



March, 2021

## **International Union for Conservation of Nature – IUCN**

### **Input to the 2021 High Level Political Forum**

*“Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development”*

#### **Introduction**

The 2030 Agenda for Sustainable Development, and the 17 SDGs that underpin it, recognise that the natural world and nature’s valuable services must be urgently protected if we are to meet material needs and secure a high quality of life for nine billion people by 2050.

IUCN highlights that the SDGs are premised on the notion that we cannot solve problems in isolation. For example, producing more food for the growing human population (SDG 2) will require freshwater supplies for adequate irrigation (SDG 6). The availability of freshwater will depend on healthy ecosystems (SDG 15), which are increasingly impacted by climate change (SDG 13). Protecting these ecosystems will require major changes to consumption and production patterns (SDG 12), as well as strong institutions, governance and cooperation from the local to the international level (SDGs 16 and 17).

The following inputs are rooted in this understanding.

#### **Background**

The global community is facing a triple threat of biodiversity loss, climate change and pandemic disease. Biodiversity, the variety of life on Earth, is declining at rates never before experienced in human history. In addition, the planet has been facing record temperatures affecting ecosystems and the livelihoods of millions of people worldwide. Extreme weather events and other climate-related natural disasters are becoming more frequent and more intense with devastating effects on human lives and high economic costs. Adding to all these, the ongoing COVID-19 pandemic has not only overwhelmed health care systems and caused more than two and a half million deaths around the world<sup>1</sup>, but it has also debilitated economies and caused widespread unemployment and human hardship. The likely zoonotic origins of this and other recent disease outbreaks in humans (SARS, MERS, Ebola, Zika) emphasise the importance of protecting the health of the planet, through combating climate change and biodiversity loss to reduce the risk of future zoonotic disease outbreaks.

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<sup>1</sup> as of March 2021

Countries are responding to the economic impacts of COVID-19 by allocating trillions of dollars to rescue and recovery efforts. Globally, by end-2020, fiscal support packages amounted to roughly \$13 trillion, with 80% of that in developed countries. The recently signed US rescue package adds another \$1.9 trillion. Roughly half of this global figure goes to near-term income support and health-related expenditures; the other half allows a degree of discretion for allocating resources to “build back better”, including through investing in nature.

However, Vivid Economics’ analysis of COVID-19 stimulus commitments “suggests that investments are further entrenching unsustainable economic pathways, resulting in a high risk of stranded assets, accelerated climate change and continued depletion of natural capital.”<sup>2</sup>

IUCN calls for a significant reallocation of the discretionary portion of stimulus spending towards nature-enhancing recovery measures. These include investments in forest, mangrove and savannah restoration, soil conservation on croplands, agroforestry and silvopastoral systems, among others. Such nature-based investments are expected to produce more jobs on average than other investments and, if well designed, address both biodiversity loss and climate change.

***(a) Impacts of the COVID-19 pandemic on the implementation of the SDGs under review in the 2021 HLPF from the vantage point of your intergovernmental body, bearing in mind the interlinkages with other SDGs***

Attainment of the SDGs is premised on sustained economic progress over the period to 2030. COVID-19 has clearly interrupted this progress. In its latest estimates (January 2021), the IMF puts global economic contraction in 2020 at -3.5 percent<sup>3</sup>. The IMF’s latest forecasts for 2020-24 suggest that almost all countries will experience lower output growth than had been projected before the pandemic. This situation will impact countries’ abilities to make timely progress towards the SDGs, including SDGs 1, 2, 3, and 8 which are under review this year.

A number of developing countries remain heavily dependent on natural resource extraction as a source of export revenue, and during the pandemic the prices of a number of commodities, particularly energy commodities, have faced sharp declines<sup>4</sup>, partly as a result of the collapse of world travel. For those countries with large debt exposure, this revenue shock and other pandemic-related economic shocks have made debt servicing more difficult.

Another sector that has been significantly impacted by the pandemic is international tourism, including wildlife and ecotourism. The UN World Tourism Organization reports that international tourist arrivals declined 70% in the first eight months of 2020 compared to the same period in 2019<sup>5</sup>. The loss of income from nature-based tourism and the decreased presence of tourists and staff can turn local populations to alternatives that can jeopardise biodiversity conservation efforts, including poaching, higher consumption of bushmeat, and forest clearing. Moreover, this may create a negative

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<sup>2</sup> Vivid Economics (2020, Dec.), *Greening the stimulus: investing in nature*: [https://www.vivideconomics.com/wp-content/uploads/2020/01/210119-Greening-the-stimulus\\_clean.pdf](https://www.vivideconomics.com/wp-content/uploads/2020/01/210119-Greening-the-stimulus_clean.pdf)

<sup>3</sup> IMF (2021a), World Economic Outlook Update: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

<sup>4</sup> World Bank (2021), World Bank Commodities Price Data, Pink Sheet, March; <http://pubdocs.worldbank.org/en/961591614703072342/CMO-Pink-Sheet-March-2021.pdf> .

<sup>5</sup> UNWTO (2020a), World Tourism Barometer, Vol. 18, No. 6, October: <https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2020.18.1.6>

feedback loop by reducing the appeal of the area to tourism and further threatening incomes and livelihoods.<sup>6</sup>

As the IMF notes, many developing countries, particularly low-income countries, entered the pandemic-induced crisis with high debt levels, which are projected to rise further<sup>7</sup>. According to a joint IMF-World Bank assessment, 38 countries (out of 70 assessed) are deemed to be “at high risk” of or in debt distress<sup>8</sup>. The IMF further notes with respect to low-income developing countries:

“Notwithstanding shorter lockdown periods and less severe economic contractions, spending needs are sizable both to respond to the pandemic and to meet the United Nations Sustainable Development Goals. However, revenue shortfalls from output drops and a concurrent fall in commodity prices, combined with debt vulnerabilities, have forced many low-income developing countries to limit the size of fiscal support.”

The risk is real of a lasting impact on these countries’ populations in the form of higher poverty (SDG 1) and malnutrition (SDG 2). Early widespread access to COVID-19 vaccines, notably through timely financing of the COVAX facility, will be crucial to developing countries’ capacity to protect the health of their populations (SDG 3) and to revive economic activity (SDG 8).

***(b) Actions, policy guidance, progress, challenges and areas requiring urgent attention in relation to the SDGs and to the theme within the area under the purview of your intergovernmental body***

Building back better and greener in response to the pandemic will require increased investment in nature-based solutions (NbS) that can create jobs and support livelihoods while conserving biodiversity and tackling climate change. IUCN has recently issued a Global Standard for Nature-based Solutions<sup>9</sup> as well as guidance for using the standard.

One question facing countries as they recover from the pandemic is whether, through wise allocation of government stimulus funds, they can accelerate the recovery process to make up for lost time. A related question of particular interest to IUCN is whether investments in nature conservation and climate action, more specifically in nature-based solutions, can act as effective accelerators towards the SDGs. Specifically, which nature- and climate-aligned investments are likely to yield the highest returns not just for the environment but for enhancing economies’ productivity and resilience, and for fostering poverty eradication and social inclusion.

Nature restoration and conservation have been found to be a significant job creator in both the short and the longer run, thus an important contributor towards achieving SDG 8. Soil conservation measures on croplands are particularly labour-intensive, but other activities with significant employment effects include mangrove restoration and various forest-related investments<sup>10</sup>. The extent of job creation from restoration naturally depends on the degree of mechanisation of restoration activities.

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<sup>6</sup> UNWTO (2020b), Tourism and COVID-19 – unprecedented economic impacts, Secretary-General’s. Policy Brief on Tourism and COVID-19.

<sup>7</sup> IMF (2021a), *op cit*.

<sup>8</sup> IMF (2021b), January 2021 Fiscal Monitor Update: <https://www.imf.org/en/Publications/FM/Issues/2021/01/20/fiscal-monitor-update-january-2021>

<sup>9</sup> IUCN (2020), IUCN Global Standard for Nature-based Solutions, first edition: see <https://www.iucn.org/theme/nature-based-solutions/our-work> and <https://portals.iucn.org/library/sites/library/files/documents/2020-020-En.pdf>

<sup>10</sup> For IUCN’s case study of Honduran restoration activities, see: <https://portals.iucn.org/library/node/48381>; other country case studies forthcoming.

The constrained fiscal space and high debt levels of many low-income developing countries limit room for stimulus spending in general and nature-based recovery spending in particular. Even more worrisome, without debt relief, it can be expected that heavily indebted countries will face pressure to exploit natural capital to pay short-term debt, placing conservation and climate change goals at risk<sup>11</sup>.

The G20 countries adopted the Debt Service Suspension Initiative (DSSI) for 46 participating countries in 2020, in response to their worsening debt distress with the pandemic. It is becoming apparent that a number of debt distressed countries will require more than suspension of debt servicing. Creditor countries – of which China is the largest bilateral official creditor for these countries – have the opportunity to combine debt relief with investments in nature and climate through debt-for-nature and debt-for-climate swaps. IUCN urges all creditors including private ones to consider pursuing these options<sup>12</sup>.

***(c) An assessment of the situation regarding the principle of “ensuring that no one is left behind” at the global, regional and national levels against of background of the COVID-19 pandemic in achieving the 2030 Agenda and the SDGs, within the respective area addressed by your intergovernmental bodies***

The pandemic has exposed deeply rooted inequalities in many countries, as the poor and ethnic minorities, including indigenous peoples, have often been among the most exposed to risk of contracting the virus and, once they do, they generally have a significantly higher risk of dying, due to pre-existing systemic inequalities in access to quality health care – SDG 3. Indigenous peoples are among the populations left farthest behind economically and in terms of access to quality health care, nutrition, and education almost everywhere.

As noted by the UN Sustainable Development Group, the principle of “leaving no one behind” “compels us to focus on discrimination and inequalities”.<sup>13</sup> Pre-pandemic, IUCN developed IUCN’s Rights-Based Approach: A Systematization of the Union’s Policy Instruments, Standards and Guidelines which includes the overarching principle that prioritising the needs of vulnerable groups (meaning equal treatment and non-discrimination of such groups) is integral to conservation<sup>14</sup>. Thus, as part of the nature-based recovery from COVID-19 and its economic fallout, it will be crucial to ensure that the design and the implementation of NbS initiatives prioritise the needs of vulnerable groups.

One way of redressing the disadvantages faced by indigenous communities would be to ensure a substantial allocation of spending to support indigenous communities in nature-based recovery initiatives on their lands. Thus, if a government decides, for example, to allocate 10 per cent of its

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<sup>11</sup> Simmons et al. (2021), China can help solve the debt and environmental crises, *Science*, Policy Form, 29 January; <https://science.sciencemag.org/content/371/6528/468.summary>

<sup>12</sup> Steel and Patel (2020) argue: “Debt for climate and nature programme swaps could play a role in incentivising creditors to restructure, not only by creating goodwill for creditors, but by designing swaps that generate concrete economic value with environmental benefits. Swaps, with a focus on sustainable investments (eg solar and wind power, climate-resilient agriculture) would deliver economic returns.” See P. Steele and S. Patel (2020), Using debt swaps to address debt, climate and nature loss post-COVID-19, IIED Issue Paper, September; <https://pubs.iied.org/sites/default/files/pdfs/migrate/16674IIED.pdf>

<sup>13</sup> See UN Sustainable Development Group webpage on the principle: <https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind>.

<sup>14</sup> See J. Springer (2016): [https://www.iucn.org/sites/dev/files/content/documents/iucn\\_rba\\_systematization\\_compiled.pdf](https://www.iucn.org/sites/dev/files/content/documents/iucn_rba_systematization_compiled.pdf)

recovery spending to nature-based recovery efforts, it could also decide to allocate a certain non-trivial portion of that spending to indigenous communities.

***(d) Cooperation, measures and commitments at all levels in promoting sustainable and resilient recovery from the COVID-19 pandemic***

IUCN has recently launched its **Nature-based Recovery initiative**. By capitalising on our strengths and engaging with our Members and partners, IUCN aims to ensure at least 10% of overall investments in stimulus packages are channelled to nature, nature-based solutions<sup>15</sup> (NbS), and to interventions that add value to nature.

Investment in nature-based solutions that help safeguard and maintain ecosystems is vital for food and water supplies, protects against natural disasters, reduces risk of zoonotic disease emergence and transmission, and provides other goods and services key to human well-being and economic development. Nature-based solutions are usually cost-effective, with benefit-cost ratios that can be as high as 35:1 (for grasslands), with investments in most biomes yielding significant net returns.<sup>16</sup>

If delivered appropriately, NbS can significantly contribute to addressing multiple societal challenges. For example, NbS have the potential to provide up to 37% of the climate change mitigation needed by 2030 to stabilise warming to below 2 °C<sup>17</sup>, thus significantly contributing to implementation of SDG 13. They can also reduce the negative effects of the climate crisis on people and nature by decreasing the impact of disasters and providing resilience to communities. Mangroves alone, if healthy and sustainably managed, could reduce annual flooding for more than 18 million people globally<sup>18</sup>, averting flood damage totalling up to US\$57 billion in China, India, Mexico, US and Viet Nam each year<sup>19</sup>. NbS can also contribute to tackle biodiversity loss, for example through forest landscape restoration.

For developing and emerging economies that rely to a great extent on nature for income and livelihoods, a nature-based recovery becomes very attractive. For instance, nearly a third of the GDP of India and Indonesia is generated by nature-dependent sectors (like agriculture, forestry, and fisheries). A “green recovery” is thus an opportunity to improve food and water security and to create resilient rural economies through widespread adoption of agricultural practices that conserve healthy ecosystems while supporting income generation and diversification.

As part of the Nature-based Recovery Initiative, IUCN will analyse a range of measures that stimulate economic activity, conserve nature and foster sustainable development, provide a catalogue of “nature-positive interventions”, and support decision-makers worldwide in adopting these measures.

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<sup>15</sup> In 2016 IUCN defined Nature-based Solutions as follows: “Actions to protect, sustainably use, manage and restore natural or modified ecosystems, which address societal challenges, effectively and adaptively, providing human well-being and biodiversity benefits”.

<sup>16</sup> R.S. De Groot et al., Benefits of Investing in Ecosystem Restoration: Investing in Ecosystem Restoration, *Conservation Biology* 27, no. 6 (December 2013): 1286–93; <https://pubmed.ncbi.nlm.nih.gov/24112105/>. Note that these are conservative estimates which do not account for the rising value of benefits over time as natural assets and their services become scarcer.

<sup>17</sup> Griscom et al. Natural Climate Solutions. PNAS October 31, 2017. <https://doi.org/10.1073/pnas.1710465114>

<sup>18</sup> Beck et al. The Global Value of Mangroves for Risk Reduction: Summary Report. The Nature Conservancy. 2018

<sup>19</sup> Reguero BG, et al. Comparing the cost effectiveness of nature-based and coastal adaptation: A case study from the Gulf Coast of the United States. PLoS ONE, 2018. <https://doi.org/10.1371/journal.pone.0192132>

***(e) Various measures and policy recommendations on building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development***

In order to build a post-pandemic world which ensures a sustainable future for all, we must do everything in our reach to shift our societies, economies, production and consumption patterns to a development model that not only invests in nature but also integrates nature conservation and sustainable use at its core.

Three essential areas of work deserve consideration:

***Further promote the creation of national and international policies and regulatory frameworks that support nature and nature-based solutions (NbS):*** IUCN is committed to work with national governments to integrate NbS into national sustainable development plans, Nationally Determined Contributions (NDCs) to climate action under the UNFCCC, and other key policy documents.

***Continue to emphasize and demonstrate the economic benefits of investing in nature:*** In Europe, the Natura 2000 Network of protected areas supports 4.4 million jobs, while providing ecosystem services and socioeconomic benefits estimated to be worth \$226 billion to \$339 billion per year, according to the World Resources Institute.<sup>20</sup>

***Garner broad political support for Nature-based Solutions:*** The Convention on Biological Diversity (CBD) negotiations currently underway towards the adoption of a new Post-2020 Global Biodiversity Framework with new biodiversity goals and targets provide a tremendous opportunity to do this, as do the preparations for the United Nations Framework Convention on Climate Change (UNFCCC) negotiations in Glasgow (UNFCCC COP26).

**(f) Key messages for inclusion into the Ministerial Declaration of the 2021 HLPF**

Conservation of nature and nature-based solutions are important elements for the global community to consider when determining how to build back better and greener in response to the COVID-19 pandemic. IUCN's Global Standard for Nature-based Solutions can provide a useful guide when assessing investment opportunities.

The links between biodiversity conservation and zoonotic disease prevention are strong. The international community and governments should give higher priority to cooperation on the conservation of biodiversity as an important means of disease prevention. Healthy animals and healthy ecosystems are essential to protecting human health.

Nature-based solutions are relevant to all of the SDGs being discussed at the HLPF and are a necessary part of any successful attempt by the international community to recover sustainably from the COVID-19 pandemic; NbS are also essential to tackling the urgent challenge ahead of

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<sup>20</sup> Nature is an Economic Winner for COVID-19 Recovery, World Resources Institute (wri.org): <https://www.wri.org/news/coronavirus-nature-based-solutions-economic-recovery>

climate change, contributing importantly both to mitigation, and to strengthening resilience and adaptation.

IUCN calls for a sizeable reallocation of a portion of discretionary stimulus spending towards nature-enhancing recovery measures. Specifically, IUCN urges governments to agree to devote at least 10% of overall investments in stimulus packages to nature, nature-based solutions (NbS), and to interventions that add value to nature. Such nature-based investments are expected to produce more jobs on average than alternative investments and, if well designed, address both biodiversity loss and climate change.

IUCN further calls on governments to allocate some portion of their nature-based recovery spending to support initiatives undertaken by indigenous communities on their lands, in the spirit of leaving no one behind in recovery efforts.

IUCN urges all official and private creditors to combine wherever feasible debt relief for highly indebted countries with investments in nature and climate through debt-for-nature and debt-for-climate swaps.