

State of Finance for Nature report

June 3, 2021

In news- The State of Finance for Nature report was **jointly released by** the United Nations Environment Programme (UNEP), the World Economic Forum (WEF) and the Economics of Land Degradation.

Highlights of the report-

- **Nature-based solutions (NbS)** refer to **sustainable management and use of nature to tackle socio-environmental challenges**, which range from disaster risk reduction, climate change and biodiversity loss to food and water security as well as human health.
- **Agriculture, food and beverages and construction** are the largest sectors that are dependent on nature.
- Out of **\$133 billion investment** that currently flows into NbS annually (using 2020 as base year), **public funds make up 86 percent and private finance 14 percent** of these investments.
- These comprise about **0.10 per cent of global GDP**.
- **Public sector spending** for the same is **dominated by the United States and China**, followed by Japan, Germany and Australia.
- NbS finance is much **smaller in scale than climate finance**.
- Annual investments in NbS will have to be tripled by 2030 and increase four-fold by 2050 from the current level of investments.
- By 2050, total investment of natural needs will amount to \$8.1 trillion, while annual investment should reach \$536 billion annually by 2050.
- **Forest-based solutions** alone would amount to \$203 billion per year.

- The report did not cover all types of NbS, notably those in the marine environment were excluded.
- However, it called for a comprehensive system and framework for labelling, tracking, reporting and verifying the state of finance for NbS.