

# Spending on nature must double in two years to limit warming to 1.5°C, states report

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Credit: gryffyn/Unsplash

As the world heads towards negotiations on the post-2020 Global Biodiversity Framework, nature is still under-financed, the [second edition of the State of Finance for Nature](#) reveals.

If we are to limit global warming to below 1.5°C, halt biodiversity loss, achieve [land degradation](#) neutrality, and meet the Sustainable Development Goals, dramatic and [urgent action](#) is required on [emissions reductions](#), the [conservation of nature](#) and sustainable consumption and production.

Nature-based solutions (NbS) provide an opportunity to tackle a range of challenges in an integrated manner. Yet finance flows to NbS are currently only USD 154 billion/year, which is less than half of the USD 384 billion/year [investment](#) in NbS needed by 2025 and only a third of investment needed by 2030 (USD 484 billion/year).

"The science is undeniable. As we transition to net-zero emissions by 2050, we must also reorient all [human activity](#) to ease the pressure on the [natural world](#) on which we all depend," said Inger Anderson, Executive Director of UNEP. "This requires governments, business and finance to massively step up investments in nature-based solutions because investments in nature are investments in securing the future for generations to follow."

The report comes a week before governments from across the world are set to gather for the UN Biodiversity Conference (COP 15) in Montreal, Canada, where they will adopt a landmark agreement to halt and reverse nature loss by 2030. Among the key issues under discussion is the mobilization of resources for the implementation of the Post-2020 Global Biodiversity Framework and investments in NbS. UNEP, along with partners, is urging governments to provide an agreement that sets a clear mandate for countries to require the [financial sector](#) to align its activities with nature positive goals.

Tackling climate change, biodiversity loss and land degradation with immediate action requires that current global investments need to increase by USD 230 billion each year to 2025. Governments currently

provide 83% of NbS finance flows, yet will be unlikely to dramatically increase these flows due to fiscal challenges linked to conflict, debt and poverty. Therefore, the private sector must significantly increase investment from current levels of USD 26 billion per year (17%).

To do so, it must increase investments in sustainable supply chains, reduce activities with negative impact on climate and biodiversity and offset unavoidable impacts through high integrity nature markets, pay for the ecosystem services it uses and invest in nature positive activities.

The analysis by the UN Environment Program (UNEP) and the BMZ-financed Economics of Land Degradation (ELD) Initiative with support from Vivid Economics by McKinsey finds that limiting [global warming](#) to 1.5°C, rather than 2°C, is achievable only if action is immediate and with additional cumulative investments of USD 1.5 trillion to a total of USD 11 trillion between 2022–2050, compared to the 2C target (with a total required cumulative investment of USD 9.5 trillion). This additional investment will focus on sustainable agriculture and peatland restoration. Phasing out coal and decarbonizing the energy systems will not be enough without adjacent massive investments into nature-based solutions. This is congruent with the findings of the 2022 Emissions Gap Report.

Jochen Flasbarth, State Secretary in the Federal Ministry for Economic Cooperation and Development (BMZ), said, "While the world is enduring multiple crises, this report provides clarity: It shows that, by significantly increasing public and private investments in nature-based solutions, it is possible to tackle climate change, biodiversity loss and land degradation—and at the same time harness many societal and economic benefits. We need to act now."

This updated version of the report has broadened to marine ecosystems, concluding that a small share, 9%, of total investments in NbS target

marine based solutions. Disproportionally, the ocean represents over 70% of the Earth's surface and absorbs around 25% of all CO<sub>2</sub> emissions, making it one of the world's largest carbon sinks while also providing 17% of the world's protein.

## **Days of short termism are over: Greening all public incentives**

As the IMF warns of the "darkest hour" in 2023 for global growth, this report is a reminder that lots of short-term efforts to boost Gross Domestic Product (GDP) by Governments, without paying attention to the fact that nature underpins many economies, will impose greater costs for both present and future generations in the years to come.

Solutions to our societal challenges must focus on transitioning economic activity towards practices that address the key drivers of biodiversity loss, land degradation and the climate breakdown. While the protection of 30% of the land and ocean by 2030 pledged by the G7 countries is important, for which the finance gap is estimated to be USD 17-22 billion per year by 2030, this report provides evidence that more finance needs to flow towards the restoration of natural vegetation and afforestation.

Negative flows from public sources, which are 3 to 7 times larger than current investments in NbS, need to be repurposed along with placing the nature-positive imperative at the heart of economic policy, business, and investment decision-making. Harmful subsidies are highest in the energy sector, estimated to range from USD 340 to 530 billion/year and in the agriculture sector, estimated at around USD 500 billion/year.

The science has never been clearer. At a time where [climate change](#) impacts are manifesting through unprecedented wildfires, droughts and

floods, NbS help buffer these impacts and curb the cost of responding to these climate-induced disasters. Nature is the soundest investment imperative to build economic resilience and human well-being. It's a wake-up call to double down by doubling nature finance from now until 2025.

**More information:** State of Finance for Nature 2022:  
[www.unep.org/resources/report/ ... -finance-nature-2022](http://www.unep.org/resources/report/...-finance-nature-2022)

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