

Proposal to establish a Roadmap to a Nature Positive Economy



This is a proposal to establish an inclusive, politically-mandated process to develop a Roadmap to a Nature Positive Economy. The Roadmap will set out the economic governance reforms necessary for an equitable transition to a global economy which operates within planetary boundaries, thus helping to achieve the goals of the Post 2020 Global Biodiversity Framework alongside the Paris Climate Accords, for sustainable development.

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Summary

The Roadmap to a Nature Positive Economy is a proposal to establish a process which builds consensus and political buy-in on the reforms needed to the international economic and financial system in order to help achieve the Post 2020 Biodiversity Framework goals and targets, alongside the 2030 Agenda for Sustainable Development and the Net Zero Transition.

The proposed process will likely take several months and should set out:

- i) A clear 'vision' of what an equitable, nature positive economy looks like.
- ii) The economic governance reforms and architectural building blocks necessary for an equitable transition to a nature positive economy, alongside the net zero transition.
- iii) A strategic and forceful plan for implementing these reforms, including milestones and the roles of key stakeholders and right holders from top-down to bottom-up.

Together these elements constitute the Roadmap to a Nature Positive Economy (The Roadmap). The process to develop the Roadmap shall be politically supported and inclusive, and co-created with end users (i.e. governments, international finance institutions, and other key actors that need to implement the systemic changes) in order to ensure legitimacy and build a sense of ownership. The ambition is for the Roadmap process to be co-hosted by governments. The secretariat could be housed within a global commission, taskforce, or an existing institution.

Establishing this roadmap development process will require the coordinated action of a few governments and organisations. Rather, the intention is to build a coalition of governments and organisations who believe that it is important to establish a politically mandated and inclusive process to develop a Nature Positive Economy Roadmap.

The initiative has been presented at a side-event as part of the official programme at the Stockholm+50 conference in order to help build a coalition of economic and financial system decision makers who are willing to give a mandate and support the establishment of a Roadmap drafting process

Q&A

Why is the Roadmap needed?

- The IPCC and IPBES have warned that unless the climate and biodiversity crises are addressed together, we will achieve neither¹. Experts have pointed out the extreme economic and financial stability risks caused by the continued degradation of nature.²
- This is widely accepted by politicians, policymakers, experts, and businesses. (See Leader's Pledge for Nature to reverse biodiversity loss³, G7 2030 Nature Compact⁴, the forthcoming Post 2020 Global Biodiversity Framework, coalitions like Business for Nature⁵ and Finance for Biodiversity Pledge⁶, and OECD analysis⁷)
- Currently our nature-negative economic and financial systems continue to rapidly degrade nature. More financing (private, public, ODA) will not be sufficient to reverse biodiversity loss by 2030. Addressing this requires deep rooted transformations from harmful to nature positive incentives.
- Architectural building blocks to guide a transition to a net zero economy are already making rapid progress. We must ensure that nature is integrated into these reforms to guide the net zero and nature positive transition together.
- Economic governance frameworks establish constraints within which the global economy must operate, and are a powerful lever in reforming them. The Roadmap will address the governance gaps that will support an equitable transition to a nature positive economy.

What will the Roadmap entail?

The Roadmap will propose:

- i) A clear 'vision' of what an equitable, nature positive economy looks like.
- ii) The economic governance reforms and architectural building blocks necessary for an equitable transition to a nature positive economy, alongside the net zero transition.
- iii) A strategic and forceful plan for implementing these reforms, including milestones and the roles of key stakeholders and right holders from top-down to bottom-up.

What is the current global architecture that supports net zero goals?

- Legally binding global treaty on climate change (Paris Agreement) adopted by >130 countries and associated metrics for measuring progress.
- Global scenarios/guidance on sector decarbonisation pathways (e.g. IEA scenarios, SBTi etc).
- National net zero legislation and/or policy commitments (12 countries, as at Nov 2021, incl. China, Japan, South Korea, EU, UK, and USA).
- Green budgeting tools to align fiscal policy with net zero (e.g. France, Ireland, Denmark, Canada).
- Disclosure/reporting frameworks to facilitate transparency about emissions impacts of private sector activities, encourage re-alignment of private investment, and reduce greenwashing (e.g. UK Sustainability Disclosure Requirements, Taskforce on Climate-Related Financial Disclosures (TCFD), Science Based Targets Initiative, green taxonomies, etc).
- UK Government's commitment made at COP 26 to align the UK's financial sector to net zero, and the requirement introduced for all financial institutions and publicly listed companies to publish net zero transition plans (a major milestone ultimately requiring the private sector as a whole to align its activities to the country's net zero goals).
- Net Zero Transition Plans are being adopted as a requirement for the private sector now also by the EU and the USA⁸, and there is work to develop a global standard for private sector disclosure around transition plans through the International Sustainability Standards Board. Over time, these transition plans should help to align all private finance and investment to net zero goals.

What are the similarities between the global architecture for net zero and what's needed for nature positive goals?

We are proposing that, where appropriate, nature positive is *integrated* into the existing and developing architecture for net zero, rather than having parallel and separate architecture for both.

- Binding global nature recovery targets/goals, to provide the overarching framework needed to drive a globally coordinated response across public and private actors. *(Equivalent to the Paris Agreement for net zero. Making progress towards this with the Post 2020 GBF, though it isn't binding)*
- Globally agreed scenarios or pathways, setting out the shape of the required transition to nature positive on a sector-by-sector basis. *(Equivalent to the IEA energy report, which lays out steps required for the global energy sector transition to net zero).*
- Financial sector regulatory frameworks supporting nature positive financial sector targets at the global level. *(e.g. building on the TNFD, and replicating the process that has built around the TCFD, and developing Science-Based Targets for Nature (SBTN)).*
- Integrating nature into global macroeconomic incentives for domestic policies, such as trading rules, rules around the global financial system including development and international finance arrangements. *(This is starting to happen to some extent for net zero, but with slower progress than the above points)*

Where are we at with this?

While elements of the required nature positive architecture are being developed, it is a long way behind the equivalent net zero process, very fragmented with many gaps remaining e.g. very few countries have a nature positive economic strategy in the way they have a net zero strategy) and suffers from a lack of a global goal or clarity on how specifically a nature positive goal can be defined or measured, which the CBD COP 15 could help tackle.

What else is needed in the global architecture for nature positive?

This is partly what the process of drafting the Roadmap should build consensus on. These are some areas identified by experts. Many of these could also be applied to support the net zero transition.

- The governance of the global commons i.e. interconnected ecosystems that humanity needs to survive (e.g. seas, freshwater systems), but that can be overused by some at the expense of others, independent of national jurisdictions (ie global commons)⁹.
- The institutionalisation of complementary measures of economic progress alongside GDP as a way to repurpose the economy. Measures such as 'inclusive wealth' which measures the capital assets upon which future prosperity depends, including natural capital - as recommended in the Dasgupta Review on the Economics of Biodiversity.
- Well-governed 'nature markets', whereby companies or consumers pay for the natural capital embedded in the goods they produce or consume, as a way to start valuing nature in economic transactions (some of this work has started with the Taskforce on Nature Markets).

Who will use the Roadmap?

- The Roadmap should be developed to support primarily finance/economic/trade ministries, standard setters and international institutions to implement, and manage the transition to nature positive economic policies, including taking a joined up position for reform in international fora.

Who will develop the Roadmap?

- We propose that the Roadmap is developed via a politically-mandated, participatory and inclusive process which, over several months, builds consensus on its suggested reforms and ensures an effective balance of input across regions and parts of the economic system (governments, standard setters and regulators, international institutions, financial sector & business).
- The team coordinating the Roadmap must be expert, and adequately resourced. It could preferably be housed in an existing institution, or a (temporary) body such as a Global Commission.
- Early government champions and supporters of this initiative can help design the Roadmap development process and where the Secretariat will be housed.

What are the next steps?

- At Stockholm +50, we are calling on economic and financial decision makers, such as governments, regulators, central banks and international institutions, to support this initiative for a Roadmap.
- WWF and UNEP-WCMC will continue to support these champions and supporters to coordinate this initiative up until a drafting process with a mandate is established. A wider group of CSOs and experts have supported the development of this proposal and stand ready to support.
- The governments of Finland, Nigeria, Colombia, France, and the United Kingdom have engaged with this initiative. Stockholm +50 is a platform to gather more political support to galvanise this process, particularly from those overseeing financial, economic, and trade policy.

Endnotes

- 1) Biodiversity and Climate Change Workshop Report, IPCC, IPBES, (2021), https://ipbes.net/sites/default/files/2021-06/20210609_workshop_report_em-bargo_3pm_CEST_10_june_0.pdf
- 2) Statement on Nature-related financial risks, Network for Greening the Financial System, (2022), <https://www.ngfs.net/en/communique-de-presse/ngfs-acknowledges-nature-related-risks-could-have-significant-macroeconomic-and-financial> and The Dasgupta Review on the Economics of Biodiversity (2021), <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>
- 3) Leaders Pledge for Nature, (2020), https://www.leaderspledgefornature.org/wp-content/uploads/2021/06/Leaders_Pledge_for_Nature_27.09.20-ENGLISH.pdf
- 4) G7 2030 Nature Compact (2021), <https://www.consilium.europa.eu/media/50363/g7-2030-nature-compact-pdf-120kb-4-pages-1.pdf> (2021)
- 5) <https://www.businessfornature.org>
- 6) <https://www.financeforbiodiversity.org/>
- 7) Biodiversity, natural capital and the economy: A policy guide for finance, economic and environment ministers, OECD (2021), <https://www.oecd.org/environment/biodiversity-natural-capital-and-the-economy-1a1ae114-en.htm>
- 8) <https://www.sec.gov/news/press-release/2022-46>
- 9) This definition of global commons goes beyond a geographical definition of national boundaries and refers to the economic services provided by nature, as per the definition used by the Global Commons Alliance. <https://globalcommonsalliance.org/global-commons/>

1. The need to transition to a nature positive economy

There is a powerful global consensus that “our world must not only become net zero, but also nature positive, for the benefit of both people and the planet.”¹ Whilst the global race to net zero is gathering pace, backed by established international targets and national /sector-level strategies, policies and processes, the world lacks an equivalent coherent policy framework for nature. As a result, nature risks being overlooked in the net zero transition and concern is growing that too much focus on climate change “quick fixes” will make the nature crisis worse.

“Nature positive” means that we need to halt and reverse nature loss measured from a baseline of 2020, through increasing the health, abundance, diversity and resilience of species, populations and ecosystems so that by 2030 nature is visibly and measurably on the path of recovery.²

As the IPCC and IPBES noted in their first joint meeting in July 2021, ignoring nature in mitigation and adaptation planning – such as when developing large-scale renewables or low-carbon infrastructure, or redeployment of water resources – could result in outcomes that damage nature, further exacerbating climate change and generating undesirable economic and social outcomes. The IPCC and IPBES have warned that “the world will fail unless climate and nature crises are tackled together”.

Governments around the world are increasingly recognising this and committing to being nature positive by 2030, including the G7 (Nature Compact) and signatories to the Leaders Pledge for Nature.³ More than 700 businesses have also called for nations to reverse loss of nature as soon as possible.⁴ The primary process for a coherent policy framework for nature is the Convention on Biological Diversity (CBD), currently being negotiated with a global agreement expected later this year.

There is also widespread acknowledgement about the critical role of finance and the economy in addressing the nature crisis. For example:

- The Dasgupta Review commissioned by the UK Treasury made the compelling case that the economy exists within the earth’s biosphere, that our current engagement with nature is unsustainable, and set out a range of proposed options for economic and financial tools and incentives to address this⁵.
- The OECD have written a policy guide for Finance, Economic and Environment Ministers with recommendations to halt and reverse biodiversity loss using economic and financial policy, including, measures of national performance, budgetary and fiscal policy, financial sector regulation, and international trade⁶.
- The Swedish Environment Ministry has commissioned the Stockholm Resilience Centre to publish a report for Stockholm +50 on “Economy and Finance for a Just Future on a Thriving Planet”.⁷
- In the finance and corporate sectors, the Taskforce on Nature-related Financial Disclosures TNFD will provide a framework for reporting on risks from biodiversity loss, as well as impacts and dependencies on nature⁸ and the Finance for Biodiversity Initiative exists to increase the materiality of biodiversity in financial decision-making.
- In the business community, Business for Nature has called on “governments to adopt policies to transform economic and financial systems to place nature and climate at the heart of global policymaking”⁹, and the World Economic Forum’s New Nature Economy’s Report series makes reference to multiple economic policy instruments critical to the transformational shift required in key sectors and the business opportunities that come with these shifts.
- The Club of Rome, Potsdam Institute for Climate Impact Research, the Stockholm Resilience Centre, and others are publishing a major report in advance of Stockholm +50, as part of the “Earth for All” focusing on the transformational economic policy shifts needed to achieve the SDGs within planetary boundaries.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1001131/G7_2030_Nature_Compact_PDF_120KB_4_pages_.pdf

²<https://www.naturepositive.org/>

³<https://www.leaderspledgefornature.org/>

⁴<https://www.businessfornature.org/call-to-action>

⁵<https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

⁶<https://www.oecd.org/environment/biodiversity-natural-capital-and-the-economy-1a1ae114-en.htm>

⁷<https://www.stockholmresilience.org/research/research-news/2022-01-18-shaping-the-conversation-around-stockholm-50.html>

⁸<https://tnfd.info/>

⁹<https://www.businessfornature.org/speaking-points>

2. Why we need a Roadmap to manage this transition

While we know what many of the required economic and financial tools and incentives need to become nature positive, there is still a lack of clarity and commitment on how to best put these reforms into practice - particularly in terms of changes in the international economic and financial system that are needed to drive action at the national level and tackle international governance issues (e.g. global supply chains, international financial transfers, and management of global commons). Even if national governments want to promote a nature positive economy, they will be hampered by the current rules of the game created by existing international economic and financial incentives. We need all these international mechanisms to be aligned in promoting equitable, net zero, nature positive outcomes, and that is what this roadmap initiative is seeking to promote.

The primary users of the Roadmap will be economic and financial system decision makers: finance ministries, central banks, regulators, standard setters and international institutions.

3. What will the Roadmap entail?

The Roadmap will propose:

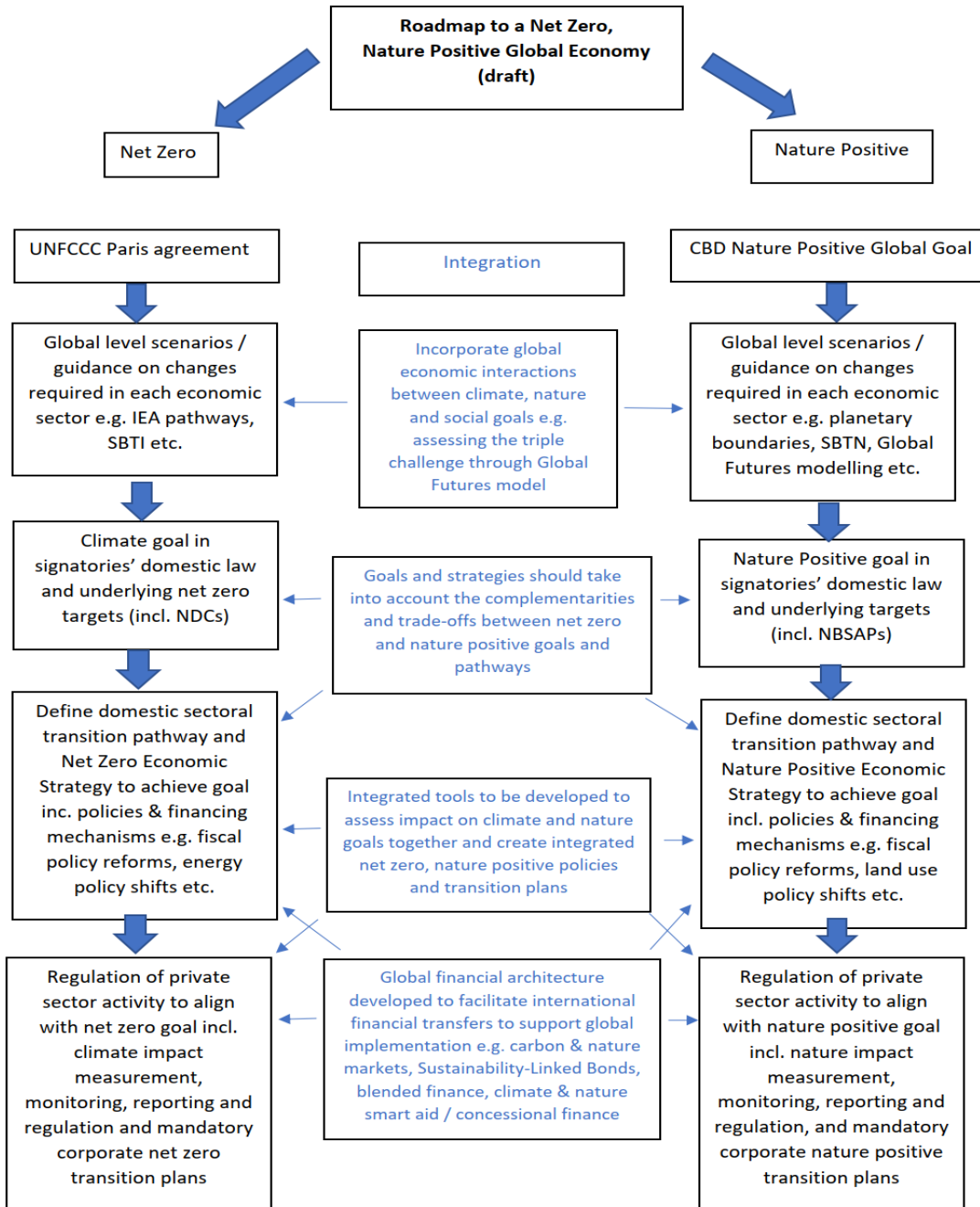
- A clear 'vision' of what an equitable, nature positive economy looks like.
- The economic governance reforms and architectural building blocks necessary for an equitable transition to a nature positive economy, alongside the net zero transition.
- A strategic and forceful plan for implementing these reforms, including milestones and the roles of key stakeholders and right holders from top-down to bottom-up.

The content of the Roadmap will be developed in a co-creation-process among the different stakeholders by the end of the year 2022 (see section 4). The following section gives an idea of the elements that may be included in the roadmap.

- Binding global nature recovery targets/goals, to provide the overarching framework needed to drive a globally coordinated response across public and private actors (building on the CBD Post 2020 Framework).
- Institutional mechanisms ensuring effective and equitable protection/recovery of global commons within national boundaries (e.g. tropical forests) and in areas beyond national jurisdiction (high seas / polar), and of transboundary ecosystems/assets (e.g. rivers).
- Creation of (or reforming existing) institutions capable of driving multilateral action, such as changing the way the global trade and finance system operates to support the transition.
- Policies and institutional mechanisms to drive sustainable (i.e. nature positive) production and consumption patterns globally, across international value/supply chains, particularly in key high impact/dependency sectors (e.g. food / land / ocean use; infrastructure / built environment; and extractives / energy).
- Institutions that promote global macroeconomic incentives for introducing nature positive economic policies at the domestic level, whether that be through global capital markets, international financial institutions, the WTO and other trade arrangements, development finance institutions, well governed markets for investing in nature etc.
- Tackling deep systemic barriers to sustainable decision-making (e.g. over-emphasis on GDP as a measure of economic success) through enhanced multilateral disclosure and action.
- Globally agreed scenarios or pathways, setting out the shape of the required transition to nature positive on a sector-by-sector basis, akin to the IEA energy report, which lays out steps required for the global energy sector transition to net zero emissions.

- Financial sector regulatory frameworks supporting nature positive financial sector targets at the global level, building on steps already being taken in this direction (e.g. by TNFD).

We can imagine that the roadmap for a nature positive economy will use a parallel mechanism to that developed to achieve net zero. By reviewing the net zero building blocks, it is possible to start to develop a comparable list of requirements to ensure that the transition is also nature positive. The figure on the next page shows an initial sketch outline of this concept. It also highlights key areas needed to address interlinkages and coherence between net zero and nature positive elements in an integrated way (boxes in the middle column of the figure).



4. Who will develop and implement the Roadmap?

Process to develop and draft the Roadmap

The roadmap shall be developed via a politically-mandated, participatory and inclusive process which, over several months, builds consensus on the required reforms and ensures an effective balance of input across regions (north/south, developed/developing) and different actors and parts of the economic system (governments, standard setters and regulators, international institutions, financial sector & business).

There are several options for how to host the roadmap process, for example

- A new Global Commission. A similar proposal has already been made by WWF for a new 'Global Commission for the Economy & Nature', akin to the Global Commission for the Economy & Climate, which had a transformative effect on pushing forward the net zero agenda through policy analysis and political engagement.
- A Taskforce, akin to the Taskforce on the Nature Related Financial Disclosures.
- Housing this process within an existing international organisation, which has a record of working in this area and can effectively draw inputs from a range of stakeholders across government, multilaterals and the private sector.

The team coordinating the Roadmap shall be expert, and adequately resourced. Early government champions and supporters of this initiative can help design the Roadmap development process and the team coordinating it.

Actors behind the Roadmap

WWF and UNEP-WCMC have initially proposed the idea of a roadmap. They are willing to coordinate this initiative until a drafting process with core governments initiative partners is established and a mandate is given. After that WWF and UNEP-WCMC will contribute to the process like other CSO and expert partners. A wider group of CSOs and experts have supported the development of this proposal and stand ready to support.

Implementation of the Roadmap

The process to establish the roadmap would not be responsible for implementing it. Because the process of developing it will have been politically inclusive, the goal would be that its recommendations are then implemented by governments and multilaterals.

How the Roadmap relates to similar initiatives

The Roadmap will build on the multiple initiatives and assessments already established around economy becoming nature positive. A mapping on existing activities has already been created for this in order to be able to use the existing findings and results.

5. Next steps (as of June 2022)

WWF and UNEP-WCMC have started engagement with a number of governments across developed and developing countries from regions across the globe ahead of the Stockholm +50 conference. The governments of Finland, France, Nigeria and the United Kingdom have keenly engaged with this initiative and some spoke about the need for nature positive economic systems at Stockholm+50, including at the dedicated side event for this initiative taking place on 3 June 2022.

That event started the process of calling on economic and financial decision makers to support the Roadmap initiative. This effort to gather a coalition of the willing, across all sectors, will continue after Stockholm +50 with a view to establish a drafting process.

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