



FfD4 First Draft

Mar 2025

FfD4 OUTCOME DOCUMENT - FIRST DRAFT

WWF REACTION AHEAD OF FOURTH PREPCOM

WWF welcomes the release of the FfD4 First Draft and supports the efforts to create a renewed, comprehensive financing framework for sustainable development. Whilst we observe concrete improvements in the First Draft, there are areas that we believe should be strengthened.

We believe that Nature - the foundation of our economies, societies, and poverty reduction - should be further elevated in the document. Successful sustainable development rests on several pillars, of which responsible stewardship of the environment is fundamental. Financing for development must therefore account for the urgent need to protect, restore, and sustainably manage our planet's natural resources. As was mentioned in the Zero Draft, but now regrettably removed in the First Draft, *"Biodiversity is fundamental to the systems underpinning life and good quality of life and many of these systems are now at risk. We will scale up the provision and mobilization of biodiversity finance for conserving, protecting and restoring nature and ecosystems, including ocean preservation"*. In order to adequately address nature's critical role in sustainable development, **this and other messaging explored in more depth below should be re-introduced and strengthened in the Outcomes Document.**

We can and should **build upon global progress made in this space in recent years**, including climate and nature synergies through the Paris Agreement's Nationally Determined Contributions (NDCs), and the Biodiversity Convention's National Biodiversity Strategies and Action Plans (NBSAPs) that all parties need to submit under these treaties, as well as progress from other mechanisms such as the G20 and G7. We welcome the call for reform and greater coherence in the financial architecture to support and stimulate sustainable development. That said, **specific, explicit provisions should be put in place to ensure the protection of our natural resources, and eliminate or significantly reduce harmful incentives across all financing streams**, ranging from domestic and international public finance, private sector, blended finance, trade, taxation and others.

This document outlines key areas to strengthen and maintain in the First Draft to ensure that **financing for development contributes to a nature-positive, climate-resilient - and therefore prosperous - future for all.**

Key Areas for Strengthening

WWF has identified several critical themes that should be strengthened in the First Draft to ensure a truly transformative approach to sustainable development that importantly reinforces concrete financing for nature and climate-positive considerations:

1. **Elevating Nature in the Overarching Framework:** Whilst the First Draft acknowledges in Paragraphs 3 & 18 that we are falling short in tackling climate change, biodiversity loss and ecosystem degradation, it needs to do far more to recognize nature as foundational to economic and social stability and poverty eradication. The document's upfront framing should explicitly mention catastrophic environmental degradation alongside climate change in Paragraph 3, and the need to integrate nature and climate commitments across all financing mechanisms to ensure successful sustainable development. Increased focus is needed on the importance of nature in critical industries such as energy, infrastructure and agri-food systems. Disasters can wipe out years of development progress in mere minutes, underscoring the critical need for robust disaster prevention strategies. In this regard, Nature-based Solutions—alongside other climate adaptation and mitigation measures—play a key role in reducing and preventing the impacts of climate change, and should be emphasized more strongly throughout the document. Stronger commitments are also required to ensure financial policies, investment frameworks, and regulatory mechanisms systematically embed nature risk and contribution as a core principle.
2. **Strengthening and Protecting Climate and Biodiversity Finance Commitments and action:** The First Draft should more explicitly state the biodiversity finance commitments under the Global Biodiversity Framework (GBF), acknowledge the Cali Fund and roadmap for an effective biodiversity finance system arising from CoP 16.2 in Rome, further promote key financing approaches and drive better coordination with country commitments and climate/nature funds. While the First Draft references and reiterates commitments under key conventions (e.g., the United Nations Framework Convention on Climate Change, the United Nations Convention on Biological Diversity, and the United Nations Convention to Combat Desertification), particularly in Paragraphs 18 and 34, it should do more to integrate the need for biodiversity finance alongside climate finance, and reinforce existing, quantified financing commitments. The need for new and additional finance for nature is more pressing than ever. We must mobilize funding from all sources—public, private, domestic, and philanthropic—to reach the USD 200 billion per year committed by 2030 under GBF Target 19, as well as the USD 30 billion per year for international biodiversity finance by 2030. The First Draft should explicitly state these targets. Furthermore, it should reference GBF Target 18, which calls for reducing harmful incentives by at least USD 500 billion per year by 2030, while scaling up positive incentives for biodiversity (see also point 4 below). At the recent CBD CoP16.2 in Rome, Parties clarified the way forward for an effective biodiversity finance system, agreeing on a roadmap to 2030, including a decision in 2028 on how to operate the financial mechanism. This new biodiversity finance architecture will help to drive biodiversity actions well beyond 2030, supporting the long-term implementation of the UN Convention on Biological Diversity in an equitable way. Explicitly acknowledging this process, along with the establishment of the Cali Fund would strengthen Paragraph 34 of the First Draft. Finally, the draft should further promote non-debt-creating finance mechanisms and debt swaps while ensuring stronger coordination through Nationally Determined Contributions (NDCs), National Biodiversity Strategies and Action Plans (NBSAPs), and National Biodiversity Finance Plans, as well as greater harmonization and synergy across fragmented climate and nature finance funds, in line with G20 recommendations.

3. **Enhancing MDB and Development Finance Reform:** Whilst we welcome a more specific, dedicated MDB reform section with more ambitious lending targets in the First Draft, environmental sustainability is still not sufficiently emphasized. MDBs should be urged to better align financial flows with the Paris Agreement and the GBF commitments, systematically integrate nature-positive investments and disclose associated, time-based targets across their portfolios. This should build upon their position in the MDB Joint Statement on Nature, People and Planet. Furthermore, MDBs should be encouraged to influence the wider financial ecosystem through these commitments, including public development banks and for instance the Finance in Common Summit, ensuring a systemic shift toward nature-positive finance that supports sustainable development.
4. **Strengthening Trade and Eliminating Harmful Subsidies for Sustainability:** Commitments should be strengthened for making trade policy a driver of environmental sustainability and climate response. This includes ensuring that trade agreements actively promote environmental protection, reinforcing obligations to phase out harmful subsidies that contribute to deforestation, overfishing, unsustainable agriculture and other practices harmful to nature and climate. The draft should therefore incorporate more explicit sustainability criteria and safeguards into trade mechanisms to prevent adverse environmental impacts. Beyond trade, the First Draft should include more language aimed at addressing harmful subsidies, currently failing to provide clear commitments, timelines, or enforcement mechanisms for their phase-out. These include careful review and reform of harmful subsidies on fossil fuels, agriculture, and fisheries, and others with concrete reduction targets and equitable transition plans. In Paragraph 22i, it should explicitly require the elimination of subsidies that drive biodiversity loss and climate change negative impacts. For fossil fuels specifically, we'd like to emphasise the need to shift harmful subsidies towards renewable energy use and/or compensation of low-income households to allow for an equitable phase-out.
5. **Enhancing Financial Regulation for Sustainability:** Stronger commitments are needed to incorporate nature-related financial disclosures, explicitly referencing frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD) alongside the Task Force on Climate-related Financial Disclosures (TCFD), and improving credit rating transparency for climate-vulnerable nations. Additionally, the document should align more closely with discussions from the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), and the G20 Sustainable Finance Working Group to ensure it remains relevant to global financial governance trends. This could be reflected in Paragraph 29.
6. **Nature-Based Solutions and Sustainability:** The use of Nature-based Solutions (NbS) as an effective alternative to purely grey infrastructure investment, and as tool for mitigation, adaptation and resilience should be mentioned and supported in key sectors such as agri-food systems (e.g., regenerative agriculture should be promoted as a Nature-based Solution that enhances food security and mitigates climate change). These solutions can also link strongly to disaster prevention, and referencing this link would further strengthen the text. Where possible, nature based solutions should be explored, and financing (from public and private resources) directed towards them. These NbS solutions should be used to drive equitable outcomes for all, with clear safeguards in place to do so.
7. **Scaling Up Private Sector Mobilization for Sustainability:** The private sector is key to achieving the Paris Agreement, CBD targets, and the Sustainable Development Goals (SDGs).

Yet, systemic barriers continue to limit sustainable finance flows to developing countries. Whilst the First Draft has gone further in detailing private finance solutions, it should further urge removal of obstacles by helping reduce investment risks, and helping strengthen blended finance mechanisms. Additionally, the draft should further call for expanding outcome-based financing and improving access to high-integrity data to ensure credible, nature-positive investments. That said, safeguards and disclosures should continue to be simultaneously strengthened against greenwashing, impact-washing and other potentially damaging actions from the private sector.

Key Positive Elements to Maintain

- A. Emphasis on the need to meet and/or scale-up **ODA commitments** with concrete and binding timeframes, with recognition of reversing recent reductions resulting from changing regional political priorities (Paragraphs 30-31a-c), and enhanced effectiveness and policy coherence. ODA should still play a critical role in complementing domestic public resources for poverty eradication, sustainable development and the protection and restoration of the environment, and support the sustainable development needs of countries that face diverse needs and challenges as reflected in Paragraph 9, 17, 30, 31 and 32.
- B. We specifically welcome the addition of Paragraph 34f, which highlights the importance of the agreements made under **CBD**. Yet, this paragraph needs strengthening as presented above and greater synergies developed between the new and additional needs for climate and biodiversity financing.
- C. Reference to increased urgency in the need for **climate, nature and ecosystems financing**, including debt-for-nature swaps, grant-based funding, and other innovative financial mechanisms (Paragraphs 18, 34 and 42-44). We welcome Paragraph 34d on enhancing climate finance reporting under the GA in consultation with the SCF and Paragraph 34e focussing on new, additional, grant-based or highly concessional finance and non-debt creating instruments.
- D. Calls for greater coordination, efficiency and commitment in climate and nature finance, including recommendations in **Multilateral Development Banks (MDB)** reform on capital base expansion, use of guarantees, and private finance mobilization (Paragraphs 28d-o and 31h-k)
- E. Recommendations to further strengthen the Common Framework and expand the use of **debt swaps and debt conversions**, ensuring they prioritize nature and climate. Importantly, incorporating climate and nature risks into the IMF's Debt Sustainability Analysis for low-income countries aligns financial decisions with sustainability goals and improves financial conditions for climate-vulnerable nations (Paragraphs 42-44)
- F. Call for strengthening **financial regulation and improving transparency**, including stronger incorporation of environmental sustainability and climate risk (Paragraph 49)
- G. We welcome the addition of Paragraph 52h referencing **science** *"We recognize the value of science-policy panels in addressing sustainable development challenges and reaffirm our support to the work of Intergovernmental Panel on Climate Change and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, and commit to support progress to establish the Science-Policy Panel on Chemicals, Waste and to Combat Pollution."*
- H. We welcome the incorporation of **inclusive and transparent approaches and governance** throughout the document. We especially wish to point out that we need to put people at the centre of conservation. For generations, Indigenous Peoples and local communities around the world have cared for much of the world's most valuable forest, grassland, savannah, wetland and ocean. Many of these 'territories of life' face destructive development, while indigenous cultures and traditions are also under threat. Their conservation depends on the recognition of Indigenous Peoples and local communities as their rightful custodians, and access to direct funding by these

peoples for environmental sustainability projects should be provided accordingly (see also paragraph 34f).

In conclusion, the FfD4 First Draft presents a critical chance to ensure a prosperous future for all by making stronger commitments to fully integrate nature and climate considerations in the global financial system, and support countries with unique contexts, including LDCs and SIDS, on their sustainable development pathways. Whilst the First Draft builds valuably upon the Zero Draft, more needs to be done to elevate nature and climate in the document. **WWF therefore urges decision-makers to adopt these recommendations. We stand ready to support efforts to refine the First Draft, ensuring it drives a nature-positive and climate-resilient future for all.**

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