

BRICS Environment Working group meeting
Saint-Petersburg, 7-8 April 2016

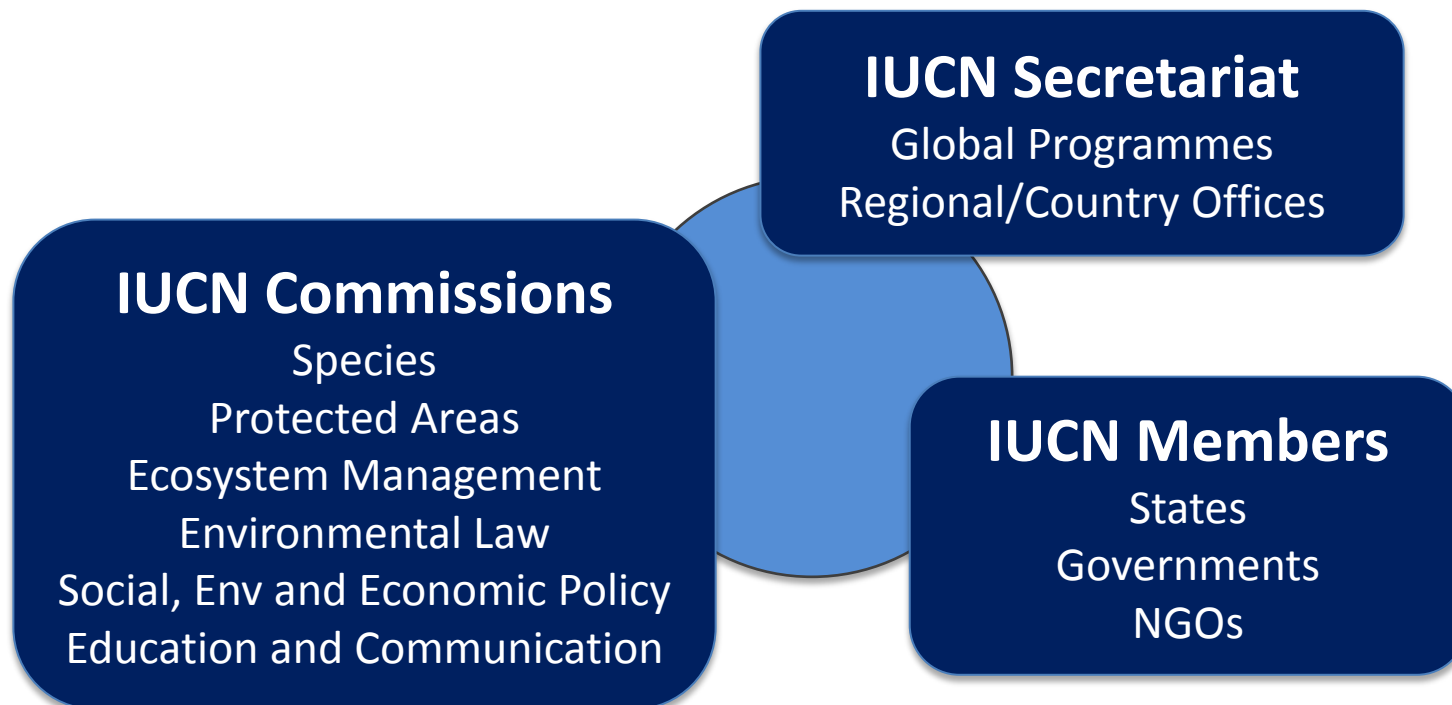
Green financing for nature conservation

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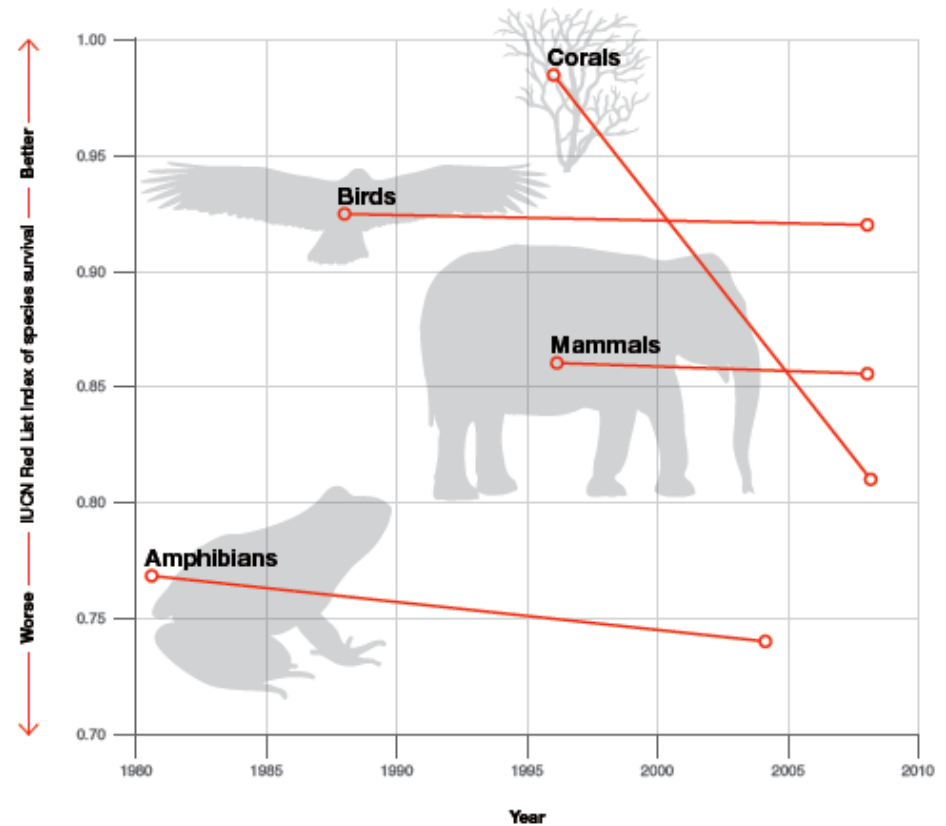


What is IUCN?

IUCN is the world's oldest and largest global environmental organization, with more than **1,200 government and NGO members** and almost **11,000 Commissions experts** in some 160 countries. IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.



IUCN Red List – the Barometer of Life



SDGs - nature as a solution





The value of natural capital

Natural capital is the foundation of our economy, environment and society. All economic activity fundamentally depends on nature.

Natural capital accounts for up to **36% of total wealth in 43 of the world's low income countries.**

It was estimated in 2011 that **50,000 to 70,000 medicinal and aromatic species are harvested from the wild**, with the annual global export value of pharmaceutical plants alone being over **US\$ 2.2 billion.**

Natural capital – water, land, air, species, minerals, oceans, wetlands, coral reefs and other unique ecosystems – provides vital assets estimated to provide up to **US \$72 trillion worth of “free goods” per year.**

Current exploitation of natural capital is generating **environmental and social costs of US \$4.7 trillion a year**, and this could climb to \$28 trillion a year.



Need for conservation finance

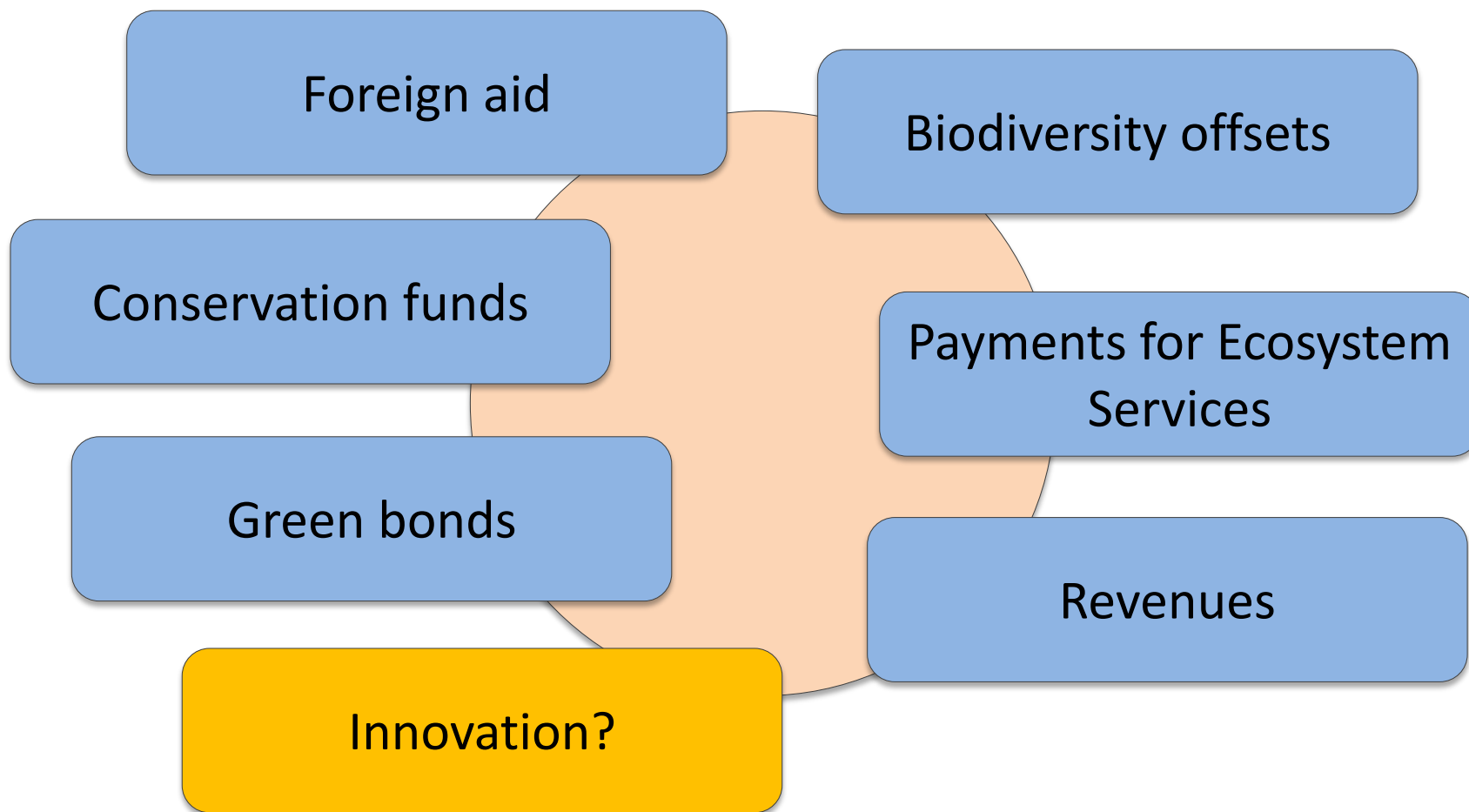
Current estimates are that **\$300 to \$400 billion per year is needed** to preserve **healthy ecosystems** on land and in the oceans, and with them the earth's natural capital stock.

Today, about **\$52 billion per year** flows to conservation projects, bulk of it public and philanthropic.

Filling this gap to finance the preservation of the world's precious ecosystems will require **\$200 billion to \$300 billion in additional capital**, and private investment capital may be the main source of additional capital.

Existing global estimates of the **costs of adaptation in developing countries** range between **US\$70 billion and US\$100 billion** a year globally by 2050.

Conservation finance realm





Biodiversity offsets

Biodiversity offsets are **measurable conservation outcomes** that result from actions designed to **compensate for significant, residual biodiversity loss from development projects**.

Biodiversity offsets are intended to be carried out as the final step of the mitigation hierarchy; only after measures to avoid adverse impacts to biodiversity have been examined and applied.

Biodiversity offset programmes have however mobilised **between USD 2.4 and 4 billion** in 2011 and have substantial potential to be scaled-up.

Carbon offsets could also be part of conservation financing if designed and implemented so as to provide **co-benefits to conservation projects**.



From PES to sustainable financing

Global ecosystem services provisioning is estimated to worth between **\$125–145 trillion a year**. The same research project also estimated between **\$4.3 to 20.2 trillion a year** of losses to ecosystem services (Constanza, 2014).

Between 1997 and 2011 the estimated **loss in annual services from ecosystems** was **\$2.7 trillion for swamps and floodplains**, and **\$7.2 trillion for tidal marshes and mangroves**.

Societal benefits of natural water infrastructure services are estimated at **\$29 trillion per year**. The value of felled trees to the timber industry is **\$0,4 trillion** as compared to **\$3,7 trillion** from the long-term benefits of healthy forests to society.

Moving from PES, where there is a deal between a user/ buyer and a provider/ seller of ES, **to generating ES** as a core business of the user through managing the ecosystem respecting environmental safeguards.

Nature-based Solutions

Interventions continuously supported by the protection, management and **restoration of natural or modified ecosystems**, that directly address societal challenges in an effective and adaptable manner; and that, by doing so, they simultaneously provide **human well-being** and biodiversity benefits (draft definition).

Upscaling delivery

Closing the Policy-implementation Gap

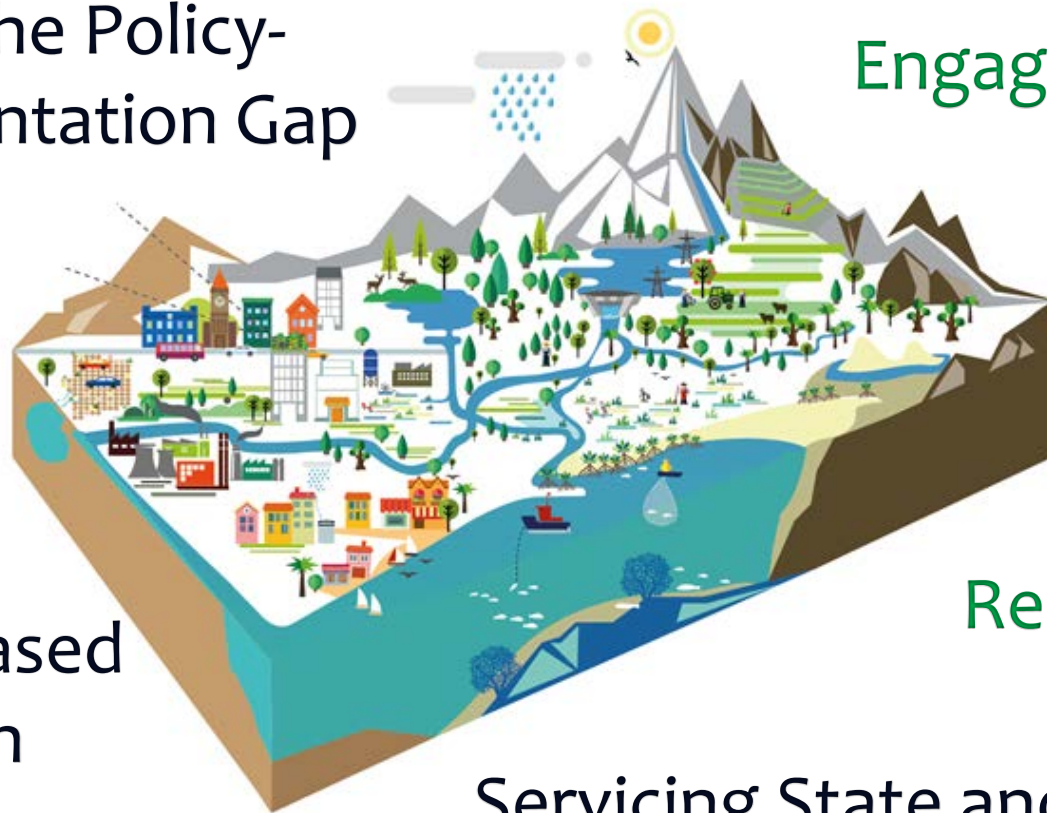
Engaging Business

Inspiring Investment

Targeting Knowledge Uptake

Human Rights-based Approach

Results on the Ground



Servicing State and Government Agency Members

The Bonn Challenge



- Global goal launched by Germany & IUCN in 2011 to restore **150 million hectares by 2020** and **350 million hectares by 2030**
- **Over 86 million hectares committed to date**
- Achievement of 2020 goal could:
 - Bring more than **US\$84 billion net per year** to local and national economies
 - **Increase crop yields** by 30%
 - **Reduce emissions gap** by 11-17%
 - Sequester an additional **1 GtCO₂e per year**
- IUCN & WRI's **Restoration Opportunities Assessment Methodology (ROAM)** – supporting restoration activities in over 30 countries
- Leveraging changes in **national programmes and policies**, e.g. Brazil, Guatemala, Ghana and Rwanda

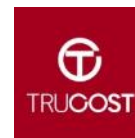
Ecosystem-based Disaster Risk Reduction



- **Global** - Sendai Framework for Disaster Risk Reduction 2015 – 2030: **adoption of Nature Based Solutions**, March 2015
- **National** - capacity development for 35 countries, **at least 20 countries have incorporated/initiated NBS for DRR** in programmes and policies
- **The Miyagi prefectural government** is estimated to be **saving JPY 5.4 billion through its new forest plan** as an alternative to building sea walls after the 2011 Tsunami in Japan.



Natural Capital Protocol



Natural Capital Protocol

A high-level guide for executives and stakeholders

Sector guides for Apparel and Food & Beverage

Business engagement & pilot testing



Moving into a next phase

Incubating – moving from idiosyncratic and disaggregated early-stage testing efforts to a business curation approach that brings together business, conservation, and technical know-how.

Scaling – moving from ad hoc attempts to scale proven projects along a standardized and mainstream scaling approach.

Mainstreaming – moving from tested medium-scale project implementation models to large-scale and established conservation finance products.

(Conservation Finance From Niche to Mainstream: The Building of an Institutional Asset Class, Credit Suisse and Credit Suisse AG an McKinsey Center for Business and Environment, 2016)

Thank you for your attention!

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