment

<p>Section E – 2030 Action Targets</p> <p>Target 13. By 2030, integrate biodiversity values into policies, regulations, planning, development processes, poverty reduction strategies and accounts at all levels, ensuring that biodiversity values are mainstreamed across all sectors and integrated into assessments of environmental impacts.</p>	<p>Section E – 2030 Action Targets</p> <p>Target 13. By 2030, integrate biodiversity values into policies, finance, regulations, planning, development processes, poverty reduction strategies and frameworks, accounts and metrics at all levels, ensuring that biodiversity values are mainstreamed across all ministries and sectors and integrated into financial planning and assessments of environmental impacts.</p>
<p><i>Justification: Finance and frameworks/metrics should be added to better reflect the transformation needed. Target 13 should promote a whole-of-government approach, that recognizes the importance of nature-based solutions and synergies between the various national and global policies and processes.</i></p> <p><i>This would help avoid negative biodiversity impacts, contribute to positive impacts, unlock the full potential of nature-based solutions, and maximize synergies and policy coherence between different national and global policies and processes.</i></p>	

6.1	Current text	Suggested amendment
	<p>Section E – 2030 Action Targets</p> <p>Target 17. By 2030, redirect, repurpose, reform or eliminate incentives harmful for biodiversity, including [X] reduction in the most harmful subsidies, ensuring that incentives, including public and private economic and regulatory incentives, are either positive or neutral for biodiversity.</p>	<p>Section E – 2030 Action Targets</p> <p>Target 17. By 2030, redirect, repurpose, reform or eliminate incentives harmful for biodiversity, including [full] reduction in the most harmful direct and indirect subsidies and tax policies, ensuring that incentives, including public and private economic and regulatory incentives, are either positive or neutral for biodiversity.</p>
<p><i>Justification: This target is too weak. Eliminating harmful subsidies is an essential step in changing the rules of the game and in ensuring appropriate resource mobilization. That is why it is important for all harmful incentives and subsidies to be redirected towards sustainable use, resilience, restoration, and circularity. Target 17 should be strengthened to reflect the need to review, disclose, and entirely eliminate direct and indirect subsidies and tax policies that incentivize the degradation and over-exploitation of nature. This is reflected in the commitments of the Leaders’ Pledge for Nature.</i></p> <p><i>For reference about the definition of harmful subsidies, please see this OECD report “Environmentally Harmful Subsidies – Policy issues and challenges”</i></p>		

6.2	Current text	Suggested amendment
	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – a (ii) Reducing or redirecting resources causing harm to biodiversity;</p>	<p>Section F – Implementation support mechanisms</p> <p>Article 13 - a (ii) A systemic change in subsidies and incentives Reducing to eliminate or redirecting resources those causing harm to biodiversity and redirect them to incentivize practices that support sustainable use, resilience, restoration and circularity, as well as the</p>

	<p>integration of nature and nature-based solutions into public and private procurement policies and infrastructure development guidelines and promotion of net gain requirements with adherence to the mitigation hierarchy for all major development sectors.</p>
<p><i>Justification: Eliminating harmful subsidies is an essential step to change the rules of the game and ensure appropriate resource mobilization. That is why it is important for these incentives and subsidies to be redirected towards sustainable use, resilience, restoration, and circularity. The Framework should reflect the need to review, disclose, and entirely eliminate direct and indirect subsidies and tax policies that incentivize the degradation and over-exploitation of nature. This is reflected in the commitments of the Leaders' Pledge for Nature.</i></p>	

7.1	Current text	Suggested amendment
	<p>Section F – Implementation support mechanisms</p> <p>Article 13 - a (iii) Generating additional financial and non-financial resources from all sources, including from international and domestic sources and the public and private sectors;</p>	<p>Section F – Implementation support mechanisms</p> <p>Article 13 - a (ii) Generating additional financial and non-financial resources from all sources, including from international and domestic sources and the public and private sectors, including the promotion and implementation of innovative financial solutions such as green financing, large public funds, and blended finance schemes to finance nature, including small and large-scale nature-based solutions, and support efforts on greening the financial system.</p>
<p><i>Justification: The Post-2020 Framework needs to help unlock the innovative, transformative power of the full financial sector. It is therefore important that the role of innovative and new finance be recognized, and that actors from this sector are called on to contribute.</i></p>		

7.2	Current text	Suggested amendment
	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – a Mobilizing sufficient resources</p> <p>(iv) Enhancing the effectiveness and efficiency of resource use;</p>	<p>Section F – Implementation support mechanisms</p> <p>Article 13 – a Mobilizing sufficient resources</p> <p>(iv) Enhancing the effectiveness and efficiency of resource use, including the adoption of mechanisms and quantifiable indicators to value ecosystem services delivery and reward sustainable natural resources management.</p>