G20: Pax Climatica for the Planet and People

20 points for a successful G20 communiqué

AVAAZ

As heads of the world's 20 most powerful countries, the ones that represent four-fifths of global CO2 emissions, your leadership is vital if we are to escape the ramifications of a biodiversity collapse, along with the impending climate catastrophe.

The outsized demands of our current fossil fuel-based economies have led to a rapidly warming planet. The result is a dramatic rise in zoonotic diseases, mass migrations, food insecurity, species loss, and poverty. In order to finance the work that needs to be done if we are to stop biodiversity loss and curb climate change, the international community must make important reforms including on global tax policy, global health measures, and economic recovery.

To meet the scientifically-determined imperative of keeping global temperature rise below 1.5°C, G20 nations must significantly raise the ambition of their actions, for example by instituting reforms to phase out all fossil fuel subsidies and incentives that are harmful to the environment, and committing to conserve and restore biodiversity across at least half the planet by 2030. You play a key role in paving the way for transformational change worldwide.

As you put together your communiqué, Avaaz recommends the following measures to ensure a just, equitable, and sustainable recovery for all.

20 Actions for the G20

On Raising Ambition

01.

Recommit to staying on the path of the 2030 Agenda for Sustainable Development by putting people and the planet above politics and financial gain, and approaching the biodiversity and climate crises as one. This includes pursuing policies which ensure the fulfilling of the life-sustaining contributions provided by biodiversity to tackle climate change, promote food security, and strengthen poverty eradication, all while respecting the common but differentiated responsibilities of each country in implementing such policies. G20 countries must also provide proper financial support for achieving the 169 targets of the 17 Sustainable Development Goals (SDGs), progress on which slowed dramatically during the COVID-19 pandemic.

02.

Conserve biodiversity across at least half of the planet by 2030 to ensure its many vital contributions to keeping the planet below a 1.5ºC temperature rise: Protecting 50% of the earth's lands and seas by 2030 will permit global biodiversity to start recovering so that future human development and well-being are no longer threatened[1]. To successfully tackle the interlinked biodiversity, climate, and land degradation crises[2], a total investment of $8.1 trillion will be required between now and 2050, while annual investment should reach US$536 billion by 2050.

03.

Commit to radical emissions cuts in order to limit global warming below 1.5 ºC: This includes scaling up financial resources for a global green transition and fulfilling the $US100 billion climate finance promise. In the run-up to the Glasgow Climate Change Conference, the G20 - which represents four-fifths of the world's emissions - must ramp up coordinated mobilization in order to close the gap on emissions cuts and financing of mitigation and adaptation measures that consider ecosystem approaches. Finally, because adaptation and mitigation efforts are equally vital, and the OECD estimates that a significant majority of climate finance is currently going to mitigation, the G20 should agree to earmark 50% of climate finance for adaptation.

04.

Decrease the risk of zoonotic diseases by protecting habitats and species: Unsustainable agriculture that results in land-use changes is responsible for the emergence of more than 30% of all new diseases reported since 1960, which makes investing in healthy ecosystems a type of social-political insurance. Therefore, G20 leaders must address such unsustainable practices as a core part of policies promoting human and planetary health.

05.

Commit to increase financial resources for biodiversity conservation so that we can close the (at least) US$800 billion annual funding gap: Investments must include new, additional, and effective financial resources, with a majority directed to developing countries, taking into account common but differentiated responsibilities, and strengthening cooperation, capacity-building, and technology transfer.

06.

Launch an Emergency Coalition for Environment and Debt Justice: Agree and implement debt servicing payments to support developing countries in implementing public and private policies for biodiversity conservation, sustainable use of natural resources, and transition to renewable energy.

07.

Commit to a complete fossil fuel phase-out and decarbonization of the global economy: Building efficient, sustainable, resilient, and robust societies requires a commitment to placing a high price on carbon through taxes and developing a carbon market that is effectively governed and friction-free, with strong accountability mechanisms and respect for the rights of Indigenous Peoples and Local Communities (IPLCs). These measures will go a long way in ensuring just biodiversity and climate-inclusive private and public investments in the long term.

08.

End all incentives harmful to biodiversity by no later than 2030: G20 members agreed in Nagoya to eliminate perverse government incentives and subsidies that are harmful to biodiversity - it's time they acted on their promises. According to a 2019 report[3], governments could finance the transition to a green economy by investing only 10% of the money they would save from ending fossil fuel subsidies. According to the OECD, government spending on subsidies harmful to biodiversity is at least five times higher than total spending to protect biodiversity[4]. In 2019, the total amount of harmful subsidies to biodiversity ranged from US$273 to US$542 billion[5].

1 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)

2 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)

3 International Institute for Sustainable Development (2019). Report: Reforming Subsidies Could Help Pay for a Clean Energy Revolution. https://www.iisd.org/gsi/news-events/reforming-subsidies-could-pay-clean-energy-revolution-report (accessed: Oct 28, 2021)

4 OECD (2020) A Comprehensive Overview of Global Biodiversity Finance. https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf (accessed: Oct 28, 2021)

5 Deutz, A., Heal, G. M., Niu, R., Swanson, E., Townshend, T., Zhu, L., Delmar, A., Meghji, A., Sethi, S. A., and Tobinde la Puente, J. (2020). Financing Nature: Closing the global biodiversity financing gap. The Paulson Institute, The Nature Conservancy, and the Cornell Atkinson Center for Sustainability. https://www.paulsoninstitute.org/key-initiatives/financing-nature-report/ (accessed: Oct 28, 2021)

On Putting People First

09.

Include Indigenous Peoples and Local Communities (IPLCs) as equal partners in all decisions that affect their traditional lands: IPLCs are routinely kept out of planning and decision-making processes regarding their territorial lands and natural resources. 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 species and genetic resources vital for human development, food security, and health. Social impacts are often even worse, including the increasing number of IPLC leaders killed by those seeking to cash in on the natural wealth of their lands.

10.

Ensure gender equality in the recovery: Women are almost half of the global workforce, and are proven business and community leaders possessing essential know-how and skills in climate action, biodiversity conservation, restoration and its sustainable use, and long-term planning, making them vital decision-makers in any "building back better" recovery approaches, including a "green recovery". During the pandemic, working women around the world regularly faced greater challenges than men, either because they were forced to leave their jobs or reduce their working hours to carry out household and childcare responsibilities, or because they were forced to work in improper conditions and expose themselves to the virus. As women form a substantial part of the informal economy, they were also hit harder overall by the global economic crisis.

11.

Create and protect jobs by investing in ecosystem-based approaches and in the clean energy sector, while also respecting the rights of IPLCs: By 2030, 45 million new green and blue jobs are expected to be created in sustainable land management and ocean economy. Solar and wind industries can create three times more jobs than their fossil fuel counterparts[6], with solar now being the cheapest source of electricity in history[7]. All renewable energy approaches must respect the rights of IPLCs (including their land rights), therefore hydroelectric power must not be further pursued by G20 countries.

12.

Tackle climate migration by supporting the recovery of vulnerable countries and their ecosystems: By securing dedicated funding from a variety of financial bodies, the G20 can support the restoration of ecosystems that have lost their capacity to provide key services or have even become uninhabitable. Such impacted ecosystems often force human populations to seek resources in other areas and are increasingly becoming the origins of climate-based conflict. Re-establishing healthy, safe, and productive living conditions in key areas of the world could dramatically reduce climate-induced migration and conflicts.

13.

Prioritize people over patents: It's clearer than ever that peoples' health and the health of our global environment and economies are deeply intertwined. G20 countries, particularly the G7, should urgently ensure access to lifesaving COVID-19 vaccines as well as lifesaving equipment for everyone in the world. Patents should be suspended, technological knowledge shared freely and openly, and no profiteering allowed during this pandemic. Governments, scientists, and pharmaceutical companies must cooperate and combine resources to ensure no one is left behind. The pandemic will not be over anywhere until it's over everywhere. There can be no prosperity for people and planet while billions still have no access to COVID-19 vaccines and are being financially crushed.

On Financing an Inclusive Recovery

14.

Commit to 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 biodiversity and climate-friendly, 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 and accountability mechanism for monitoring commitments and reviewing progress.

15.

Enable Multilateral Development Banks (MDBs) and all financial institutions to scale up support for a green, blue, and just recovery, enabling a true post-COVID-19 "build back better": MDBs must significantly increase net financial flows with a mix of balance sheet optimization, capital increases, and an accelerated IDA20 round. This would allow them to set a longer-term agenda for collectively increasing access to public finance for recovery, and strengthen their resilience to future

6 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-leader- ship-for-sustainable-resilient-and-inclusive-economic-recovery-and-growth.pdf (accessed: May 31, 2020)

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

shocks through MDBs and international finance institutions. For example, this could include a 'Clean Green Initiative' bringing together investments from G20 and other countries. However, it would need to be underpinned by a package of new money, such as signalling readiness to replenish/recapitalize 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.

16.

Include ecological debt and restructure the sovereign debt of heavily indebted countries, under the Common Framework, so that money can be put toward projects that support a global recovery: Alleviating the debt constraints of low-income and vulnerable countries through the redirection of funds to investments in climate and biodiversity resilience could establish a basis for new, sustainable, equitable, green economies. G20 countries have the required weight to call on the International Monetary Fund and other international financial institutions to bring forward new mechanisms to address the ecological debt of developed countries during discussions for restructuring sovereign debt.

On Promoting Strong Fiscal Policies

17.

Strengthen progressive carbon and pollution taxes and implement a financial transaction tax to curb speculation: Promote fiscal policies at different levels to end harmful emissions, redirecting the investment towards ecosystems restoration, climate-related loss and damage initiatives for low-income and vulnerable countries, renewable energy, and meeting the costs of climate change mitigation and adaptation. Trade in equities, bonds, currencies and derivatives should be taxed so as to curb speculative activities and help fund initiatives to ensure a green, sustainable, and just recovery for all.

18.

Increase the ambition on the Global Corporate Tax and Close Tax Havens: LuxLeaks, SwissLeaks, the Paradise, Panama and Pandora Papers have proven what we always suspected which is that the international tax system is riddled with loopholes allowing for the offshoring of billions of dollars. Given the significant financial demands of the COVID-19 economic recovery, and the biodiversity and climate crises, the G20 must take action on taxing corporations, starting with an increase of the newly agreed 15% tax rate to at least 25%[8] (which would generate three times more money than the proposed 15% rate, according to a recent study[9]). In addition, the G20 must strengthen transparency and accountability measures and enforcement so that corporations are made to pay their fair share of taxes anywhere that they make a profit. This can be achieved in part through country-by-country reporting of profits and beneficial ownership registries. They should also agree to establish a United Nations commission for tax cooperation, which could lead to a more transparent and just system of corporate taxation. Additionally, governments should work towards ensuring that, under the proposed scope, all loopholes that allow big corporations (including digital giants) to sidestep paying taxes, are permanently closed: for example, the proposed threshold of US$20 billion leaves many big corporations outside the scope of Pillar One.

19.

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 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 ecosystem protection and restoration, tackling climate change and providing the infrastructure necessary to tackle their climate-related vulnerabilities. By depriving governments of tax revenue (especially in developing countries) we perpetuate dependency on philanthropy, increase sovereign debts, and erode people's belief in the power of government and the possibilities of real democracy.

20.

Implement a Wealth Tax on the top 1% to support a just and green recovery: Billionaires regularly avail themselves of tax-evasion and avoidance strategies that are beyond the reach of ordinary people thanks to loopholes in the tax codes. For example, in the US, data from the Internal Revenue Service Agency records show[10] that the wealthiest Americans regularly pay income taxes that are only a tiny fraction of their fortunes (many pay no taxes!) leaving ordinary people with enormous tax burdens (this phenomenon is by no means limited to the US). This system also supports ongoing, institutional racism by levying higher taxes on labor than on ownership.

8 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/ (accessed: Oct 28, 2021)

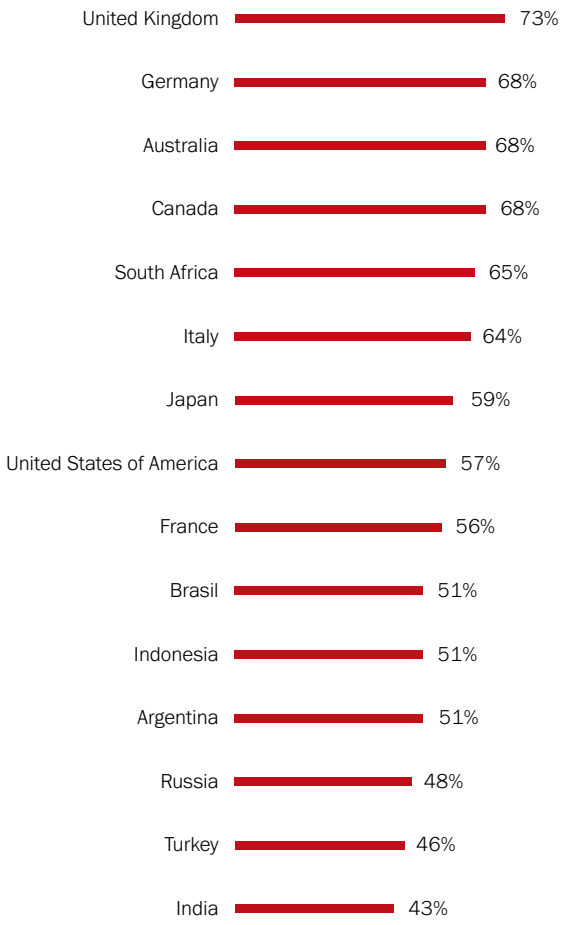
9 Stiglitz, J. (2021) OpEd: G7 leaders can strike a blow on global corporate tax. Financial Times (June 1). Available at https://www.ft.com/content/908bbc8d-e07f-487c-9875-d2e0a0222035 (accessed: June 3, 2021)

10 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)

People in G20 countries support a just and a sustainable 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 sustainable businesses and jobs.

There is majority support in nearly all G20 countries surveyed for more just, green and sustainable 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%).



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 a result of contact with wild animals due to habitat loss from 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 to all of us, but particularly elected and appointed government officials. 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.

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[5]. This and other pandemics have their origins in microbes carried by animals, but their emergence is entirely driven 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

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 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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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[6].

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.[7] 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.[8] The majority are children.

6 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)

7 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)

8 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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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 Biodiversity and Ecosystem Services (IPBES) costs in the US alone could reach US$16 trillion by the 4th quarter of 2021[9].

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.

9 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[10], 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[11], 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[12].

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[13] and the landmark legal decision regarding Royal Dutch Shell's emissions and global climate goals[14]- 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**[15]**.** 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

10 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)

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

12 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)

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

14 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)

15 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[16].

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[17], The Nature Conservancy[18] 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[19], 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[20] 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 re-

16 US National Intelligence Council (2021) Global Trends 2040 A more contested world. Available at https://www.dni.gov/files/ODNI/documents/assessments/Global-Trends_2040.pdf (accessed: June 3, 2021)

17 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)

18 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)

19 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)

20 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)

Why biodiversity is important for the economy

serves to countries facing persistent external 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[21], 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[22]. 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[23], 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[24], 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

21 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)

22 International Monetary Fund, Covid-19: The Moms' Emergency, (2021), See: https://blogs.imf.org/2021/04/30/covid-19-the-moms-emergency/ (accessed: May 31, 2021)

23 Greenfield, P. (2021). Green fiscal policy network, Available at: https://greenfiscalpolicy.org/redirect-harmful-subsidies-to-benefit-the-planet-un-urges-governments/ (accessed: May 31, 2021)

24 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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equal to $478 billion in 2019. Agricultural support, (often considered the most harmful to biodiversity)[25], averaged $112 billion per year for the period 2017-2019 in OECD countries alone[26].

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[27] 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[28]. 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[29].

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**[30]. 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[31] concludes that the program has been consistent in its delivery of envi-

25 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)

26 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)

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

28 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)

29 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/bd9b0dc3-en (accessed: May 31, 2021)

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

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

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ronmental 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 targets proposed for Indigenous Peoples and Local Communities (IPLC) lands in the Global Safety Net[32].

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[33], 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)[34], **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[35].

32 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)

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

34 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)

35 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**[36]**.**

36 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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