

Dear Mr. Nasr,

Reference is made to your letter of 24 April 2023 kindly inviting Parties and relevant organizations and stakeholders, including the Secretariat of the Convention on Biological Diversity (CBD), are invited to submit their views in order to inform the scope and focus of discussions of the Sharm el-Sheikh dialogue on Article 2, paragraph 1(c), of the Paris Agreement and its complementarity with Article 9 of the Paris Agreement.

Building on the outcomes of the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity and the adoption of the Kunming-Montreal Global Biodiversity Framework, we would like to emphasize the importance of taking into consideration the fundamental linkages between climate change and biodiversity in aligning financial flows with, and mobilizing financial resources towards, both the goals of the Paris Agreement and the targets, goals and vision of the Kunming-Montreal Global Biodiversity Framework.

These linkages include:

- The role played by ecosystems in sequestering atmospheric carbon dioxide and therefore helping to mitigate anthropogenic emissions of greenhouse gases.
- The role played by ecosystems in supporting adaptation to climate change, through *inter alia* the regulation of local temperature, rainfall, water flows, and providing resources in support of the people and social and economic development. In addition, the major role played in minimizing the impacts from natural hazard-related disasters, emphasizing the importance of ecosystem-based approaches to address biodiversity conservation and restoration and climate change mitigation and adaptation.
- The fact that climate change creates important stresses to ecosystems, being therefore recognized as one in five key drivers of pressure loss by the Intergovernmental science-policy Platform on Biodiversity and Ecosystem Services (IPBES), reducing their ability to play their aforementioned role in both climate change mitigation and adaptation, and potentially also exacerbating climate change and its impacts through biodiversity loss.

On aligning financial flows and mobilizing resources as per paragraphs 2c and 9 of the Paris Agreement and Goal D and targets 14 and 19 of the Kunming-Montreal Global Biodiversity Framework, we wish to emphasize the important synergies between climate change- and biodiversity-related financing:

- Climate change-related risks, dependencies, impacts and opportunities that affect the people and economic actors tend to partly overlap with, or be related to nature-related risks, dependencies, impacts and opportunities. Nonetheless, certain approaches for climate change mitigation and adaptation may generate risks and impacts to biodiversity, that should be taken into account. This is especially clear with and mitigation efforts, such as in the context of the green energy transition relying on the development of renewable energy infrastructure and systems.

Mr. Mohamed Nasr  
COP 27, CMP 17 and CMA 4 Presidency

- The mobilization of resources towards climate change mitigation and adaptation can yield biodiversity co-benefits through conservation, restoration and sustainable use, in particular where such resources are mobilized towards natural area conservation and restoration, sustainable forestry, sustainable agriculture and food chains, resilience of water resources.
- Multilateral development banks, other public development banks, and private financial actors should be encouraged to broaden their climate financing policies and approaches into climate-nature financing policies and approaches, identifying and leveraging on synergies between climate change mitigation and adaptation and biodiversity conservation, restoration and sustainable use, wherever possible.

We note that recent years have seen the rapid development and availability to public and private financial actors of methodological approaches, frameworks and guidance for assessing, reporting on, and managing, nature-related risks, dependencies, impacts and opportunities, and that those approaches are closely aligned with methodological approaches for climate-related risks and impacts. This has been epitomized by the recent development and imminent market release of the Taskforce on Nature-related Financial Disclosures (TNFD), which is closely aligned with the Taskforce on Climate-related Financial Disclosures (TCFD), as well as ongoing development of guidance on sustainability- and climate-related disclosures by the International Sustainability Standards Board (ISSB), part of the International Financial Reporting Standards (IFRS) Foundation. These methodological approaches, frameworks and guidance now provide public and private financial actors with the means to integrate the consideration of biodiversity conservation, restoration and sustainable use, within the context of aligning their financial flows and mobilizing resources to meet the goals of the Paris Agreement.

We thank you for this opportunity to provide inputs into the preparation of the first workshop of the Sharm el-Sheikh dialogue. The Secretariat hereby expresses interest in participating (via virtual attendance) in the first workshop under the Sharm el-Sheikh dialogue to be held in Bangkok, Thailand on 19 and 20 July 2023.

Please accept the assurances of my highest consideration.



for

David Cooper  
Acting Executive Secretary