

# Biodiversity Finance Digital Forum **Investing in People and Nature**

*In the context of the  
Luxembourg–GLF Finance  
for Nature Platform  
[#LuxFinance4Nature](#)*

[bit.ly/BiodiversityFinance2022](https://bit.ly/BiodiversityFinance2022)

## Background

Biodiversity is declining faster than ever before in human history, and this trend is accelerating. The 2022 [Living Planet Index](#) finds that monitored wildlife populations have decreased by an average of 69% in the past 50 years.

In this context, policymakers will meet in Montreal for the 15<sup>th</sup> Conference of the Parties (COP15) to the Convention on Biological Diversity (CBD) from 5–19 December 2022, which aims to set new global biodiversity targets through the post-2020 Global Biodiversity Framework (GBF). This Biodiversity Finance Digital Forum will address some of the key sustainable finance-related topics that will be discussed at COP15.

## Alarming funding gaps for biodiversity

There is a significant lack of financing for biodiversity conservation: an additional USD 103 billion to USD 711 billion per year will be needed to protect 30% of the Earth's land and oceans by 2030, according to preliminary estimates. Moreover, the [State of Finance for Nature report](#) (2021) finds that financing for nature-based solutions will have to be quadrupled by 2050.

As such, it is crucial to develop financing mechanisms to protect biodiversity, as financial flows are still overwhelmingly directed towards sectors that damage it. For example, in 2019, the world's largest investment banks provided an [estimated USD 2.6 trillion in funding](#) for sectors considered the primary drivers of biodiversity loss.

## Opportunities to invest in both people and nature

It is essential to mobilize biodiversity finance solutions for local communities, given their key role in traditional and sustainable ecosystem management. These solutions can also support livelihoods, thus contributing to a “stewardship economy”. However, local communities are too often left out of environmental finance schemes. For example, **only 3% of climate finance flows reaches smallholders and local communities**. Biodiversity finance must break from this unfortunate trend.

In the context of the post-2020 Global Biodiversity Framework, countries are expected to update their National Biodiversity Strategies and Action Plans (NBSAPs). The development of national biodiversity finance strategies will represent an opportunity to integrate finance mechanisms to unleash positive impacts on both people and nature.

Several mechanisms and approaches already offer opportunities for local stakeholders and changemakers that

include payments for ecosystem services, conservation trust funds, microfinance and impact finance. This Digital Forum will explore some of the lessons learned from these approaches to upscale best practices. It will also present solutions to increase financial flows for projects that deliver benefits for people and nature.

### Key questions addressed:

- What should finance and business stakeholders do to reduce the funding gap for biodiversity?
- How can biodiversity finance mechanisms offer opportunities for Indigenous Peoples and local communities?
- What are successful examples of biodiversity finance mechanisms that benefit nature while improving local livelihoods? Which ones offer the greatest returns to both biodiversity and people?
- What knowledge and capacities are needed to build inclusive biodiversity finance?
- How can we measure the biodiversity and community impacts of investments?

### Organizations involved in the Digital Forum

