
G20 FINANCE MINISTERS
We're all in the same Gondola
This is how we all stay afloat
AVAAZ

As Finance Ministers of the world's 20 most powerful countries you have the power to steer us away from the catastrophe of increased biodiversity loss (responsible for zoonotic diseases, food insecurity, species loss, climate change and other tragedies). Along with reforms on global tax policy, global health measures, climate change adaptation and mitigation, and economic recovery, it is time to align our economic policies with the realities of nature. As you draft your communique, a green, equitable and sustainable recovery must include the following 20 measures:

01

Prioritize people over patents: Commit to guarantee access for all people around the world to Covid-19 vaccines, treatments and tests. Ending the pandemic as quickly and equitably as possible requires rapid diversification of manufacturing, a scaling-up of vaccine supplies, and ensuring a mandatory pooling of all Covid-19 related knowledge, data and technology. The WHO Trade-Related Aspects of Intellectual Property Rights (TRIP) waiver provides a coordinated global response with a corresponding legal framework. In addition, governments must insist that pharmaceutical corporations share their vaccine know-how and technology with the WHO's Covid Technology Access Pool (C-TAP).

02

Provide financial support for the Access to Covid-19 Tools Accelerator (ACT-A): It is painfully clear that the open market alone is not capable of providing sufficient vaccines to protect all people around the world from Covid-19. Therefore, governments should keep sufficient ownership of these new facilities, and work with the WHO to make sure they serve public interests first.

03

Raise global ambition to achieve universal herd immunity by 2022: Agree and implement a global roadmap to herd immunity, with at least 60% of people across all countries offered a vaccine by the end of 2021 and a vaccine for all who need one by the end of 2022.

04

Cancel sovereign debt of poor countries so that funds can be put toward a global green recovery, under the Common Framework: Commit to cancel the sovereign debt of poor countries so that finances can be redirected to boost a global green recovery . By alleviating the debt constraints of low-income and vulnerable countries through the redirection of funds to investments in climate or biodiversity resilience we will establish a basis for new, sustainable, equitable, green economies. A considerable portion of this money will never re-enter the financial system and can be turned-over to address ecosystem degradation[1].

1 Stiglitz, J. (2021) OpEd: G7 leaders can strike a blow on global corporate tax. Financial Times (June 1). Available at https://www.ft.com/content/908bbc8d-e07f-487c-9875-d2e0a0222035 (accessed: June 3, 2021)

05

Establish progressive wealth taxes at global and national levels: Billionaires regularly avail themselves of tax-avoidance strategies that are beyond the reach of ordinary people due to loopholes in the tax codes. For example, in the US the Internal Revenue Service Agency[2] records show that the wealthiest citizens regularly pay income taxes that are only a tiny fraction of their fortunes (many pay no taxes!) leaving ordinary people with enormous tax burdens - and that this is entirely legal. Governments must implement wealth taxes so that the ultrarich are made to pay their fair share. By ensuring that the richest citizens are no longer able to legally dodge their financial obligations, we can raise funds to invest in the infrastructure necessary to support citizens currently struggling to get back on their feet because of the pandemic.

06

Tax big corporations under the Global Corporate Tax: Commit to taxing corporations more than the current agreed-upon 15%,. Ensure that corporations are required to pay their fair share anywhere that they make a profit by publishing country-by-country profit reports and establishing a United Nations commission for tax cooperation, which could lead to a fairer and more transparent system of corporate taxation. Funds recuperated from a global clamp down on tax evasion and avoidance by big corporations could be put toward post-Covid recoveries, be invested in renewable energy, and help to end poverty. A global agreement on corporate taxation was a good start, but 15% is simply not high enough, (some estimates[3] suggest that developing countries and emerging markets would see a very small fraction of this revenue) instead, a minimum rate of 25% would generate three times more money than the proposed 15% rate, according to a recent study[4]. Additionally, governments should work towards ensuring that, under the proposed scope, all loopholes allowing big corporations to sidestep paying taxes, are permanently closed: the proposed threshold of $20 billion leaves many big corporations outside the scope of Pillar One.

07

Strengthen progressive carbon and pollution taxes and implement a financial transaction tax to curb harmful speculation: Strengthen progressive carbon and pollution taxes at different levels to restrain harmful emissions. Use the raised revenues for investment in renewable energy, for meeting the costs of climate change mitigation and adaptation, and to pay reparations for climate-related loss and damage in income-poor and vulnerable countries. Also implement a financial transaction tax on trade in equities, bonds, currencies and derivatives to curb harmful speculative activities. Proceeds would be allocated towards global public goods and the protection of our ecosystems, as well as towards reparations for slavery and other historical injustices.

08

Include Indigenous Peoples and Local Communities (IPLCs) as equal partners in all decisions that affect their territorial lands. IPLCs are routinely kept out of planning and decision-making processes about their territorial lands. This is a dangerous, often politically-motivated, mistake which results in the destruction of ecosystems vital for biodiversity conservation, natural forests and peatlands that are essential climate sinks and the destruction of habitats leading to the extinction of huge numbers of plants and animals. The social impacts are often even worse, including the increasing number of IPLC leaders being killed by those seeking to cash in on the territory's natural wealth.

2 Eisinger et al (2021) "The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax". ProPublica (June 8). Available at: https://www.propublica.org/article/the-secret-irs-files-trove-of-never-before-seen-records-reveal-how-the-wealthiest-avoid-income-tax (acceded July 7,2021)

3 Bou Mansour, M (2021) "Biden tax plan can recover $640bn but OECD proposal would shrink gains and reward worst perpetrators". Tax Justice Network (April 15). Available at: https://taxjustice.net/press/biden-tax-plan-can-recover-640bn-but-oecd-proposal-would-shrink-gains-and-reward-worst-perpetrators/

4 Stiglitz, J. (2021) OpEd: G7 leaders can strike a blow on global corporate tax. Financial Times (June 1). Available at https://www.ft.com/content/908bbc8d-e07f-487c-9875-d2e0a0222035 (accessed: June 3, 2021)

09

Create and protect jobs by investing in nature and renewables. Experts estimate that by 2030, 45 million new green and blue jobs can be created in sustainable land management and ocean economy, and 6 million more in electric vehicle charging alone. On average, solar and wind industries create three times more jobs than their fossil fuel counterparts[5]. According to the International Energy Agency , solar is now the cheapest source of electricity in history[6].

10

Close tax havens and promote beneficial ownership registries: Commit to ensure that the Global Corporate Tax and beneficial ownership registries are universally adapted so that we effectively end the practice of off-shoring taxes and are able to make tax havens obsolete When all people and corporations are made to pay their fair share of taxes, governments will be able to invest in the infrastructure necessary to benefit all of their citizens.

11

Eliminate perverse government incentives and subsidies that are harmful to nature : Building efficient, sustainable, and robust economies requires a commitment to placing a high price on carbon (through taxes and an effectively governed, friction-free carbon market) and immediately eliminating overfishing subsidies (the initial target date for this was 2020). Governments must also end fossil-fuel subsidies no later than 2025, and harmful incentives to biodiversity no later than 2030.[7]A 2019 report from the Institute for Sustainable Development showed that with only 10% of fossil fuel subsidies we could pay for a green transition.

12

To curb the risk of future zoonotic diseases, conserve nature across at least half of the planet by 2030: Protecting 50% of the Earth's lands and waters by 2030 will permit global biodiversity to thrive and recover[8]. Land-use changes are responsible for the emergence of more than 30% of all new diseases reported since 1960 which makes investing in healthy ecosystems a sort of insurance policy for humankind against the risk of further zoonotic diseases. A total investment in nature of $8.1 trillion is required between now and 2050, while annual investment should reach $536 billion by 2050 to successfully tackle the interlinked biodiversity, climate, and land degradation crises.[9]

5 Stern, N (2021) G7 leadership for sustainable, resilient and inclusive economic recovery and growth. An independent report requested by the UK Prime Minister for the G7. London: London School of Economics and Political Science. Available at https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/05/G7-leadership-for-sustainable-resilient-and-inclusive-economic-recovery-and-growth.pdf (accessed: May 31, 2020)

6 IEA - International Energy Agency (2021). World Energy Outlook 2020. Available https://webstore.iea.org/world-energy-outlook-2020 (accessed: June 3, 2021)

7 Nardelli, A. et al (2021) "U.K. Aims to Secure G-7 Pledge to End Subsidies for Fossil Fuels". Bloomberg (May 18) Available at https://www.bloomberg.com/news/articles/2021-05-18/u-k-aims-to-secure-g-7-pledge-to-end-subsidies-for-fossil-fuels (accessed: June 3, 2021)

8 Dinerstein et al. (2020) A 'Global Safety Net' to reverse biodiversity loss and stabilize Earth's climate. Science Advances. Available at https://advances.sciencemag.org/content/6/36/eabb2824 (accessed: May 31, 2020)

9 UNEP, WEF, ELD, Vivid Economics (2021). State of Finance for Nature (United Nations Environment Programme). Available at: https://www.unep.org/resources/state-finance-nature (accessed: June 3, 2021)

13

Ensure gender equality in the recovery: During the pandemic, working women -- a large percentage of whom already carried most of the childcare and housework responsibilities before the pandemic -- were forced to leave their jobs, or cut the number of hours they worked, primarily because of quarantines which kept families at home. (Women with young children experienced the greatest percentage of job losses and/or cuts in hours worked in relation to women without children, women with older children, or men.) We urgently need to support those women who want to get back to work so that they are able to generate income for their families and also because of their tremendous know-how and leadership skills.

14

Help economies reach their Net-Zero targets by 2050 and recommit as a group to limit global warming to below 1.5 C: The G20 must immediately start delivering on climate finance promises —including the $100bn annual floor set out in the Paris Agreement. They must also commit to unlocking enough liquidity so that all countries are able to respond to their own unique systemic challenges by directing at least 50% of total climate finance (including bilateral and multilateral investment) toward climate adaptation and resilience efforts.[10]

15

Follow through on the agreement of a new allocation of Special Drawing Rights: At least $650 billion is needed to support reallocation mechanisms that can widen financing options for recovery programmes in low income and vulnerable countries including the promotion of green transitions,; stimulate private investment and innovation, and buttress fiscal sustainability[11].

16

Invest in rural areas and step up action to eradicate hunger and poverty: 8% of the world's poorest people live in rural areas,.The majority work in the agricultural sector yet they go to bed hungry. Almost half of them are children under 15, with few opportunities for education and future employment. Investments in sustainable agriculture have the potential to eradicate poverty and undernourishment while also providing employment and thereby reducing unwanted migration.

10 C7 communiqué 2021 (2021). Civil society's recommendations to the G7. Available at https://www.bond.org.uk/sites/default/files/c7_communique-_recommendations.pdf (accessed: June 3, 2021)

11 U.S. Department of the Treasury (2021). Fact Sheet: How An Allocation of International Monetary Fund Special Drawing Rights Will Support Low-Income Countries, the Global Economy, and the United States. Available at https://home.treasury.gov/news/press-releases/jy0095 (accessed: June 3, 2021)

17

Support a Green and Blue recovery: The G20 should commit to greening and blueing their recovery packages through a common minimum floor of 30% for public expenditure to be directed towards climate-safe, net-zero and resilience-enhancing activities that respect the do-no-harm principle. They should also establish deforestation-free supply chains and agree on principles, actions and the establishment of an independent transparency mechanism for monitoring commitments and reviewing progress. And finally they must move forward with a 'common ground' taxonomy process (currently led by China within the International Platform on Sustainable Finance) and implement social protection systems and other concrete actions in countries most in need.

18

Enable Multilateral Development Banks (MDBs) and all financial institutions to scale up support for a green recovery and to help countries recover from the economic consequences of the Covid-19 pandemic. Once the G20 capitalises these financial institutions, they should also direct the Multilateral Development Banks to significantly increase net financial flows, with a mix of balance sheet optimisation, capital increases, and an accelerated IDA20 round. This would allow them to set a longer-term agenda for collectively increasing access to public finance to recover and strengthen their resilience to future shocks through MDBs and international finance institutions. For example, this could include a 'Clean Green Initiative' bringing together G20 and other country investments, however it would need to be underpinned by a package of new money, such as signalling readiness to replenish/recapitalise MDBs in 2021. G20 Leaders should build on the Finance Minister's outcome by setting a timeline for full Paris-alignment of MDBs and ending fossil fuel subsidies by 2022.

19

Provide financial support for the implementation of the Sustainable Development Goals (SDGs): Progress on the SDGs slowed dramatically during the pandemic. To address our most urgent shared global challenges - including poverty, inequality, climate change, environmental degradation and the need for peace and justice -all G20 countries must satisfy their commitments to meet the 169 targets of the 17 SDGs.

20

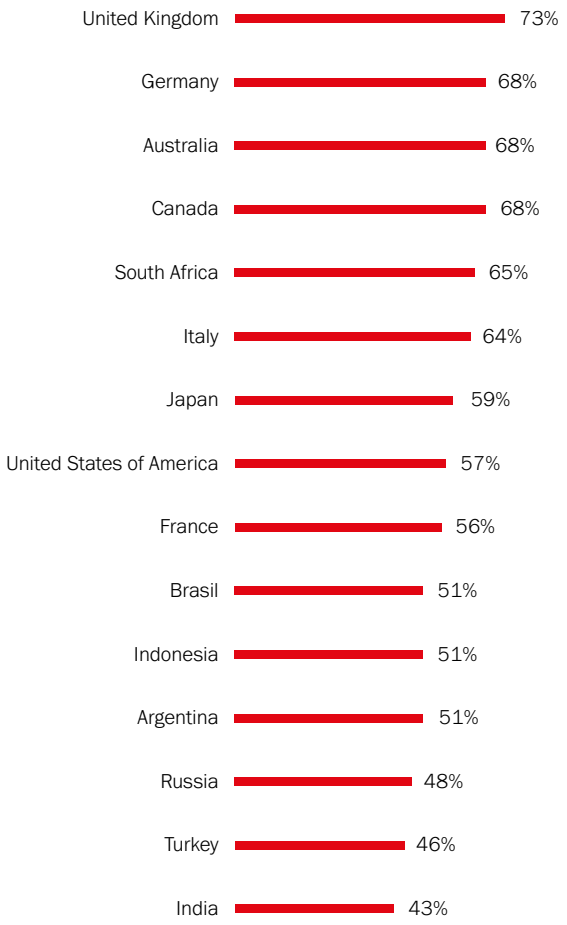
Tackle climate migration by supporting the recovery of vulnerable countries: Re-establish healthy, safe, and humane living conditions in areas of the world that are becoming increasingly uninhabitable due to the consequences of climate change. By securing dedicated funding from a variety of financial bodies for a global green recovery,[12] we can turn lands that have become uninhabitable to places where people can once again thrive. This in turn would dramatically reduce climate induced migration.

12 IOM - International Organization for Migration (2021). IOM Calls for Accelerated Action on Environmental Migration at the 2021 International Dialogue. Available at https://www.iom.int/news/iom-calls-accelerated-action-environmental-migration-2021-international-dialogue (accessed: June 3, 2021)

People in G20 countries support a green recovery

An analysis conducted by United Nations Development Programme (UNDP) and the University of Oxford earlier this year[1] found that people in G20 countries support increased investment in green businesses and jobs.

There is majority support in nearly all G20 countries surveyed for more green investment, led by the United Kingdom (73%), and followed by Germany, Australia, and Canada (68%), South Africa (65%), Italy (64%), Japan (59%), United States (57%), France, (56%), and Argentina, Brazil and Indonesia (all 51%) (see graphic).



1 People's Climate Vote Results (2020), Survey from United Nations Development Programme and University of Oxford. Available at https://www.undp.org/publications/peoples-climate-vote (accessed: June 3, 2021)

The costs of Covid-19: the high price we're paying for neglecting nature

Let's cut to the chase: our unsustainable economies are causing great damage to our ecosystems through an increased proliferation of diseases, pathogen spillover and the risks of pandemics of zoonotic origin[2].

Land use changes are believed to be responsible for the emergence of over 30% of all new diseases reported since 1960. Today, 75% of human infectious diseases come from animals ("zoonoses"). As the world faces the SARS-CoV-2 pandemic, the dangerous and highly contagious zoonotic virus responsible for Covid-19, as result of contact with wild animals due to habitat loss like deforestation, agriculture, and urbanization, the world now knows that the risk of similar outbreaks in the future is very high[3].

We, humans, have done such damage to our relationship with nature that it is no exaggeration to say that we are now facing life-or-death decisions about our future. Without significant action to stop biodiversity loss and curb climate change, science tells us that we risk increased food insecurity, further climate destabilization, increased water stressed regions, species extinction, global pandemics (such as zoonotic diseases[4]), environmentally induced mass migrations and a host of other challenges.

The responsibility of ensuring our existence on Earth belongs not only to Environment Ministers but to all of us, but particularly elected and appointed government officials including those responsible for Health, Education, Technology and perhaps above all, Finance. Just as there is no arguing with science, there is no negotiating about "*if* we have the money" to invest in stopping biodiversity loss and curbing climate change. The money exists, the question is *how* we are going to quickly, equitably and effectively gather, oversee and allocate it so that we are to meet the requirements of science and protect our planet. As Treasury Secretary Janet Yellen says, "finance ministries have a vital role to play to integrate climate into our financial planning [and] decision-making"[5].

Not protecting nature (the failure to stop biodiversity loss and tackle climate change) will be costly for G20 countries, and all of the economies of the world. The economic costs of nature are being recognized in many important global studies, including the Millennium Ecosystem Assessment, The Economics of Ecosystems and Biodiversity, and the Dasgupta Report. As a relevant example, here are some basic figures on the losses triggered by the Covid-19 pandemic:

DEATHS: 3.68 million deaths. As of May 2021, the Covid-19 pandemic had infected more than 169 million people and caused more than 3.5 million deaths worldwide[6]. This and other pandemics have their origins in microbes carried by animals, but their emergence is entirely driven

2 Gibb, R. et al. (2020). Zoonotic host diversity increases in human-dominated ecosystems. Nature 584, 398–402. Available at https://doi.org/10.1038/s41586-020-2562-8 (accessed: June 3, 2021)

3 Myers, S. S. et al. (2013) Human health impacts of ecosystem alteration. Proc. Natl Acad. Sci. USA 110, 18753–18760.

4 Gottdenker, N. et al (2014). Anthropogenic land use change and infectious diseases: a review of the evidence. EcoHealth 11, 619–632.

5 U.S. Department of the Treasury (2020). Remarks by Secretary of the Treasury Janet L. Yellen addressing the threat of climate change to the Coalition of Finance Ministers for Climate Action https://home.treasury.gov/news/press-releases/jy0104 (accessed: June 3, 2021)

6 Covid-19 DashBoard by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins University (JHU). Available at https://coronavirus.jhu.edu/map.html (accessed: June 3, 2021)

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by human activities. Without strong measures to stop the key drivers of biodiversity loss (primarily deforestation, intensive industrial agriculture and expanding urbanization), we will certainly increase the risk of new pathogen spillover and further global pandemics. Economic analysis suggests that the costs of halting the causes of such environmental changes will be two orders of magnitude less than the damage the Covid-19 pandemic produced.

ECONOMIC LOSS: Per Capita GDP Loss of 11- 20%. The coronavirus pandemic not only prevented the global economy from growing, but it also caused an economic contraction. Compared to pre-pandemic projections for emerging markets and developing economies (excluding China), social losses (as a result of the contraction of the economy) over 2020–22 are equivalent to 20% of 2019 per capita GDP. The expected economic impact of the pandemic on advanced economies is a loss of 11% per capita GDP[7].

POVERTY: An estimated 95 million people were pushed into extreme poverty in 2020. The impacts of the economic fall-out from Covid-19 on low-income people was particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

GENDER INEQUALITY: Women with younger children experienced the greatest percentage of job losses. Working women –a large percentage of whom already carried most of the childcare and housework responsibilities before the pandemic– were forced to leave their jobs, or cut the number of hours they worked, primarily because of quarantines which kept families at home. Women with young children experienced the greatest percentage of job losses and/or cuts in hours worked in relation to women without children, women with older children, or men.[8.] Only in the US, the number of women with young children who left their jobs as a result of the Covid-19 pandemic led to a 45% increase in the employment gender gap. This exodus of women from the workforce caused an estimated economic loss in the US of almost 0.4% of output between April and November 2020.

HUNGER: An additional 80 million people are now malnourished. A decrease in income due to the pandemic led to an increase in poverty. One immediate consequence is that an additional 80 million people have become malnourished since the start of the pandemic.[9] The majority are children.

FUTURE ECONOMIC COST: The cost of the pandemic will certainly continue to rise. We will only be able to accurately assess the total impact of Covid-19 on the global economy once vaccines are fully deployed and transmission vectors are contained. However, it is worth noting that in July 2020 the economic costs of the pandemic were already estimated at US$8-16 trillion globally, and according to The Intergovernmental Science-Policy Platform on Biodi-

7 IMF - International Monetary Fund (2021) What is the impact of coronavirus on the global economy? Available at https://www.imf.org/en/About/FAQ/imf-response-to-covid-19#Q4 (accessed: June 3, 2021)
8 IMF - International Monetary Fund (2021). Covid-19: The Moms' Emergency. Available at https://blogs.imf.org/2021/04/30/covid-19-the-moms-emergency/ (accessed: June 3, 2021)
9 IMF - International Monetary Fund (2021) What is the impact of coronavirus on the global economy? Available at https://www.imf.org/en/About/FAQ/imf-response-to-covid-19#Q4 (accessed: June 3, 2021)

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versity and Ecosystem Services (IPBES) costs in the US alone could reach US$16 trillion by the 4th quarter of 2021[10].

THE LONG-TERM COST OF DISABILITY: Focusing only on the number of cases and deaths from Covid-19 ignores the pandemic's lasting health burden on people, societies, and economies. In March 2021, a British consortium reported that one in five people who were hospitalized with the disease developed a new disability after being discharged. A large US study found similar effects for both hospitalized and non-hospitalized people. Among adults who were not hospitalized, 10% experience ongoing symptoms 12 weeks after a positive test. Treatment services for the long-term consequences of Covid-19 are still being developed and their costs will certainly present a significant contribution to the overall economic burden of the pandemic. In fact, according to an early estimate, Covid-19-induced disabilities could account for up to 30% of the overall pandemic-related 9 health costs.

10 IPBES - Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2020) Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services. Daszak, P. et al., IPBES secretariat, Bonn, Germany, DOI:10.5281/zenodo.4147317. Also available at: https://www.ipbes.net/pandemics (accessed: June 3, 2021)

Why biodiversity is important for the economy

As noted by the OECD in its report to the G7 in 2019[11], financial flows to biodiversity are three to ten times smaller than what is actually needed to secure our planet's healthy, sustainable biodiversity. An intensive **greening of the global financial system led by the G20 would be the ideal catalyst for the necessary synergies between governments, private sector, financial regulators, banks and investors who must agree to dramatically increase finance for biodiversity-friendly investments**.

We are exploiting nature far more rapidly than it can renew itself[12], according to the United Nations' Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). The result of inaction on stopping biodiversity loss and curbing climate change could include the disappearance of up to one million known species by 2050 (with further catastrophic consequences for peoples and ecosystems). Research from **the World Economic Forum shows that businesses highly depend on nature and its ecosystem services –either directly or through their supply chains– to the tune of $44 trillion of economic value generation.** This is more than half of the world's total GDP. Therefore, businesses are exposed to risks from nature loss[13].

The recent convergence of two momentous decisions regarding climate change -the recommendations of the International Energy Agency's (IEA) roadmap for Net-Zero by 2050[14] and the landmark legal decision regarding Royal Dutch Shell's emissions and global climate goals[15]- demonstrate the financial **perils of inaction and the enormously positive trade-offs of early and decisive transformation. Biodiversity finds itself at a similar crossroads where the cost of inaction is eclipsed by the benefits of investment in measures to stop its loss.**

Different methodologies and metrics arrive at the same conclusion: **biodiversity loss causes existential threats to humankind in the short and mid-term and is comparable in impact and likelihood to threats such as climate change, weapons of mass destruction and the collapse of state and multilateral actors**[16]**.** The accelerated decline in biodiversity, along with environmental degradation and climate change will very likely exacerbate food and water insecurity in poor countries, and erode human security and

11 OECD - Organisation for Economic Co-operation and Development (2019), Biodiversity: Finance and the Economic and Business Case for Action. Available at https://www.oecd.org/env/resources/biodiversity/biodiversity-finance-and-the-economic-and-business-case-for-action.htm (accessed: June 3, 2021)

12 The Nature Conservancy (2020). Closing the Nature Funding Gap: A Finance Plan for the Planet

13 World Economic Forum (2020). Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy. Available at https://www.weforum.org/reports/nature-risk-rising-why-the-crisis-engulfing-nature-matters-for-business-and-the-economy (accessed: June 3, 2021)

14 International Energy Agency (2020) Net-zero by- 2050, Available at https://www.iea.org/reports/net-zero-by-2050 (accessed: June 3, 2020)

15 Ziady, H. (2021) "Court orders Shell to slash CO2 emissions in landmark climate ruling" (May 26). *CNN Business*. Available at https://edition.cnn.com/2021/05/26/business/shell-court-case-climate-change/index.html. The full set of official documents of the case Milieudefensie et al. v. Royal Dutch Shell plc. available at http://climatecasechart.com/climate-change-litigation/non-us-case/milieudefensie-et-al-v-royal-dutch-shell-plc/ (both pieces accessed: May 31, 2020)

16 World Economic Forum (2021) The Global Risks Report 2021, 16th Edition. Available at https://www.weforum.org/reports/the-global-risks-report-2021 (accessed: June 3, 2021)

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global resilience to emerging health challenges leading to dramatic increases in conflicts and migration[17].

In this context, investment in nature is an insurance policy for humankind. According to the recent State of Finance for Nature report by United Nations Environment Program (UNEP), the World Economic Forum (WEF), The Economics of Land Degradation Initiative (ELD) and Vivid Economics), **investing just 0.1% of global GDP every year** in restorative agriculture, forests, pollution management, and protected areas could close the estimated $4.1tn financial gap by 2050 thereby **avoiding a breakdown of vital natural ecosystem "services"** such as clean water, food, and flood protection, among many others.

It is therefore imperative that the international community gradually **increases official development aid to meet the UN target of 0.7**% of Gross National Income in order to help many low-income developing countries meet their sustainable development goals by 2030, while also increasing their natural capital. This is noted by the IMF[18], The Nature Conservancy[19] and others. Scaling up finance from both public and private sources, with full involvement of indigenous people and local communities, is critical.

The global community must expand the use of existing tools and policies such as Debt Service Suspension Initiatives (DSSI) which have proven successful at aiming debt relief and redirection towards what matters most: social inclusion, biodiversity conservation and sustainable use, and climate action.

Building on the proposals in the U.N. Secretary General's policy brief of March 2021[20], long-term **credit ratings** that account for investments in SDG achievements should also **explicitly include natural capital accounting in order to accurately reflect accrual of conservation and sustainable use actions in favor of the global community.** Furthermore, recommendations to **support liquidity for developing countries** (in order to **create fiscal space for investment** in crisis response and the SDGs including strong climate action and social inclusion) -as discussed by the IMF and recommended by the G7 Foreign Ministers[21] should now officially agree upon. For example, the must be allocation of Special Drawing Rights (SDR) to provide balance of payment support to countries in need, as well as voluntary reallocation of SDRs from countries with sufficient international reserves to countries facing persistent external

17 US National Intelligence Council (2021) Global Trends 2040 A more contested world. Available at https://www.dni.gov/files/ODNI/documents/assessments/GlobalTrends_2040.pdf (accessed: June 3, 2021)

18 IMF - International Monetary Fund (2021). A Post-Pandemic Assessment of the Sustainable Development Goals. Available at https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2021/04/27/A-Post-Pandemic-Assessment-of-the-Sustainable-Development-Goals-460076 (accessed: June 3, 2021)

19 Deutz, A., et. al. (2020) Financing Nature: Closing the global biodiversity financing gap (The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability)

20 United Nations (2021). Liquidity and Debt Solutions to Invest in the SDGs: The Time to Act is Now (Policy Briefs and Papers, March 2021). Available at https://unsdg.un.org/resources/liquidity-and-debt-solutions-invest-sdgs-time-act-now (accessed: June 3, 2021)

21 G7, Foreign and Development Ministers' Meeting Communiqué, paragraph. 85 (2021) Available at https://www.diplomatie.gouv.fr/en/french-foreign-policy/news/2021/article/g7-foreign-and-development-ministers-meeting-communique-london-5-may-2021 (accessed: June 3, 2021)

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deficits or emergency situations (including vulnerable and conflict-affected countries). In this situation, possible reallocation of SDR for countries rich in natural capital would be considered in terms of both the accelerated rate of loss of biodiversity and increased economic vulnerability.

Human health depends on the goods and services provided by the various ecosystems that help human beings meet their basic needs including water, food, nutrients to an emotional balance. We, as humans, have fractured our relationship with nature and wildlife, increasing the frequency of zoonotic diseases and pathogen spillover, responsible for epidemics and pandemics including Covid-19 a zoonotic virus, which most likely resulted from unusual human contact with wildlife prompted by habitat loss caused by deforestation, unsustainable agriculture, and/or urbanization expansion.

The financial consequences of the current Covid-19 pandemic in regard to public health have been devastating and have disproportionately impacted the poor and women. According to the IMF[22], compared with pre-pandemic projections, the coronavirus pandemic social losses in the world's economy from 2020–2022, are equivalent to 20% of 2019 per capita GDP in emerging markets and developing economies (excluding China). In advanced economies the losses are expected to be slightly smaller, at 11%. This has reversed recent substantial gains in poverty reduction, moving an estimated additional 95 million people in 2020 to the ranks of the extreme poor, and causing a further 80 million individuals to suffer from undernourishment. Expected divergent recovery paths are likely to create even greater gaps in living standards between developing and developed countries, compared to pre-pandemic expectations. The adverse impact on low-income populations will be particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s, and increasing gender inequality[23]. Therefore, protecting biodiversity is vital for avoiding the next pandemic and supporting the economic recovery of the world's poorest people.

As requested by Elizabeth Maruma Mrema[24], the Executive Secretary of the UN Convention on Biological Diversity (CBD), States must **review and adapt support for agriculture, fishing and other industries that are driving the destruction of the natural world** and adopt policies that meet human needs while also conserving the health of the planet. According to the OECD[25], government **expenditure on subsidies harmful to biodiversity was at least five times greater than total spending to protect biodiversity.** A rough calculation shows that support for fossil fuels in 77 economies (principally OECD and G20) was equal to $478 billion in 2019. Agricultural support, (often

22 International Monetary Fund (2021), What is the impact of coronavirus on the global economy?, Available at https://www.imf.org/en/About/FAQ/imf-response-to-covid-19#Q4 (accessed: June 3, 2021)

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25 OECD - Organisation for Economic Co-operation and Development (2020), A Comprehensive Overview of Global Biodiversity Finance (2020), See: https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf (accessed: May 31, 2021)

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considered the most harmful to biodiversity)[26], averaged $112 billion per year for the period 2017-2019 in OECD countries alone[27].

Such perverse financial support is likely to drive further ecosystem degradation, thereby increasing the risk of future pandemics, climate-related disasters, and disruption of commodity supply chains. A 2019 report[28] found that the taxpayer provides more than $1m a minute in global farm subsidies, much of which goes towards promoting the overuse of fertilizers, deforestation, activities with the goal of expanding agricultural frontiers, and high-emission cattle production. Governments should redirect subsidies to activities that deliver beneficial socio-economic outcomes and have a positive (or at least neutral) impact on biodiversity. For example, governments could provide targeted payments to promote biodiversity and other environmental public goods in agricultural systems. Agri-environmental payments is another effective instrument for recovery programmes in developing countries. Agri-environmental schemes are payments that include implicit transfers, such as tax and interest concessions, to farmers to address environmental problems and/or provide ecosystem services and usually target specific farming practices[29]. Similarly, redirecting fisheries support towards activities that improve the sustainability of fishing operations has proven to have significant benefits for the environment and for the lives and livelihoods of fisherfolks[30].

Independent evaluations confirm that **while conservation projects involving indigenous peoples have better-than-average implementation records, support for these projects is limited in scale and scope**[31]. The International Fund for Agricultural Development (IFAD)'s Indigenous People's Assistance Facility, and the GEF-UNDP Small Grants Program (SGP) are two examples of how to successfully support and leverage indigenous peoples' own vision of development. In fact, a recent evaluation of SGP[32] concludes that the program has been consistent in its delivery of environmental improvements at local, national, and global levels, and in generating economic and social benefits.

That's not all. SGP currently reports 7.1 million hectares of landscapes and seascapes under sustainable use, and 17.1 million hectares of protected areas existing well below the

26 OECD - Organisation for Economic Co-operation and Development (2020), Biodiversity and the economic response to Covid-19: Ensuring a green and resilient recovery, (2020), See: https://www.oecd.org/coronavirus/policy-responses/biodiversity-and-the-economic-response-to-covid-19-ensuring-a-green-and-resilient-recovery-d98b5a09/ (accessed: May 31, 2021)

27 OECD - Organisation for Economic Co-operation and Development (2021) OECD Secretariat calculations based on OECD "Producer and Consumer Support Estimates", OECD Agricultural Statistics (database), (2020), See: http://dx.doi.org/10.1787/agr-pcse-data-en or OECD Agriculture Statistics https://www.oecd-ilibrary.org/agriculture-and-food/data/oecd-agriculture-statistics_agr-data-en (accessed: May 31, 2020)

28 The Food and Land Use Coalition (2019). Growing Better Global Report 2019. Available at: https://www.foodandlandusecoalition.org/global-report/ (accessed: May 31, 2021)

29 Tarek (2010) in Ottaviani (2011) Payments for Ecosystems Services and Food Security (FAO, Food and Agriculture Organization of the United Nations, Rome) . Available at http://www.fao.org/3/i2100e/i2100e01.pdf (accessed: May 31, 2021)

30 Martini, R. and J. Innes (2018). Relative Effects of Fisheries Support Policies, (OECD Food, Agriculture and Fisheries Papers, No. 115, OECD Publishing, Paris, 2018), Available at: https://dx.doi.org/10.1787/bd9b-0dc3-en (accessed: May 31, 2021)

31 Global Environment Facility Independent Evaluation Office (GEF IEO), Evaluation of GEF Engagement with Indigenous Peoples, (Evaluation Report No. 119, Washington, DC: GEF IEO, 2018)

32 GEF-UNDP, Joint Evaluation of the Small Grants Programme (2021)

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targets proposed for Indigenous Peoples and Local Communities (IPLC) lands in the Global Safety Net[33].

Local ownership, visibility and credibility constitute social capital that could be leveraged with significantly higher levels of financing to expand IPLC conservation areas and sustainable productive land and seascapes at the scale required to meet the science-based call for "50 by30" (conserving at least half of the world's lands and waters). Examples of donors currently using the SGP platform to mobilize non-GEF funds include the Satoyama Initiative and the ICCA Consortium for Indigenous Peoples and Community-Conserved Territories and Areas.

As estimated by Credit Suisse[34], additional flows of conservation finance between $200 and 400 billion in only three sectors (sustainable forestry, sustainable agriculture, and eco-tourism) could be made possible by providing appropriate risk management (collateral, stable cash flows, insurance, etc.) for traditional, low-risk financial instruments such as mature equity and debt. A process of scaling-up and replication would help to mitigate transaction costs and partnerships with local communities would contribute to transparency, monitoring and evaluation. Greening the supply chains would generate positive incentives to invest in nature while reducing asymmetrical relationships and ensuring IPLCs rights. Success in relatively mature markets would allow for expansion in emerging markets and in new value chains with the additional co-benefit of generating green jobs. According to recent information from the International Labour Organisation (ILO)[35], **over 1.2 billion jobs worldwide that depend on biodiversity** - including work in forestry, tourism and agriculture -are currently at risk due to environmental degradation and unsustainable and-management practices.

Moreover, the generation of **green jobs under an integrated strategy to *build back better* is a smart investment**: nature-based solutions are cost-efficient ways to create jobs in areas such as forest ecosystem restoration, improved watershed management, forest fire management and agroecology. The ILO research estimates that sustainable transformation of the agricultural and livestock sector could generate 14 million new jobs[36].

33 Dinerstein et al. (2020) A 'Global Safety Net' to reverse biodiversity loss and stabilize Earth's climate. *Science Advances*. Available at https://advances.sciencemag.org/content/6/36/eabb2824 (accessed: May 31, 2021)

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

35 International Labour Organization (2020). Green Jobs Report 2020. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_758537.pdf (accessed: June 3, 2021)

36 International Labour Organization (2020). Nature Hires: How Nature-based Solutions can power a green jobs recovery. Available at: https://www.ilo.org/employment/units/emp-invest/rural-urban-job-creation/WCMS_757823/lang--en/index.htm (accessed: June 3, 2021)

The benefits of investing in nature largely outweigh the costs

Given the estimates of inaction, an investment of just under $32 billion in nature would lead to a savings of more than $1 trillion annually. Global strategies to prevent pandemics based on reducing wildlife trade, diminishing land-use change and increasing surveillance would cost an estimated US$22 to 31.2 billion, and would decrease the necessary investment in nature to US$17.7 to 26.9 billion (as a result of the impacts of reduced deforestation on carbon sequestration).

In contrast, pandemics and other emerging zoonotic diseases responsible for tremendous human suffering around the globe carry a financial cost of more than $1 trillion in economic damages annually.

By looking at these numbers, it should be clear to anyone interested in the well-being of people, our planet, and our pocketbooks, **that the economic incentive for conserving biodiversity and reducing the risk of pandemics cannot be beat**[37]**.**

37 IPBES - Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2020) Workshop Report on Biodiversity and Pandemics of the Intergovernmental Platform on Biodiversity and Ecosystem Services. Daszak, P. et al., IPBES secretariat, Bonn, Germany, DOI:10.5281/zenodo.4147317. Also available at https://www.ipbes.net/pandemics (accessed: June 3, 2021)

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