

**UNEP Submission to**  
**Standing Committee on Finance Forum: Financing Nature-based Solutions**  
**31 July 2020**

**Introduction**

Building on the NBS outcomes of the 2019 Secretary-General's Climate Action Summit, UNEP is committed to growing the NBS movement, supporting a coordinated effort on NBS during the critical years for nature and climate from 2020-2021, of which financing NBS is a core part. Therefore, UNEP fully supports this choice of topic for the next SCF Forum. In this submission we note the several ways in which UNEP's on-going work can inform and feed into this Forum under the three headings that were identified in the *Call for Input*.

**Scope and purpose of the Forum**

The Forum may wish to consider

- a) Distinguishing between the issues that are common to financing NBS for mitigation and financing NBS for adaptation and the issues that are specific to each.
- b) Addressing how some of the current barriers to scaling up finance for NBS can be overcome. These barriers include:
  - i. With the notable exception of the role of the forest sector in regard to emission reduction, there is an absence of technical standards to assess and demonstrate the efficacy of NBS;
  - ii. The lack of supply chains that can deliver emission reductions from NBS at scale. The current model of implementation, which is dominated by NGOs and development agencies, is not capable of delivering at the scale needed to close the emission gap by 2030;
  - iii. The spatially extensive nature of many NBS that means that such solutions often involve many stakeholders with ownership and tenure rights and often cross administrative and jurisdictional boundaries. This can make financing NBS more complex than some of the alternatives;
  - iv. Market failures mean that while such solutions may generate multiple benefits, these benefits do not always translate easily into incentives for economic actors to invest in NBS;
  - v. Insufficient systems for Natural Capital Accounting available for decision making and limited availability at decision making level of cases showing economic benefits of NBS.

**NBS related papers and case studies that could inform the Forum**

- a) *State of Finance and Investment in Nature-based Solutions*  
UNEP, together with the Economics of Land Degradation (a GIZ initiative), and the Tropical Forest Alliance 2020 (TFA), hosted by the World Economic Forum, are working on a report that assesses public and private capital flows (domestic and international) directed to nature-based solutions.

*b) Increasing Private Sector Uptake of Nature-based Solutions for Climate-resilient Infrastructure: A Market Assessment for Latin America and the Caribbean*

A report to be released jointly by IDB and UNEP before the end of 2020.

*c) Catalysing private finance to NBS.*

UNEP is pioneering a number of blended finance facilities as a means to unlock more private capital towards sustainable agriculture, forestry and other activities with positive nature & climate impacts. Some examples include the AGR13 Fund (set up with Rabobank, FMO, Mirova/Althelia and IDH), The Tropical Landscapes Finance Facility, The &Green Fund, and a forthcoming facility to stimulate private finance to restore degraded forest landscapes.

*d) Global Ecosystem-based Adaptation Fund*

IUCN and UNEP are launching a Fund that is aimed to incubate innovative ideas and scale up EbA implementation. The Fund will be targeted and precise, focusing on acute challenges and adaptive processes.

**Potential institutions and events to partner with, in the organisation of the Forum**

- a) UN-REDD Programme

**UNEP contacts for SCF Forum on Financing Nature-based Solutions**

Barney Dickson      [barney.dickson@un.org](mailto:barney.dickson@un.org)

Mario Boccucci      [mario.boccucci@un.org](mailto:mario.boccucci@un.org)