Joint Statement by the Multilateral Development Banks:

NATURE, PEOPLE AND PLANET

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For publication/endorsement at the 26th Conference of the Parties to the UN Framework Convention on Climate Change

Preamble

1.1 Nature[i], (including ecosystems and their biodiversity),[ii] plays a critical role in providing resources and services that underpin and support the planet and people in terms of: human health and wellbeing; economic growth, jobs, and livelihoods[iii]; food security; and air, water, and soil quality. Nature also plays a crucial role in helping to regulate our climate, acting as both a carbon sink as well as promoting resilience and adaptation to climate change through well-functioning and diverse ecosystems. When thriving and intact, nature can also help reduce the risks of future pandemics, and support a sustainable, inclusive, and resilient recovery from the impacts of COVID 19. Indeed, recent research such as the IPBES Global Assessment Report on Biodiversity and Ecosystem Services and the Dasgupta Review of the Economics of Biodiversity[iv], show, human activity is causing biodiversity loss at an unprecedented level, with potentially far-reaching systemic implications for wellbeing, livelihoods, and economies. They have also explored the role of nature as capital and a form of infrastructure. Therefore, progress on global sustainable development, climate and biodiversity goals cannot be achieved without addressing the direct and indirect drivers of nature loss[v] and transforming the way in which we value, use, conserve and share the benefits from nature.

Building from a solid base

1.2. We, the MDBs, have mainstreamed environmental sustainability considerations, including nature, into all our policies and operations through the implementation of our environment and social policies, standards, and procedures. We reiterate our commitment to continue assisting our clients avoid, minimize, and manage environmental and social risks and impacts of their operations.

1.3 We will continue to systematically integrate a gender perspective and consider the different needs of women and men, especially traditional and indigenous communities, in designing and undertaking actions on the use, management and protection of nature and environmental sustainability.

1.4 We will continue to meaningfully engage with traditional and indigenous communities as experts in protecting and managing biodiversity and natural resources, while respecting their rights to their lands, culture and spirituality.

1.5 We will build on our experience and track record in risk mitigation and promoting sustainability to support our client countries and the private sector to tackle the interconnected challenges of sustainable development, climate change and nature loss. This underpins our commitments to support client countries to achieve the Sustainable Development Goals, their Paris aligned climate goals and the Convention on Biological Diversity (CBD) goals[vi].

Commitments

1.6 We will further mainstream nature into our policies, analysis, assessments, advice, investments, and operations, in line with our respective mandates and operating models, through:

1. Leadership:

1.7 We aim to support a sustainable, inclusive, green, and resilient post-COVID recovery, that upholds our respective environmental, climate, economic, gender, social, and institutional sustainability standards, supporting green growth and jobs. Through our respective policy analyses, dialogues, and operations, we contribute to supporting countries in implementing their commitments made in relation to the Parties' implementation of CBD, the Paris Agreement, United Nations Framework Convention on Climate Change, and the Leaders Pledge for Nature.

1.8 We commit to clearly setting out institutional strategic approaches to further mainstream nature into our analysis, assessments, advice, investments, and operations by 2025. These will inform, where applicable, sector and country strategies/papers.

1.9 We will work in partnership together and with others and seek to support reforms in the public and private sectors to redirect, repurpose, reform or eliminate environmentally harmful subsidies, while at the same time scaling up incentives that are either positive or neutral for biodiversity.

1.10 We will continue to support public and private sector clients to participate in and benefit from global carbon markets and other green financial products, as appropriate, and in line with their respective priorities, while ensuring environmental integrity[vii].

2. Tackling the drivers of nature loss by fostering and making 'nature positive'[viii] investments:

1.11 We will work together to begin the process to better understand the financial and systemic risk of nature loss to our public and private portfolios and the current impacts of our portfolios on nature; and seek to agree on an operational definition of 'nature positive' in the context of our operations and investments.

1.12 We commit to develop projects, business models and/or financing instruments to support economic activity that seeks to reverse the drivers of nature loss and promote the protection, restoration and sustainable use of nature and its services to people.

1.13 We will develop, test, and expand the use of innovative instruments to support nature positive investment.

1.14 We will increase effort on greening finance by helping build an understanding of the dependencies on nature and the financial risks posed by nature loss to help direct financial flows away from business-as-usual models towards economic activity that addresses drivers of nature loss and generates nature co-benefits.

3. Fostering national and regional level synergies:

1.15 Where possible, we will support countries and ministries of finance and economic development and relevant departments/agencies to develop appropriate policies, investment frameworks and agreements that better value and enhance natural assets for the benefit of all people, including women, vulnerable and marginalized populations while supporting climate and nature goals.

1.16 We will support government clients to revise their National Biodiversity Strategies and Action Plans (NBSAPs) according to the post-2020 Global Biodiversity Framework, including adjusting policies and relevant investment plans, as needed.

1.17 As appropriate, we commit to support countries to secure high ambition for implementing nature-based solutions (NbS)[ix], across their relevant plans and strategies, including: Long-term Strategies (LTS); Nationally Determined Contributions (NDCs); National Adaptation Plans (NAPs); NBSAPs; and Land Degradation Neutrality (LDN) targets.

1.18 We will look for opportunities to step up nature financing and efforts to mobilize or leverage private finance for investments in nature, including NbS for climate change mitigation and adaptation with co-benefits for nature and people.

1.19 We will support client countries and the private sector to identify and access appropriate forms of finance from multilateral climate and environment funds, as appropriate, and leverage additional ordinary capital and private sector finance for 'nature positive' investments. This will include supporting countries in delivering their commitments under climate, biodiversity, and other environmental conventions.

1.20 We will encourage our public and private sector borrowers to share and exchange biodiversity information through online data portals[ix] to better inform mainstreaming, project design, and decision-making processes.

4. Valuing nature to guide decision making

1.21 We commit to use existing and new tools, as these are proven to be appropriate, to help public and private sector clients better value, sustainably manage, protect, and restore nature and its natural assets to deliver development benefits which include the contribution natural assets make to jobs, livelihoods, gross national income, inclusion, productivity, health, nutrition, well-being and raising incomes.

1.22 We will look for opportunities to incorporate the use of these tools into our project and/or country-level decision making, as relevant. We will support countries and private sector clients with technical assistance, where possible and appropriate, to use these tools to better inform economic planning and decision making

1.23 We will share knowledge to help enhance the evidence base and evaluate success and efficacy of various solutions.

5. Reporting

1.24 We will seek to align our objectives and develop tools and methodologies for tracking 'nature positive' investments across our portfolios.

1.25 We commit to enhancing public reporting on our efforts and initiatives to mainstream nature in our analyses and operations.

Endnotes.

[i] IPBES (2019a), Summary for Policymakers of the Global Assessment Report on Biodiversity and Ecosystem Services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, S. Díaz, et al. (Bonn: IPBES Secretariat) and IPBES (2019b), 'Glossary', https://ipbes.net/glossary **Nature** is used to refer to the natural world with an emphasis on its living components. Within the context of western science, it includes categories such as biodiversity, ecosystems (both structure and functioning), evolution, the biosphere, humankind's shared evolutionary heritage, and biocultural diversity. Within the context of other knowledge systems, it includes categories such as Mother Earth and systems of life, and it is often viewed as inextricably linked to humans, not as a separate entity (see "Mother Earth").

[ii] Biodiversity is the variety of life in all its forms, and at all levels, including genes, species, and ecosystems. The CBD defines biodiversity as 'the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.'

[iii] Benefits of ecosystem restoration include increased employment, increased business spending, improved gender equity, increased local investment in education and improved human health, well-being, and livelihoods. Investments in nature-based solutions can typically create low-skill and fast-implementing jobs — on average, between 7 and 40 jobs per $1 million invested https://www.wri.org/news/coronavirus-nature-based-solutions-economic-recovery. Nature-related jobs are also an important potential source of employment in the green recovery. A study found that around 11 jobs were directly attributable per USD 1 million investment in ecosystem restoration projects, while total direct and indirect restoration jobs generated by USD 1 million investment, reached 31.5 https://www.oecd.org/coronavirus/policy-responses/making-the-green-recovery-work-for-jobs-income-and-growth-a505f3e7/#endnotea0z19

[iv] Dasgupta, P. (2021), The Economics of Biodiversity: The Dasgupta Review. (London: HM Treasury) https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review

[v] IPBES 2019 identifies the five direct drivers of change in nature with the largest global impact (starting with those with most impact) as: (i) changes in land and sea use; (ii) direct exploitation of organisms; (iii) climate change; (iv) pollution; and (v) invasion of alien species. Those five direct drivers result from an array of underlying causes – the indirect drivers of change and nature loss – which are in turn underpinned by societal values and behaviours that include production and consumption patterns, human population dynamics and trends, trade, technological innovations and local through global governance.

[vi] https://www.cbd.int/development/doc/biodiversity-2030-agenda-technical-note-en.pdf

[vii] As per Article 6 of the Paris Agreement https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf

[viii] WEF. Nature positive means enhancing the resilience of our planet and societies to halt and reverse nature loss. A nature positive approach enriches biodiversity, stores carbon, purifies water and reduces pandemic risk.

[ix] IUCN definition for NbS: Actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits. https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions. Natural Climate solutions are a subset of NbS which specifically address the challenge of climate change e.g. conservation, restoration, and improved land management actions that increase carbon storage and/or avoid greenhouse gas emissions across global forests, wetlands, grasslands, and agricultural lands. Ecosystem based adaptation is subset of natural climate solutions that harness biodiversity and ecosystem services to reduce vulnerability and build resilience to climate change. https://www.iucn.org/sites/dev/files/import/downloads/ecosystem-based_adaptation_issues_brief_final.pdf E.g. restoration of mangroves to protect coastal populations from storm surges and higher sea levels. This is also aligned to IPBES (2019a) and recent CBD definitions which note that 'nature-based solutions with biodiversity safeguards are an essential component of ecosystem-based approaches to climate change adaptation, mitigation and disaster risk reduction.'

[ix] Such as the Global Biodiversity Information Facility (GBIF). https://www.gbif.org/