

# Recommendation for Nature-based Solutions for Climate Mitigation to be the 2025 focus for the Mitigation Work Programme

Conservation International recommends the Sharm el-Sheikh mitigation ambition and implementation work programme (MWP) focus its global dialogues and investment focused event in 2025 on nature-based solutions and ecosystem-based approaches for climate mitigation.

#### 2025 is a critical year to focus on nature-based solutions for climate mitigation in the MWP Global Dialogues

Maximizing the role of nature-based solutions (NbS) in global and national policies and public and private finance is crucial for urgently decreasing emissions *from* nature while exponentially scaling up additional carbon sequestration *by* nature by 2030. NbS in terrestrial, coastal, and marine areas are critical tools to accelerate the transition to a nature-positive, net zero future, which provide climate adaptation benefits and drive positive impact at scale to conserve biodiversity and improve livelihoods. We will not reach our global climate and biodiversity goals without halting and reversing nature loss by 2030, while rapidly phasing out fossil fuels. 2

Parties have already recognized the importance of nature-based solutions and ecosystem-based approaches, most notably within the 2023 Global Stocktake decision. The GST found that current NDC commitments are insufficient and underscored the urgent need to increase ambition, highlighting that:

- Halting and reversing deforestation and forest degradation by 2030 is essential.
- Climate action must address the interlinked crises of biodiversity loss and climate change in line with the Kunming-Montreal Global Biodiversity Framework (GBF).<sup>3</sup>
- The integrity of all ecosystems, including oceans, mountains, and the cryosphere, must be protected.
- Integrated, multi-sectoral solutions—such as land use management, sustainable agriculture, resilient food systems, nature-based solutions and ecosystem-based approaches, and protecting, conserving, and restoring nature and ecosystems, including forests, mountains and other terrestrial and marine and coastal ecosystems—may offer benefits such as improved resilience and well-being.
- The preservation and restoration of oceans and coastal ecosystems, along with scaling up oceanbased mitigation actions, are valuable climate solutions.

Greatly enhanced mitigation action and implementation for NbS and to follow up on these elements of the GST are urgently needed: global deforestation rates are still rising,<sup>4</sup> and trillions of dollars are still flowing annually to activities that drive the destruction of nature.<sup>5</sup> Global trends for nature are heading the wrong direction, when notably, IPCC models show that emissions from Land Use, Land Use Change and Forestry must reach net zero more quickly than any other sector — by or shortly after 2030.<sup>6</sup> (See Figure 1). Moreover, delayed action will reduce the capacity of NbS to enhance the resilience of ecosystems and communities and to minimize loss and damage, with some ecosystems already reaching their hard and soft limits for adaptation.<sup>7</sup> In short, the majority of NbS implementation must take place within this critical decade, and the MWP is an important avenue for Parties to exchange views and galvanize support for accelerated implementation and financing of NbS.

<sup>&</sup>lt;sup>1</sup>IUCN. <u>Global Standard for Nature-based Solutions</u>. A user-friendly framework for the verification, design and scaling up of NbS.

<sup>&</sup>lt;sup>2</sup> Conservation International. <u>Exponential Roadmap for Natural Climate Solutions</u>

<sup>&</sup>lt;sup>3</sup> 16/22. <u>Biodiversity and climate change.</u> Parties agreed to align their biodiversity and climate policies at the national level, prioritize action in key places for biodiversity and climate, and establish pathways towards fostering policy coherence and collaboration between the CBD and UNFCCC.

<sup>&</sup>lt;sup>4</sup> Forest Declaration Assessment Partners. Forests under fire: Tracking progress on 2030 forest goals;

<sup>&</sup>lt;sup>5</sup> UNEP: <u>State of Finance for Nature 2023</u>

<sup>&</sup>lt;sup>6</sup> IPCC. Synthesis Report of the IPCC Sixth Assessment Report (AR6) – Longer Report. See Figure 4.1

<sup>&</sup>lt;sup>7</sup> IPCC. <u>Summary for Policymakers</u>. In: <u>Climate Change 2023</u>: <u>Synthesis Report</u>. See para. A.3

2025 is a particularly pertinent year to focus on nature-based solutions looking forward to COP 30, the "Amazon COP", in Belem, Brazil. Protecting the Amazon forest itself is a key mitigation action, representing 10% of the global solution to climate change. Furthermore, is the largest tract of tropical forest left on Earth, holds 10% of the Earth's biodiversity, provides 20% of the Earth's freshwater in its rivers, is home to 40 million people, including 500 Indigenous groups, and it regulates global climate and rainfall which supports food production, electricity, economies, including the 13% of global food production that comes from Brazil, Argentina, Paraguay and Uruguay. Scientists warn that the Amazon is approaching a tipping point beyond which it would begin to transition from a tropical rainforest into a dry, degraded savanna - putting our world climate system at risk. A recent study, published in Nature, finds that by 2050, between 10% and 47% of the Amazon will be exposed to local, regional or even biome-wide forest collapse.8

## Sub-topics for the global dialogues could include:

- Halting deforestation and forest degradation by 2030 through conservation, sustainable management of natural resources and restoration to reduce emissions and enhance sinks
- Advancing policy coherence through integrated, multi-sectoral solutions for climate-biodiversity action and taking action to protect high carbon — or "irrecoverable carbon" — ecosystems
- Scaling coastal and marine NbS to reduce emissions and enhance sinks

## Importance of an MWP investment focused event on nature finance

Currently, NbS is particularly underfunded relative to its potential to contribute one-third of global mitigation needs: the agriculture, forestry, and other land use (AFOLU) sector received only 3% of mitigation and dual mitigation/adaptation finance and 11% of

The transition towards net zero CO, will have different pace across different sectors CO<sub>2</sub> emissions from the electricity/fossil fuel industries sector and land-use change generally reach net zero earlier than other sectors a) Sectoral emissions in pathways that limit warming to 1.5°C -25% in CO2 Non-CO2 emissions Transport, industry and buildings -75% -100% net zero Energy supply (including electricity) -125% 2040 Land-use change

**Figure 1:** Emissions from LULUCF must reach net zero by or shortly after 2030 - a faster transition than for any other sector. *Adapted from* IPCC AR6 SYR — Longer Report, <u>Figure 4.1</u>.: Sectoral emissions in pathways that limit warming to 1.5°C. Panel (a). *Emphasis added* 

adaptation finance in 2021 – 2022.9 The IPCC estimates that annual mitigation investment flows to the AFOLU sector need to be multiplied from 10 to 31 times to meet the Paris Agreement goals (See Figure 2). Similarly, according to UNEP: "Annual financial flows to NbS need to more than double by 2025 (from US\$200 billion to US\$436 billion) and nearly triple to US\$542 billion by 2030 to reach climate, biodiversity and land degradation targets." Climate action through NbS is not only underfunded, but most of the finance for the sector currently contradicts climate and biodiversity objectives: each year, \$7 trillion is spent on activities that harm nature, which is 35 times more than the \$200 billion flowing to NbS. About USD \$2 trillion is public funding to environmentally harmful subsidies, while USD \$5 trillion is private finance flows with a direct negative impact on nature.

<sup>&</sup>lt;sup>11</sup> UNEP: State of Finance for Nature 2023



<sup>&</sup>lt;sup>8</sup> Nature. <u>Critical transitions in the Amazon forest system</u>

<sup>&</sup>lt;sup>9</sup> Climate Policy Initiative: Global Landscape of Climate Finance 2023

<sup>&</sup>lt;sup>10</sup> UNEP: <u>State of Finance for Nature 2023</u>

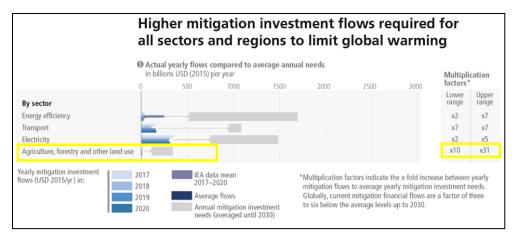
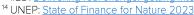


Figure **2**: The mitigation financing gap for the AFOLU sector is many times higher than for other sectors, requiring at least 10x more annual finance flows to limit global warming. Adapted from: IPCC AR6 SYR -Longer Report, Figure 4.6.: Breakdown average of mitigation investment flows and investment needs until 2030 (USD billion). Emphasis added

Closing the significant nature finance gap and increasing access to high-quality finance for the communities who steward nature and implement NbS must be addressed to enhance mitigation implementation in the AFOLU sector. An MWP investment focused event can draw attention to these issues and serve as inputs to the Baku-Belem Roadmap to 1.3 Trillion under the New Collective Quantified Goal on climate finance set at COP 29. In addition to scaling both public and private investment into NbS, the event can focus on:

- Aligning climate mitigation finance with the GBF to enhance synergies between climate and biodiversity actions and streamline implementation and reporting. Notably, 81% of biodiversity-related finance also targets climate change, but only 21% of climate finance specifically targets biodiversity. <sup>12</sup> Better aligning efforts while ensuring that climate finance is additional to biodiversity funding will supports biodiversity conservation, climate mitigation, and adaptation efforts simultaneously, making financial investments more efficient and impactful.
- Phasing out climate-harmful subsidies and redirecting funds to: support NbS and sustainable initiatives, incentivize industries to adopt sustainable practices, enhance financial support for Indigenous Peoples and local communities, and correct market distortions for a more efficient, sustainable economy.
- Enhancing the ability for Indigenous peoples (IPs), local communities (LCs), women, and other climate vulnerable groups to directly access climate finance to ensure its equitable distribution and effectiveness. Less than 10% of climate finance reached local levels between 2003 and 2016, according to the Climate Funds Update database. Directing finance to the people that steward the land is essential to scale up NbS. For example, while Indigenous groups manage half of the world's lands and protect 80% of global biodiversity, they have received less than 1% of international climate finance over the last decade. 14
  - This is a key topic on the road to COP 30, as Indigenous Peoples and local communities possess full rights to 25% of the Amazon region, cementing their status as our most critical partners, necessitating immediate and urgent support to sustain their territories and amplify livelihood opportunities. Working with IPs and LCs partners to employ positive incentives, foster a thriving bioeconomy, and implement payment for ecosystem services are all instrumental strategies to discuss under the MWP investment focused events in 2025.

<sup>&</sup>lt;sup>13</sup> IIED: <u>Delivering real change: getting international climate finance to the local level</u>.





<sup>&</sup>lt;sup>12</sup> OECD: <u>Biodiversity and Development Finance</u>, 2015-2021

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