



## Keynote remarks

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*on the occasion of*

***Senior Level Briefing Session on Biodiversity Finance  
(6 August 2018, Namibia)***

<Greetings and courtesies (Names of Ministers, key officials, organizers)>

Let me start with a strong acknowledgement of the salient and continuous actions that the Government of Namibia and the Ministry of Environment and Tourism have been taking to position and advance the biodiversity agenda as a contributor to sustainable development.

Through the mobilization and success of your first NBSAP, development of multi-sectoral public policies, integration of nature protection in the national constitution and subsequent work through your 2nd NBSAP (2013-2022), your country has championed remarkable commitments and results to safeguard biodiversity, profiling it as an asset and necessity for all.

The processes and functions that biodiversity underpins, through direct and indirect ecosystem services, support numerous development activities essential for human well-being and economic growth at large. With this comes another significant asset: that of knowledge, capacities, and skills.

Seen through an economic lens, this adds considerable value, services, and resources to your country. This asset is your human capital. One that can generate inclusive and equitable opportunities, coupled to employment, research and education, to name a few.

Your country's Voluntary National Review on SDG implementation, presented at the 2018 HLPF in NY, demonstrates priorities related to economic wellbeing, gender empowerment, equitable growth, sustainable agriculture, climate change resilience, and sustainable management of water and sanitation.



These priorities all connect to biodiversity in different ways. Let me briefly explain how, and provide my reflections on the opportunities and challenges associated to the agenda.

**FIRST, without biodiversity and its provisions and services there would be no development.**

For urban and rural communities, and for different regions and countries, the connections to and dependencies on biodiversity are felt differently. Yet, overall, without the ecosystem benefits we are used to enjoy, people everywhere will be affected. Finding alternatives for these benefits is either extremely costly or simply impossible.

Biodiversity loss and ecosystem collapse are one of humanity's biggest threats. The World Economic Forum 2018 Risk Report registered this loss among the top 10 global risks in terms of likelihood.

Biodiversity underpins ecosystem health but also human and communities health. It ensures ecosystem functioning and the provision of ecosystem services which are critical for our well-being, if not survival. The fact that biodiversity is essential to achieving most of the SDGs has been recognized at the high-level African regional meeting in Senegal and also at the HLPF in NYC few weeks ago.

Let me give you few examples:

- Invasive alien species are globally a key driver of biodiversity loss, but also generate significant economic cost. For instance, according to a recent study, invasive insects alone are estimated to lead to economic costs of a minimum USD 70 billion per year globally.
- Also, according to the IPBES 2016 pollinator study, more than three quarters of global food crops rely on animal pollination, including wild pollinators, which contribute to 35% of the global crop production volume.
- Here, in Namibia, 30% of the population is dependent on natural resources for their livelihood, showcasing the strong links between natural capital and poverty eradication.

These costs, which continue to rise, add profound imbalances to biodiversity finance.

Loss of biodiversity induces also loss of ecosystem services, which in turn will

hamper the achievement of critical priorities related to food security, water provision and resilience to climate change.

And we have to ask ourselves - How will governments address the growing demands for food that will also increase by 35%, for water by 40%, and for energy by 50% by 2030 in the face of heightened demographic growth?

If we take an example, here in Namibia, where 30% of the population is currently living under the poverty line and dependent on natural resources for their livelihoods. What would the loss of biodiversity mean to them? What would this mean to foreign and private investment, for example in the eco-tourism sector, or for Namibia's sovereign risk rating?

In turn, how could investing in Namibia's natural capital provide an opportunity to empower innovate and bring and new jobs to many people, especially in rural communities, while lifting them out of poverty? How can biodiversity add value to economic development plans?

Ladies and gentlemen,

Clearly, the gains and losses we make on the biodiversity agenda will have an influence on other agendas.

Achievement of Global Biodiversity Aichi Target 11 under the Strategic Plan for Biodiversity 2011-2020 on expanding protected areas, both terrestrial and marine, has carried important weight in reducing the loss of biodiversity.

And I would like to recognize Namibia's leadership here - with almost half of its land (44%) and the entire coastline having protection status, Namibia has exceeded by far far its Aichi Target of 17% terrestrial and 10% of marine ecosystems under protection. This is an inspiration for other countries to follow!

However, in spite of good progress on Target 11, further work is still needed on most of the other 19 Aichi Targets in which we record much slower progress at global levels.

Countries still have almost 2 years to make additional and urgent efforts and deliver on the Aichi targets. At the same time, Parties to the UN Biodiversity Convention are debating an ambitious post-2020 global biodiversity framework in order to bring us on track to address biodiversity loss and take the key steps in the coming decade towards achieving the needed transformational change and contribute to the SDGs.

An important component, in this context, is the **mobilization of financial resources from all sources, which should be commensurate with the needed level of assessed funding.**

Broadly speaking, estimates show that the full value of nature to global GDP is between 75 and 125 trillion dollars. This is aligned with the global GDP itself, accounting to close to 78 trillion dollars.

For the Strategic Plan for Biodiversity 2011-2020, the total funding needs to achieve the 20 Aichi Targets were assessed in the range of 150 to 440 billion USD annually. This is merely a fraction of global GDP.

From reports of the Economics of Ecosystems and Biodiversity (TEEB) we are reminded that **when we invest in nature, the return can be as high as 50:1 or more.**

The biodiversity-related ODA registered at USD 7.9 billion per year in 2015-16 is so small compared to the needs that it could be considered a 'rounding error'. It also gives an impression of the order of magnitude of the global biodiversity financing gap and reflects still the low political priority given by to the challenge of biodiversity loss and ecosystems destruction.

**Closing or substantially reducing this financing gap is critical.**

The question is: How?

This boils down to political will and innovative approaches to raise new funds for biodiversity and to enhance policy alignment and coherence, to fundamentally transform our economies and production and consumption patterns towards sustainability.

To do this, we first need to change the established narrative, make the economic case for biodiversity policies and develop a broader engagement strategy for various sectors. We need to bring credible evidence, across all government sectors and non-state actors, that **spending on biodiversity is actually a worthwhile investment.**

Namibia has been at the forefront of using economic valuation methodologies for showcasing the benefits generated by ecosystems and biodiversity, including through its work on The Economics of Ecosystems and Biodiversity (TEEB Namibia). The recent inventory of ecosystem services in Namibia is an important milestone. We need to learn from this work and profile the results for others to also benefit.

Having a better understanding of the different values of ecosystems and biodiversity will help mobilize additional funding for biodiversity. for biodiversity. But this alone will not close the financing gap.

We need to take concrete action and systematically transform sectoral policies and their associated financing, by addressing the root causes of biodiversity decline. In other words, we need to **mainstream biodiversity in public and private policy and decision making, including in public budgets at all levels.**

For example, Namibia was the first African country to incorporate the protection of the environment in its national constitution. This is a fundamental step in support of biodiversity mainstreaming.

A key element is to fully integrate biodiversity into key economic sectors. The 14th Conference of the Parties to the UN Biodiversity Convention (COP14) will meet in November this year, in Egypt. It will specifically look into the mainstreaming of biodiversity into energy and mining, manufacturing and processing, infrastructure, and health.

In 2016, the 13th Conference of the Parties to the UN Biodiversity Convention addressed mainstreaming into agriculture, forestry, fisheries, and tourism. This resonates well with the nine focal sectors - agriculture; forestry; fisheries; water; lands; mining; energy; wildlife; and tourism -that are identified in Namibia's Vision 2030 and the five-year National Development Plans (NDP) for poverty alleviation and their links to critical natural capital.

Natural capital accounting, using the UN System of Environmental-Economic Accounting (SEEA), is also an important tool for mainstreaming ecosystems and biodiversity into economic decision-making.

I recognize that Namibia has already done work in this area and is a member of the Gaborone Declaration – the Africa-led initiative to advance economic valuation and natural capital accounting. Moving forward, I encourage Namibia to call on others, at COP14 to advance and champion work on this critical issue.

With regard to financial mainstreaming, the UNDP BIOFIN initiative is supporting biodiversity finance work in now 36 developing countries. This has helped to bring ministries of finance and environment to work together to find creative and innovative solutions to fill their biodiversity finance gaps. The systematic development of national finance plans for biodiversity supported by BIOFIN has also helped to address the underlying factors that sustain unsustainable practices

related to systems of finance, land rights and tenure, and other policies.

For the Secretariat, the close collaboration with the BIOFIN Initiative has enabled targeted support for governments to examine and access new finance solutions for biodiversity.

This leads me to my SECOND point. **Biodiversity finance tools can provide economic opportunities and avenues to increase cost efficiency.**

For example, from the BIOFIN work we know that a significant amount of biodiversity investments occur outside of environment ministries. Adding to this, the governance of these funds is typically scattered.

The tools generated from BIOFIN have helped to pinpoint significant opportunities for achieving efficiency gains through more integrated planning and by achieving better policy coherence.

Namibia's work using the BIOFIN methodology, with funding from the German GIZ, is a noteworthy example. Your review of biodiversity-related expenditures can provide significant insights for other countries to learn from.

A critical part of this is to make more progress on **removing perverse incentive policies – in particular publicly funded subsidies – that are harmful for biodiversity.**

One of the Convention's agreed Aichi Targets aims to achieve this, but progress has been globally too slow. For instance, according to the OECD, we made some progress in the last two decades on eliminating agricultural subsidies that are harmful for biodiversity. However, we still have around 100 billion USD annually of potentially harmful support given to agriculture, just in OECD countries, providing ample opportunities for more policy action.

Eliminating, phasing out, or reforming subsidies that are harmful for biodiversity could reduce negative impacts on biodiversity, and lower funding needs for biodiversity policies. At the same time, this could save public funds which could be used for other priorities. Such alignment of incentive policies is an important component of better policy coherence, and would contribute to the more efficient use of financial resources.

However, even with progress on these elements, **public finance alone will not be sufficient to meet the biodiversity challenge.** This is why Aichi Biodiversity Target 20 calls for achieving a significant increase in funding from all sources – including

innovative and private finance.

This brings me to my THIRD point: **We need to partner with the private sector, such as banks, portfolio investment, financial institutions, insurance companies, among others.** Such entities could contribute by reflecting on their biodiversity-related risks in lending decisions and portfolios, and establishing ecosystems and biodiversity as an asset class. Progress in this regard can be reviewed via tools developed by UNEP's Finance Initiative and the Natural Capital Finance Alliance.

Blended finance arrangements can also be examined to de-risk and catalyze private investments. Such arrangements are more advanced in sectors such as energy or water and sanitation. For biodiversity and ecosystems, we stand at the beginning, and could build on public-private partnerships, to generate opportunities for reducing the biodiversity finance gap and contribute to other policy priorities, like poverty eradication.

Leveraging synergies with climate financing, such as through REDD+ programmes, can also open additional funding streams, by promoting credible and scalable nature-based solutions. Forests, wetlands, mangroves, seagrass beds and coral reefs, all serve as our front line defense against the impacts of climate change, and through this natural infrastructure we can better protect our cities and communities from disasters.

At the global level, the Secretariat is also intensifying partnerships and collaboration with many UN and non-UN entities. With the Global Climate Fund, for example, I believe lay tremendous opportunities to better harness synergies between climate and biodiversity policies and programmes and leverage more finance for biodiversity.

As a LAST point, let us keep in mind, **that finance is not the only means of implementation.** The Convention's work on resource mobilization has recently moved beyond finance by recognizing the important contribution made by the collective action of indigenous peoples and local communities, as they act as primary biodiversity stewards in many parts of the world.

This resonates with the existing work and experiences, gained in the African region, on community-based natural resource management. Experience shows that these approaches are not always easy to implement, and I believe more thought could be given on how to better use them in synergy with financing tools so that such collective action is effectively leveraged.

Ladies and gentlemen,

These are the key strategic opportunities I wanted to share with you today from a global perspective. Which measures to take, and which policy mix to adopt for mobilizing biodiversity finance will obviously depend on national circumstances and priorities.

Overall, the UN Biodiversity Convention and partners are ready to help governments transition to greener economies. Whether it be through green fiscal reforms to correct market failures, to phase out harmful subsidies and promote positive incentives, to promote sustainable production and consumption patterns and/ or to fuel private capital toward products and processes with a lower biodiversity footprint – **the options are plenty and possible.**

In fact, the BIOFIN catalogue lists over 130 finance solutions!

So the take away is that:

1. Spending on biodiversity is not a cost but an investment with a high return to sustainable development.
2. Biodiversity finance tools can provide economic opportunities and avenues to increase cost efficiency, and
3. Biodiversity finance needs to be addressed in a more systematic manner, through a “whole of a government” and “whole of society” approach.

Thank you for your attention. I look forward to stimulating discussions today.