PIMS-9922 Biodiversity Finance Plan

Togo

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REPORTING PERIOD 2024

Narrative

1. Executive Summary

The recent "Little Book on Investing in Nature" estimates the global annual biodiversity financing gap at US$700 billion. The CBD Panel of Experts on Resource Mobilization highlighted that implementation of the new biodiversity targets under the Global Biodiversity Framework (GBF) will require additional financial resources, increased resource efficiency, and a reduction of biodiversity-harmful financial flows. Reducing the biodiversity finance gap can only be achieved through transformative change across economies and society.

To develop a clear picture of how to achieve the targets of the CBD's GBF, a detailed assessment of the policy and institutional national context, a biodiversity expenditures review and financial needs are required as well as development and implementation of finance plans. CBD Parties face the following key barriers to sustainable financing of nature-positive policies and practices: (a) limited awareness, coordination, and capacity among

national stakeholders to address gaps in biodiversity financing; (b) insufficient knowledge and systematic documentation of expenditure data relevant to biodiversity; (c) lack of systematic measurement and reporting

of the negative impacts of finance contributing to biodiversity loss; (d) biodiversity finance needs are imprecisely defined and poorly understood; (e) limited knowledge, use and mainstreaming of country-specific

biodiversity finance solutions; and (f) limited exchange and uptake of global best practices in the sustainable financing of biodiversity.

Given the need for a comprehensive and multi-stakeholder strategic approach to resource mobilization, Target 19 requests all countries to develop national biodiversity finance plans (BFPs). These BFPs should assess the root

causes of biodiversity loss, identify national biodiversity finance gaps, and articulate strategies on how to reduce the gaps through a suite of finance solutions aimed at reducing flow of resources that cause harm to biodiversity; generating additional resources; and enhancing the effectiveness and efficiency of resource use. To respond to this need and based on the experience of UNDP's Biodiversity Finance Initiative (BIOFIN) and other relevant methodologies, this project aims to support a global programme that will establish a transformative process for biodiversity finance in all participating eligible countries, involving all relevant stakeholders such as Ministries of Finance and Environment, and the private and financial sectors through a socially and gender inclusive approach. The project will support countries in baseline diagnostics, capacity and institutional strengthening, and developing finance plans to mobilize resources at scale to implement the GBF.

2. Background

The 2019 global assessment of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) alerted the world to the fact that in the past 50 years the rate of global loss of nature has been
unprecedented in human history. The global rate of species extinction is already tens to hundreds of times higher than the average rate registered during the past 10 million years and is accelerating, with over 25,000 species
currently listed as endangered4. The assessment also states that anthropogenic factors have caused natural terrestrial, freshwater and marine ecosystems to decline, showing a decrease by an average of 47 per cent of their
estimated natural baselines, with many continuing to decline by at least 4 per cent per decade.

The main drivers of biodiversity loss include: changes in land and sea use; direct exploitation of organisms; climate change; pollution; and invasive species. This ongoing loss of nature has immense economic impacts locally,
nationally, and globally. The World Bank estimates that ecosystem service collapse could result in a decline in global GDP of US$2.7 trillion annually by 2030. The World Economic Forum (WEF) and the Global Land Outlook estimate that 50% of global GDP is at risk from land degradation and the loss of biodiversity and ecosystem services. Nature loss also poses a stability risk to the world's financial systems.

The COVID-19 pandemic has put nature further under strain, reducing governing capacities, slashing tourism revenues, and putting biodiversity budgets under pressure due to the need for budget re-alignments to finance
response and recovery measures. Furthermore, both the GBO-5 and the 2019 IPBES reports have highlighted that, at the global level, none of the 20 Aichi Targets were fully achieved. For example, with regard to Aichi Target 20 (on resource mobilization for implementing the Strategic Plan for Biodiversity 2011–2020), CBD GBO-5 noted that there have been increases in domestic resources for biodiversity in some countries, with resources remaining broadly constant for others over the past decade. Financial resources available for biodiversity through international flows and official development assistance have roughly doubled. However, when all sources of biodiversity finance are considered, the increase in biodiversity financing is insufficient in relation to the needs.
The loss of biodiversity is propelled by the large number of investments estimated to have a negative impact on biodiversity, exceeding US$500 billion per annum, while biodiversity positive investments merely reach US$120
billion yearly (https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of global-biodiversity-finance.pdf). Any financing strategy for nature thus needs to address both reducing, redirecting,
or greening of 'negative' biodiversity expenditures to help catalyse and increase positive investments and enhance the effectiveness and efficiency of resource use.

The new targets related to resource mobilisation of the Kunming-Montreal Global Biodiversity Framework (GBF) will increase ambition for all countries to mobilise resources from all sources of funding. In particular, Target 18 recognizes the need to reduce and redirect subsidies that have

a negative impact on biodiversity as well as increase positive incentives. Also, Target 19 aims at increasing financial resources from all sources of funding, including domestic resources through national finance plans. In particular, this project will support countries with Target 19 ((b) Significantly increasing domestic resource mobilization, facilitated by the preparation and implementation of national biodiversity finance plans or similar instruments according to national needs, priorities and circumstances Furthermore, Targets 15 on the finance sector and Target 16 on sustainable production and consumption systems will further expand the work at country level.

3. Key Results Achieved

- **Level of Reporting:**

  Output level results

  Project Outputs:

  Project management cost

  Contributing Outcomes:

  Effet 4 À l'horizon 2026, institutions et communautés gèrent les ressources naturelles de manière durable et sont plus résilientes face aux effets néfastes des changements climatiques et aux risques de catastrophe

  Contributing Outputs:

  Produit 4.2. Les ressources naturelles et les écosystèmes sont protégés et gérés en vue d'une productivité et des moyens de subsistance durables

  Progress Note:

  Processus de recrutement du project lead lancé

- **Level of Reporting:**

  Project level results

  Contributing Outcomes:

  Contributing Outputs:

  Progress Note:

  Lancement du processus de recrutement de l'équipe du projet

4. Key Challenges Encountered

- **Level of Reporting:**

  Output level results

  Project Outputs:

  Project management cost

  Contributing Outcomes:

  Effet 4 À l'horizon 2026, institutions et communautés gèrent les ressources naturelles de manière durable et sont plus résilientes face aux effets néfastes des changements climatiques et aux risques de catastrophe

  Contributing Outputs:

  Produit 4.2. Les ressources naturelles et les écosystèmes sont protégés et gérés en vue d'une productivité et des moyens de subsistance durables

  Progress Note:

  Le processus de recrutement avance normalement

- **Level of Reporting:**

  Project level results

  Contributing Outcomes:

  Contributing Outputs:

  Progress Note:

  Le projet est au démarrage. Pas de difficulté à mentionner à cette phase.

5. Project Risks and Issues

Les risques suivants ont été identifiés au début du projet: -Non consideration of potential future indirect downstream risks associated with the implementation of the National Biodiversity Finance Plans; - Perpetuate existing discriminations against women; - Lack of participation of diverse stakeholder groups, especially Indigenous Peoples and women's organizations; - Limited oversight and monitoring

6. Lessons Learned

- Le projet est au démarrage.

7. Conclusions and Way Forward

Accélérer le recrutement de l'équipe en vue du démarrage effectif du projet.

8. Other Reporting Requirements