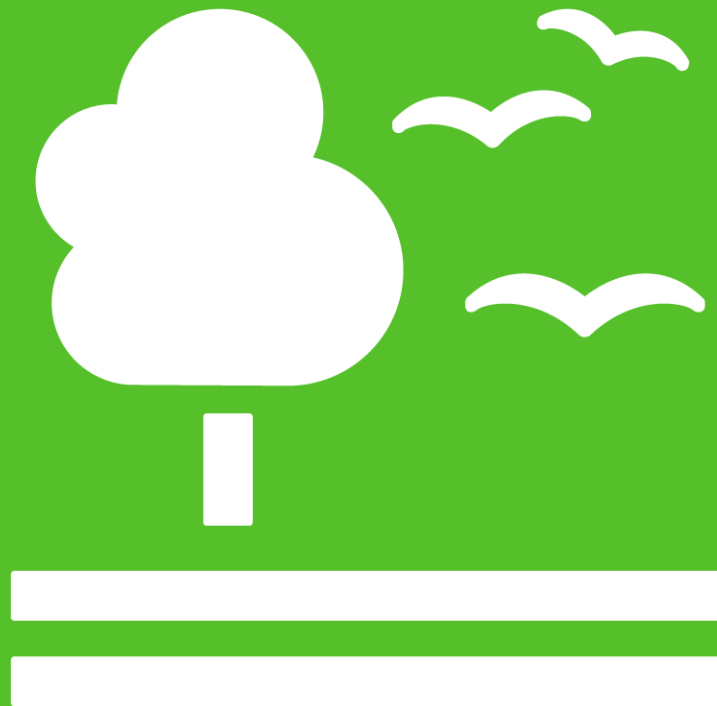


15 LIFE ON LAND



CO-MODERATORS

Rosina Bierbaum, Roy F. Westin Chair in Natural Economics and Research Professor, University of Maryland's School of Public Policy and Professor and Dean Emerita, University of Michigan School of Natural Resources and Environment

Richard Florizone, President, International Institute for Sustainable Development (IISD)

17 ROOMS GLOBAL FLAGSHIP
2021 ROOM DOCUMENTS
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This document was produced by Room 15, a working group for Sustainable Development Goal 15 on Life on Land, that convened as part of the annual 17 Rooms global flagship process in 2021. The [17 Rooms initiative](#) is co-hosted by the Center for Sustainable Development at The Brookings Institution and The Rockefeller Foundation. Each Room, one per SDG, was asked to identify actionable priorities that can be advanced by the end of 2022 to improve some component of 2030 outcomes for its respective Goal. Corresponding documents prepared by the other flagship Rooms are available [here](#), alongside a synthesis report prepared by the 17 Rooms secretariat.

Room 15 began this year's 17 Rooms global flagship process by considering key policy, finance, and communication barriers and opportunities to scale nature-based solutions (NbS). This exercise spurred a proposal for a "Natural Security Initiative (NSI)"—to invest in nature to protect and benefit people where they live. The NSI proposal has since received strong support from multiple other Rooms, spurring Room 15 and other drafters of the NSI to run with and build out the idea in 2022.¹ This document includes three resources:

- (1) Building the Natural Security Initiative: A proposal on next steps
- (2) Motivation for the Natural Security Initiative
- (3) Barriers and opportunities for scaling investments in nature

1. Building the Natural Security Initiative

A proposal on next steps

WHAT: *The Natural Security Initiative (NSI) aims to catalyze investment in natural ecosystems ("nature") to protect and benefit people in places where they live.* The NSI will pull together various existing efforts and initiatives to increase investment in nature that (i) best prepares and protects people from climate-related disasters, and that (ii) promotes equity, local custodianship, and sustainable use of 'shared' spaces.

TWO NEXT STEPS:

1. ***An immediate public campaign to put people and equity at the center of the 2021 climate and biodiversity agendas.*** Launched at the U.N. General Assembly (UNGA), this campaign enlists champions from governments, business, multilateral development agencies, NGOs, and philanthropy who are engaged in the public stewardship of the climate (COP26) and biodiversity (COP15) agendas to talk about investment in nature in more holistic terms. The core message is *that investments in nature must position local people at the center of climate change mitigation solutions by promoting security, equity, health, and prosperity, while placing biodiversity, climate, and nature on mutually supporting positive trajectories.* Many of the new "30x30" pledges should be committed to simultaneously and holistically addressing climate mitigation, adaptation, and human wellbeing.

¹ Drafters of the Natural Security Initiative across the 17 Rooms initiative include **Amar Bhattacharya**, Senior Fellow, Center for Sustainable Development, Brookings Institution (Co-Moderator, Room 13 - SDG13, Climate Action), **Rosina Bierbaum**, Roy F. Westin Chair in Natural Economics and Research Professor, University of Maryland & Professor and Dean Emerita, University of Michigan (Co-Moderator, Room 15 - SDG15, Life On Land), **Lisa Dreier**, Managing Director, Advanced Leadership Initiative, Harvard University (Co-Moderator, Room 14 - SDG14, Life Below Water), **Richard Florizone**, President, International Institute for Sustainable Development (IISD) (Co-Moderator, Room 15 - SDG15, Life On Land), **David Obura**, Founding Director, Coastal Oceans Research and Development (CORDIO) East Africa (Co-Moderator, Room 14 - SDG14, Life Below Water), and **John Podesta**, Chair and Counselor - Center for American Progress (Co-Moderator, Room 13 - SDG13, Climate Action)

2. **Mobilization and research to advance the NSI over the next 9-12 months.** The NSI aims to enjoin and elevate the various existing nature-based solutions² initiatives and climate campaigns for a step change in global alignment of investments in nature that consider the profound implications for security, health, equity, self-determination, and prosperity of local populations. The NSI must also *address the recognized policy, finance, and knowledge barriers to scaling investments in nature to deliver benefits to all people.*

PROPOSED WORK PLAN

Drafters of the NSI have already sought to campaign to put people and equity at the center of the 2021 climate and biodiversity agendas through their respective channels and networks (Step 1). Mobilization and research to advance the NSI (Step 2) will require in-depth understanding of the issues and engaged organizations, tackling the recognized barriers to scaling up investments in nature, linking national and local initiatives, and convening partners. This work will involve three components:

I. State-of-play Analysis and Synthesis

- Inventory key organizations, investors, and initiatives working at the nexus of climate, biodiversity, and human security.
- Synthesize main findings from recent landmark reports identified in the inventory, including estimates of geographic priorities and financial need.
- Summarize opportunities for increasing investments in nature-based solutions that provide co-benefits for a full spectrum of climate, biodiversity, human health, and well-being outcomes embodied by the Sustainable Development Goals (SDGs).

II. Address three known barriers to scaling NbS

Policy and Governance

- Summarize and assess major, whole-of-government approaches to nature protection, valuation of natural capital, disaster risk reduction, climate action, and social equity and inclusion. Identify leading examples and lessons learned.
- Identify strategies to promote the utility of nature-based solutions for achieving the objectives of the UNFCCC, CBD, UNCCD, and the SDGs, and to pinpoint opportunities for greater synergetic cooperation and alignment across these initiatives.
- Analyze examples of nature-based solutions that have addressed the aligned interests and rights of Indigenous people³ and local communities.

Finance and Accounting

- Identify lessons learned from existing major public, private, and integrated nature finance mechanisms and accounting and disclosure initiatives, as well as opportunities for growth.

² Nature-based Solutions (NbS) are defined by [IUCN](#) as “actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits”.

³ Townsend et al. (2020). Indigenous peoples are critical to the success of nature-based solutions to climate change. *Facets*. <https://doi.org/10.1139/facets-2019-0058>

- Assess alignment of international climate finance commitments (for both climate mitigation and adaptation) with biodiversity and social goals as well as nationally determined contributions (NDCs) and identify opportunities for improvement.
- Investigate potential for sustainable investment in nature-positive agriculture and forestry at the national and local levels.

Knowledge and Communications

- Develop case studies of NbS and highlight the impacts of NbS on local populations' security, equity, health, and prosperity while building on existing best practice guidelines. Highlight urban and rural examples, Indigenous participation, and private sector investment.
- Promote outcomes from research in policy and finance streams, including stories that explore the interrelationships and dependencies of people and nature.
- Identify key convenings and venues over the next 6-9 months where the key messages of the NSI could be reinforced and amplified.

III. Convening

Project

- Establish Steering Committee of the 6+ project proponents, and support monthly meetings to oversee progress.
- Assemble and lead working groups to complete the state-of-play assessment and research.
- Write and publish a report with key findings and implications of the state-of-play assessment and of the research on the three barriers (policy and governance, finance and accounting, and knowledge and communications).

NSI Coalition Building

- Reach out to key organizations and individuals (local, national, and multilateral) identified in the analysis, particularly investment, philanthropic, business, and multilateral leaders.
- Expand coalition ahead of 2022 17 Rooms meeting.

Project Duration

- 9-12 months
- Synthesis report to be published in spring 2022, to support next year's 17 Rooms discussion.

Budget - TBD

2. Motivation for the Natural Security Initiative

Floods in China and Europe and heat waves, hurricanes, and wildfires in North America this summer have made it difficult even for richer nations to ignore the risks of climate change to peoples' lives and livelihoods. The IPCC's 2021 report shows that more rapid and severe climate change will inflict greater harm on people, particularly women, indigenous peoples, and local communities (IPLCs)—those who are often least responsible for but most impacted by climate change and biodiversity loss.

There is broad recognition that investment in nature can address several climate and societal challenges.⁴ Nature can be our ally in both climate change mitigation and adaptation efforts, from restoring wetlands to protecting against storms and floods to conserving forests, restoring soils, and producing food. Sustainably managed natural ecosystems—"shared spaces"—such as agricultural, fishing, and pastoralist systems—provide myriad benefits to all people.

Done right, investment in nature can position people and place together at the center of climate solutions, promoting security, equity, and human health while at the same time putting climate and nature on mutually supporting positive trajectories. Putting people and equity at the center of global climate and biodiversity agendas aligns and integrates these policy agendas with the more holistic sustainable development agenda embodied in the Sustainable Development Goals (SDGs) and the shared commitment to Leave No One Behind.

THE CHALLENGE: *Global scale investment in nature is hindered by significant interrelated policy, finance, and knowledge barriers.* Absent mature finance and policy instruments to enable stand alone investment in nature at a global scale, the value of investing in nature is understood primarily in terms of nature's contribution to climate change solutions, through (i) restoration and protection of largely 'intact' ecosystems for carbon storage and sequestration (aligning with the 30% protection target of the CBD's Global Biodiversity Framework), and (ii) nature-based solutions for climate change mitigation, adaptation, and resilience.

We support ambitious targets for biodiversity conservation that will generate nature-based solutions to tackle climate change. However, we suggest that investment in nature needs a new paradigm, in which nature is understood and valued more holistically, starting with the benefits that investment in nature can deliver to people in the places where they live - the "ecosystem services" that are evaluated by a growing number of Environmental Economics professionals. This means talking about investment in nature as a means to (i) best prepare and protect people from climate-related and other disasters, and (ii) promote equity, local custodianship, and sustainable use of 'shared' spaces to support direct and indirect benefits across the full swath of economic and social SDGs.

⁴ Conference of the Parties to the Convention on Biological Diversity (2018). Report on its Fourteenth Meeting, Sharm El-Sheik. <https://www.cbd.int/doc/c/1081/32db/e26e7d13794f5f011cc621ef/cop-14-14-en.pdf>

3. Barriers and opportunities for scaling investments in nature

Room 15 members divided into subgroups to analyze three recognized barriers to NbS and identify opportunities for breakthrough:

1. Policy

- **Challenge:** Achieving policy coherence between climate (UNFCCC) and biodiversity (CBD) treaties can unlock the potential of nature to address climate change mitigation and adaptation, biodiversity conservation, as well as human security issues such as public health, food security, equity, and inclusion, and protection from extreme weather events.
- **Approach:** Bounding policy discussions to the subset of NbS that meet the criteria specified in the IUCN Standard⁵ while simultaneously addressing the greatest global risks to human advancement and global survival identified by the 2021 World Economic Forum Global Risks report⁶: (i) the need for biodiversity conservation⁷, (ii) reducing the risk of infectious diseases, (iii) addressing climate change adaptation/mitigation, (iv) human environmental damage, and (v) extreme weather events
- **Hard policy opportunities** (agreements and treaties that result in changes to the governmental laws, rules, and regulations):
 - i. COP26 UNFCCC should encourage Parties to incorporate NbS into Nationally Determined Contributions (NDCs) to allow accounting for the storage and sequestration of carbon through both the conservation of intact ecosystems, and through ecological restoration, as well as contributions to adaptation.
 1. NbS have the [potential](#) to provide around 30%⁸ of cost-effective climate mitigation through to 2030; and 20% by 2050.
 2. A [majority](#) (66%⁹) of the world's nations have already committed to implementing NbS in some form to address the causes and consequences of climate change in their NDCs..
 3. The 2023 Global Stocktake of action under the Paris Agreement should explicitly quantify progress towards the incorporation of natural solutions into NDCs.
 4. The various co-benefits of investing in nature can be highlighted by directing more attention to the need for conservation and sustainable use of “shared” land and seascapes that support direct and indirect benefits across the full swath of economic and social SDGs. For instance, the [‘Shared Earth, shared ocean’](#) framework proposes to spread effort and benefits of additional biodiversity conservation across in-tact,

⁵ IUCN (2020). Global Nature based Solutions Standard. <https://portals.iucn.org/library/node/49071>

⁶ World Economic Forum Global Risk Report: <https://www.weforum.org/reports/the-global-risks-report-2021>

⁷ See also IPBES-IPCC (2021). Co-sponsored workshop report on biodiversity and climate change. https://www.ipbes.net/sites/default/files/2021-06/20210609_workshop_report_embargo_3pm_CEST_10_june_0.pdf

⁸ Griscom et al. (2017). Natural climate solutions. PNAS. <https://doi.org/10.1073/pnas.1710465114>; Seddon et al. (2021). Getting the message right on nature-based solutions to climate change. Global Change Biology. <https://doi.org/10.1111/gcb.15513>

⁹ Seddon et al. (2021). Getting the message right on nature-based solutions to climate change. Global Change Biology. <https://doi.org/10.1111/gcb.15513>

shared, and anthrome spaces to reach the global biodiversity framework target of 30% protected.

5. Promote Natural Capital accounting¹⁰ to value natural assets in terms of the services they provide, including and beyond carbon sequestration and storage. Inclusion of natural assets in financial statements can inform ESG performance reporting. Governments can also play a role by compiling environmental-economic accounts using the U.N.'s SEEA (System of Economic and Environmental Accounting) methodology.
 - ii. COP15 CBD should include ecosystem integrity as one of the headline goals for the new Global Biodiversity Framework. The [First Draft of the Framework](#) promotes as its first goal an increase of at least 15% in the area, connectivity, and integrity of natural ecosystems.
 - iii. COP15 UNCCD's The Land Degradation Neutrality (LDN) initiative should increase focus on maintaining ecological integrity and restoring degraded ecosystems.
- **“Soft” policy opportunities** (recommendations and suggestions to change the policy framework, but not accompanied by formal changes in laws, rules, and regulations): key initiatives (Leaders' Pledge for Nature commits global leaders; G-7 2030 Nature Compact¹¹); meetings (G-20 2021 Rome Summit; U.N. Ocean Conference; IUCN World Conservation Congress), and decades of action (U.N. Decade on Ecosystem Restoration 2021-2030, UN Decade of the Ocean) present opportunities to advocate for NbS for climate mitigation and adaptation *and* human security (food systems, public health, equity, and inclusion; e.g., through the emerging “One Health”¹² paradigm). A global commitment to achieving the SDGs also represents a soft policy opportunity for scaling NbS, as the SDGs provide an inclusive framework for promoting co-benefits and managing tradeoffs of investment in NbS with other goals of sustainable development.¹³

2. Finance

- **Challenges:** the key problem to financing NbS at scale is the lack of proven ways to make profits from NbS, since nature is not valued in traditional accounting terms. Public and multilateral finance must play a role by derisking upfront investments and reducing the cost of capital for NbS, and coordinating efforts to avoid a zero-sum game between financing climate and nature agendas while allowing sufficient investments to unlock cost-effective NbS. There is an urgent need for **governments to change regulatory and incentive frameworks** to create opportunities for the private sector to create value by investing in NbS. More broadly, there is an urgent need to address gaps in capacity and knowledge to rapidly develop and implement NbS projects. Implementing NbS at scale will

¹⁰ HM Treasury (2021). The Economics of biodiversity: the Dasgupta review. <https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

¹¹ <https://www.gov.uk/government/news/government-sets-out-commitments-to-biodiversity-and-sustainability-in-g7-nature-compact>

¹² Gruetzmacher et al. (2020). The Berlin principles on One Health – Bridging global health and conservation. <https://doi.org/10.1016/j.scitotenv.2020.142919>

¹³ Smith et al. 2019 <https://www.annualreviews.org/doi/abs/10.1146/annurev-environ-101718-033129>

ultimately require moving beyond investment in individual projects to investing in NbS infrastructure as a routine and integral part of infrastructure planning and management.

- **Approach:** Supporting innovative, blended finance solutions that drive capital flows to investment in nature that benefits people where they live. This would include financial instruments that allow investors (public and private) to invest in nature as part of and/or alongside traditional mitigation/adaptation projects to drive more funding to NbS/NBI. E.g., A green fund composed of 90% return-making mitigation projects + commitment to 10% of investments to less profitable nature initiatives. Along with larger amounts of public and private capital, scaling to the investment needed requires greater institutional capacity to define, value, and bundle projects globally.

- i. **Financial Instruments:** Many of these instruments need income flows to either service the debt or pay equity investments. But even the “riskiest” form of instrument (e.g., equity) could be invested in a green fund committed to 10% of its investments going to less profitable NbS/NBI. ***Packaging return-making mitigation projects with NbS/NBI (adaptation + resilience) to drive flows is recommended.***

Table 1. Investing in nature-based solutions

Below-Market Rate Capital <i>Conservation projects with no or limited anticipated cashflow (typically public allocators)</i>		Market-Rate / Commercial Capital <i>Conservation projects where ecosystem services are monetized or have co-benefits through revenue-generating business activities (may be public or private allocators)</i>				
Grants	Blended / Development Finance*	Fixed Income	Public Equities	Private Equity or Debt	Real Assets / Infrastructure	Commodities
Land conservation grants Land conservation easement	Debt-for-nature swap (for debt relief) Conservation public-private partnership (PPPs) Pay for Performance Conservation Impact Bond (funded by donations tied to outcomes) Parametric insurance policies (e.g., for coral reefs)	Green bonds or loans with biodiversity-related KPIs (from sovereign, supranational, corporate, or municipal issuers)	Conservation or Biodiversity thematic ETF / Mutual Funds (i.e., public companies with conservation-focused activities)	PE funds or project finance focused on regenerative agriculture, water purification, biofuels, etc.	Sustainable forestry, sustainable fisheries Payments for Ecosystem Services (PES) for green urban infrastructure	Carbon credits & biodiversity offsets** Forest and land use carbon finance

*Blended/Development Finance includes first loss catalytic capital or concessionary debt or equity from MDBs/DFIs/agencies, etc.

**Offsets make up the largest portion of annual flows of private finance for biodiversity/NbS based on OECD data

Source: Morgan Stanley

- ii. **Investors/Investing communities include:** Development agency funding (GCF, GEF, IAB, World Bank, etc.; can be expanded to include bilateral donors); Development banks (domestic and regional); Philanthropies/foundations; Private. Development banks (domestic and regional) are important players in driving flows. Banks such as the Development Bank of South Africa, BNDES in Brazil, NAFIN in Mexico, and CDB in China hold significant assets and could be leveraged as these countries transition

- **Opportunities:**

- i. ***Establish an NbS project preparation facility for better project development.***
Given capacity and knowledge gaps, developing a pipeline of NbS investments will require PPFs that are well-funded and willing to spend larger sums over longer periods of time to enhance the possibility of NbS project success.
- ii. Development of standards for NbS accounting. Standards are needed at the business or public entity level to facilitate inclusion of natural assets in financial statements (see Policy section). Accounting Standards (IRFS and others) and guidance are needed to enable development of natural capital metrics that are usable by private sector financial institutions and businesses.
- iii. ***Improve NbS project structuring by bundling with revenue-generating projects.***
[Research](#) on NbS recognizes that these investments are usually made by public funders and can provide both mitigation and adaptation benefits. NbS projects often deliver both measurable mitigation and adaptation outcomes. As such, bundling NbS projects with other mitigation and/or adaptation projects offers investors (public and private) a means to augment financial and social returns and diversify risk.
- iv. ***Promote a set of understandings and norms*** for governments, project sponsors, intermediaries, and investors (from TNC's [Investing in Nature](#) report)
- v. ***Promote flexible framing and segmentation of NbS to attract financial capital investment*** -- (supra)infrastructure, projects, and management services; NbS as (1) Protection of intact landscapes, (2) Restoration rewilding, and (3) Management of working landscapes.

3. Communication and Knowledge

- **Challenges:** For NbS to be effective, it must be combined with dramatic cuts in greenhouse gas emissions, the value of natural capital to prosperity and equity must be better understood and valued; total funding must be dramatically increased, and “greenwashing” must be avoided. At the level of local actors, there is a communication challenge for IPLCs who have experienced historically negative impacts of nature-based solutions as narrowly framed climate-mitigation or profit-driven monoculture projects.
- **Approach:** Communicate the role of NbS in improving urban and rural livelihoods, and the ancillary health benefits such as improved drinking water quality and reduced downstream flood risks from restoration of native forests. Fire, drought, and flood have heightened attention to the human impacts of climate change in 2021; 2020 WMO [report](#) indicating 29 million people displaced annually. COVID-19 has increased awareness of the OneHealth [concept](#); pathogens transmitted to humans in part because of ecosystem degradation.
- **Opportunities:**
 - i. *Link NbS to the identity of people and place, and to equity.* In addition to providing opportunities for economic empowerment, investment in nature can preserve cultures and elevate the role of women and indigenous peoples and local communities (IPLCs) as leaders of place-based solutions to advance resilience. Rural communities manage much of the global carbon in landscapes and should be compensated for enhancements. From adaptation work, we know that women and girls are impacted hardest by climate change.

- ii. *Embed NbS in green recovery packages and routine infrastructure management.* Climate resilience and nature-positive outcomes should be routine considerations in planning and management of infrastructure, and not separate or optional. Natural infrastructure itself provides public services and should be included alongside built infrastructure.
- iii. *Advance programs that foster social inclusion hand-in-hand with environmental stewardship.* Create opportunities to change women, youth, indigenous peoples, and local communities from 'recipients of aid' to 'transformers of aid'.
- iv. *Develop a mechanism to recognize and quantify successful examples of NbS, to link to and reinforce NbS standards.* Develop a task force to compile and assess where NbS can achieve the greatest resilience, carbon, and co-benefits, building on country-submitted priorities to the Conventions on Climate change, Biodiversity, and Combating Desertification.
- v. *Use the **SDGs** as an organizing framework for articulating the holistic, people-centric approach to the benefits of investing in natural ecosystems.*