

THE NATURE FUNDING GAP:

# Unlocking funding to lock up carbon

Our planet faces two urgent and interconnected crises: biodiversity loss and climate change. But there is hope. By better protecting, managing, and restoring natural ecosystems, we can tackle both problems at once.

Boosting these Natural Climate Solutions (NCS) via economic incentives such as carbon markets could prove a vital tool.

Used alongside committed efforts to reduce industrial emissions, these strategies could unlock funding that benefits both climate and biodiversity goals.

Source: *Financing Nature: Closing the Global Biodiversity Financing Gap*, the most comprehensive assessment to date on how much the world currently spends to benefit nature, how much more we need to spend, and how we can close the funding gap.

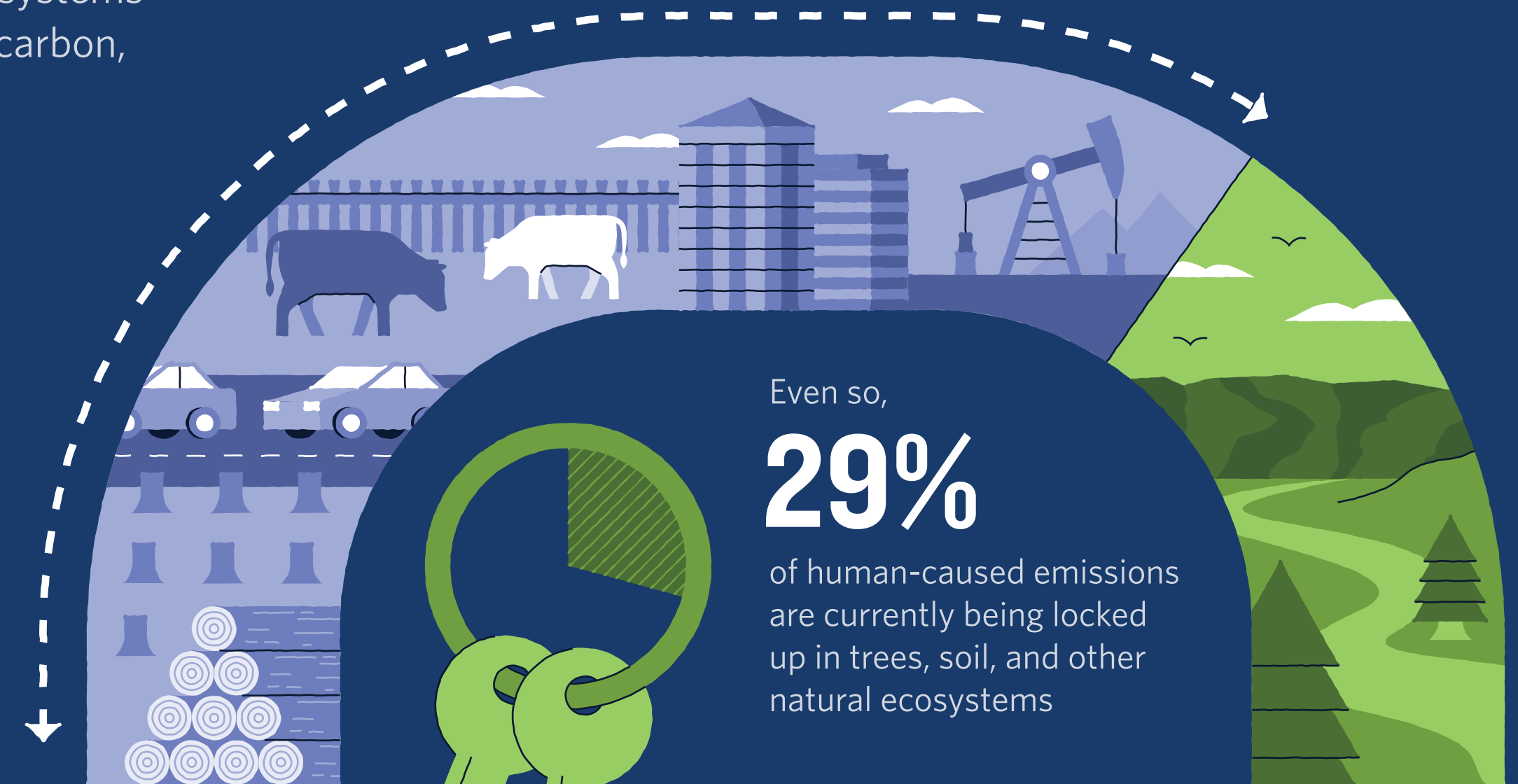


← ~US\$700 BILLION PER YEAR →

The current nature funding gap

## Carbon source or carbon sink?

Our planet's ecosystems can either store carbon, or release it.



Even so,

# 29%

of human-caused emissions are currently being locked up in trees, soil, and other natural ecosystems

### Here's how

The plants in forests, wetlands, grasslands and agricultural lands...

- 1 Extract CO<sub>2</sub> from the atmosphere
- 2 Store it in their leaves, stems, roots, and soils through photosynthesis
- 3 And - when part of a stable ecosystem - sustain a carbon balance with the atmosphere.



# Poorly funded potential

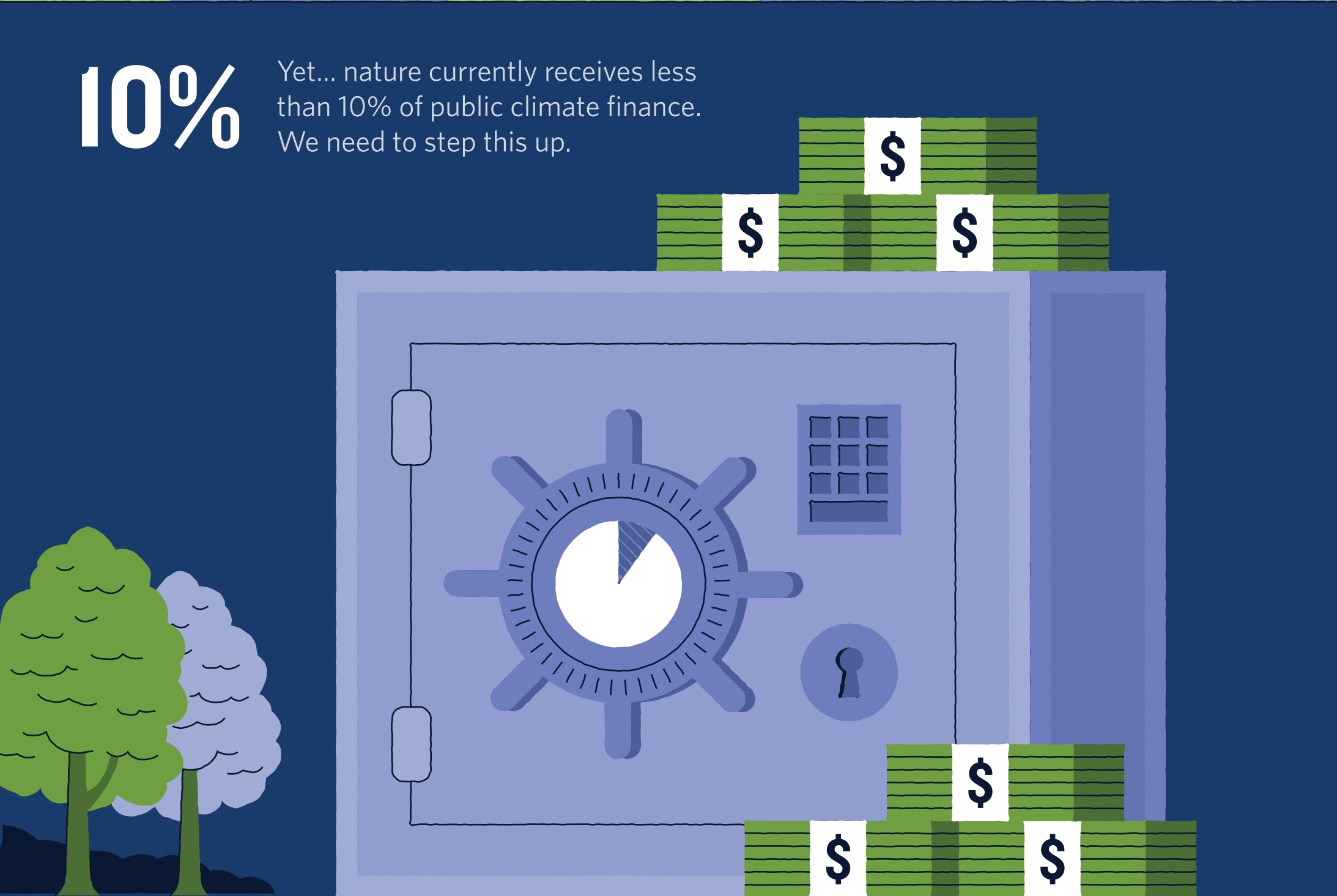
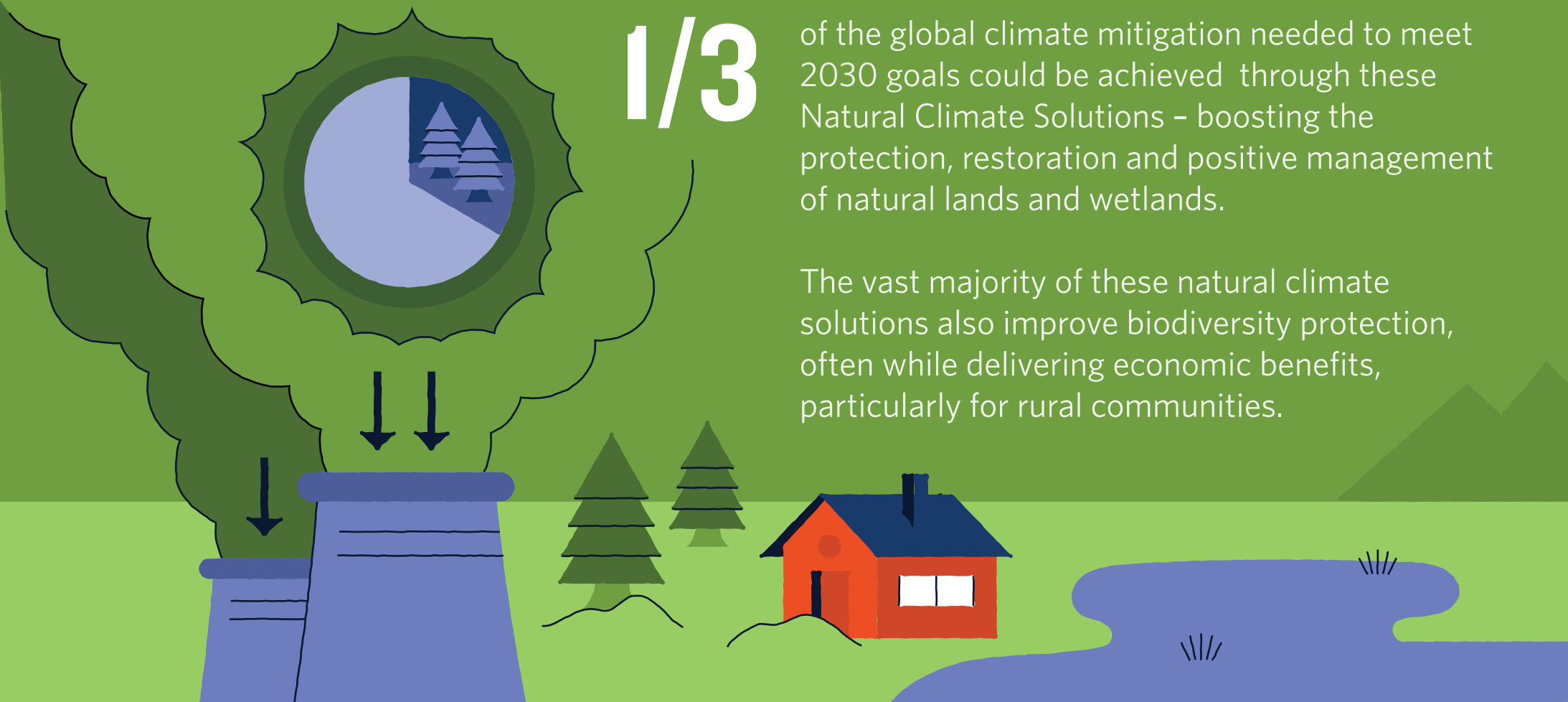
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of the global climate mitigation needed to meet 2030 goals could be achieved through these Natural Climate Solutions – boosting the protection, restoration and positive management of natural lands and wetlands.

The vast majority of these natural climate solutions also improve biodiversity protection, often while delivering economic benefits, particularly for rural communities.

10%

Yet... nature currently receives less than 10% of public climate finance. We need to step this up.



## Reimagining carbon markets

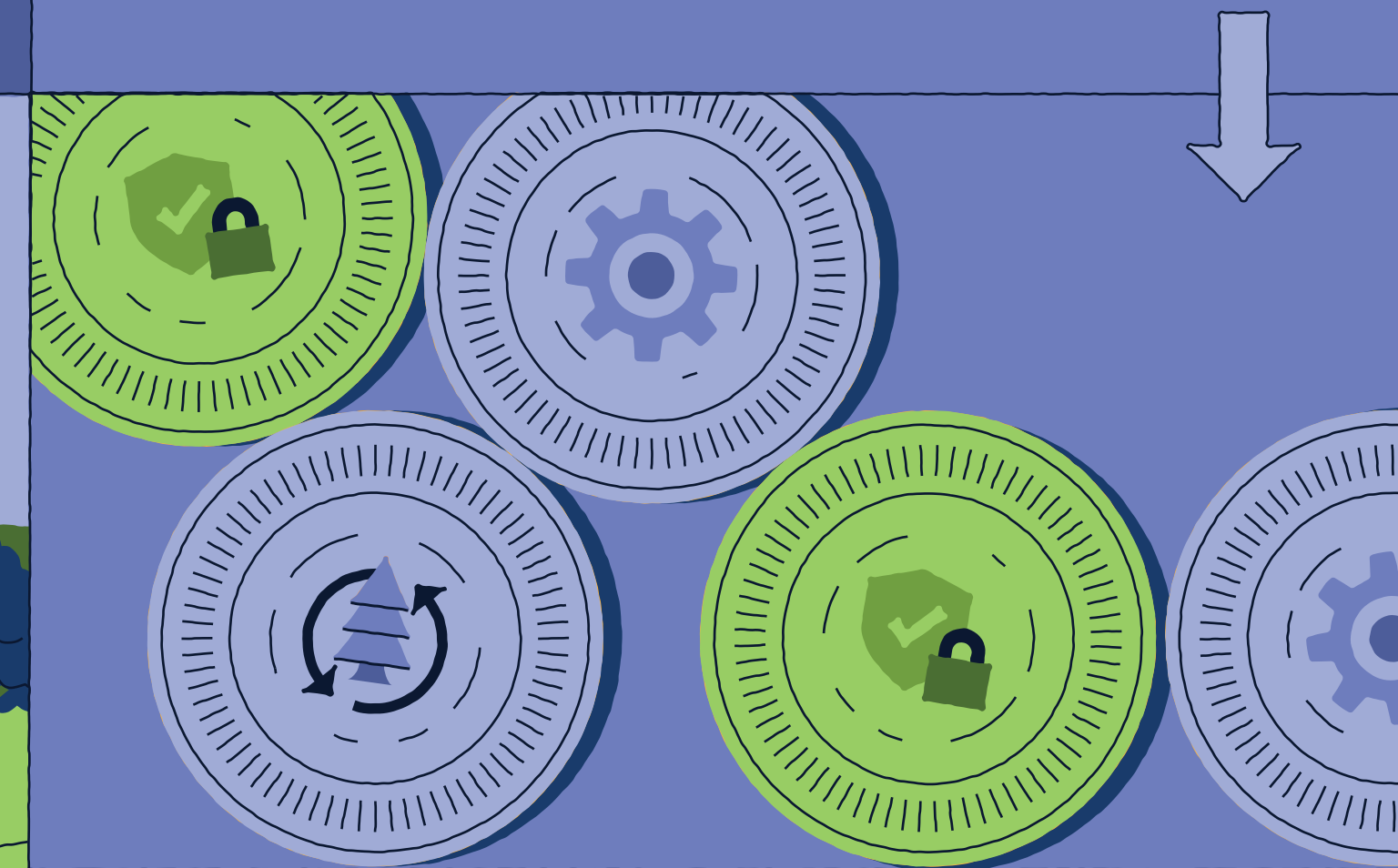
**Carbon markets** are one of many tools used to tackle climate change, allowing the trade of carbon 'credits' that each represent a ton of carbon dioxide (or other equivalent greenhouse gases).

One way such credits can be used is as 'offsets', whereby companies and countries purchase these to 'balance' unavoidable emissions.

Carbon credits from NCS projects are a rapidly growing part of the voluntary offset market, and offer a way to scale solutions that tackle the dual climate and biodiversity crises.

**1** First and foremost, companies must commit to reaching net zero emissions by 2050 at the latest, rapidly reducing unavoidable emissions to reach this target. In the meantime, and in addition...

**2** They purchase credits from an NCS project to offset those they are unable to eliminate



**4** Natural ecosystems to extract and store CO<sub>2</sub> from the atmosphere

**3** The sale of these credits funds protection, improved management, and restoration, enabling...

# Nature by numbers

**US\$ 24.9–40 billion per year**

The potential that could flow into NCS by 2030, through carbon markets and international policy commitments

**US\$ 0.8–1.4 billion per year**

Current funding for NCS, using 2019 figures

The nature funding gap  $\longrightarrow$  ~\$700BN

Natural carbon solutions

**\$24.9-40BN**

## Case study: Banking on the Rio Bravo

Since 2002, the Rio Bravo Conservation & Management Area in Belize has retired 1.6 million tons CO<sub>2</sub>e from the atmosphere by preventing deforestation and instituting sustainable forest management strategies.

Carbon sales and investments have helped to establish a \$2.4 million endowment for the long term financial sustainability of the protected area.

1,600,000



US\$ 2.4 million



**US\$ 5.6 million**



Across the project's first decade, utility companies alone provided \$5.6 million in funding, ensuring the financial viability of the reserve.

Its 100,000 hectares are part of the globally significant Maya Forest and are key to biodiversity conservation in Central America.



RIO BRAVO CONSERVATION AREA



BELIZE