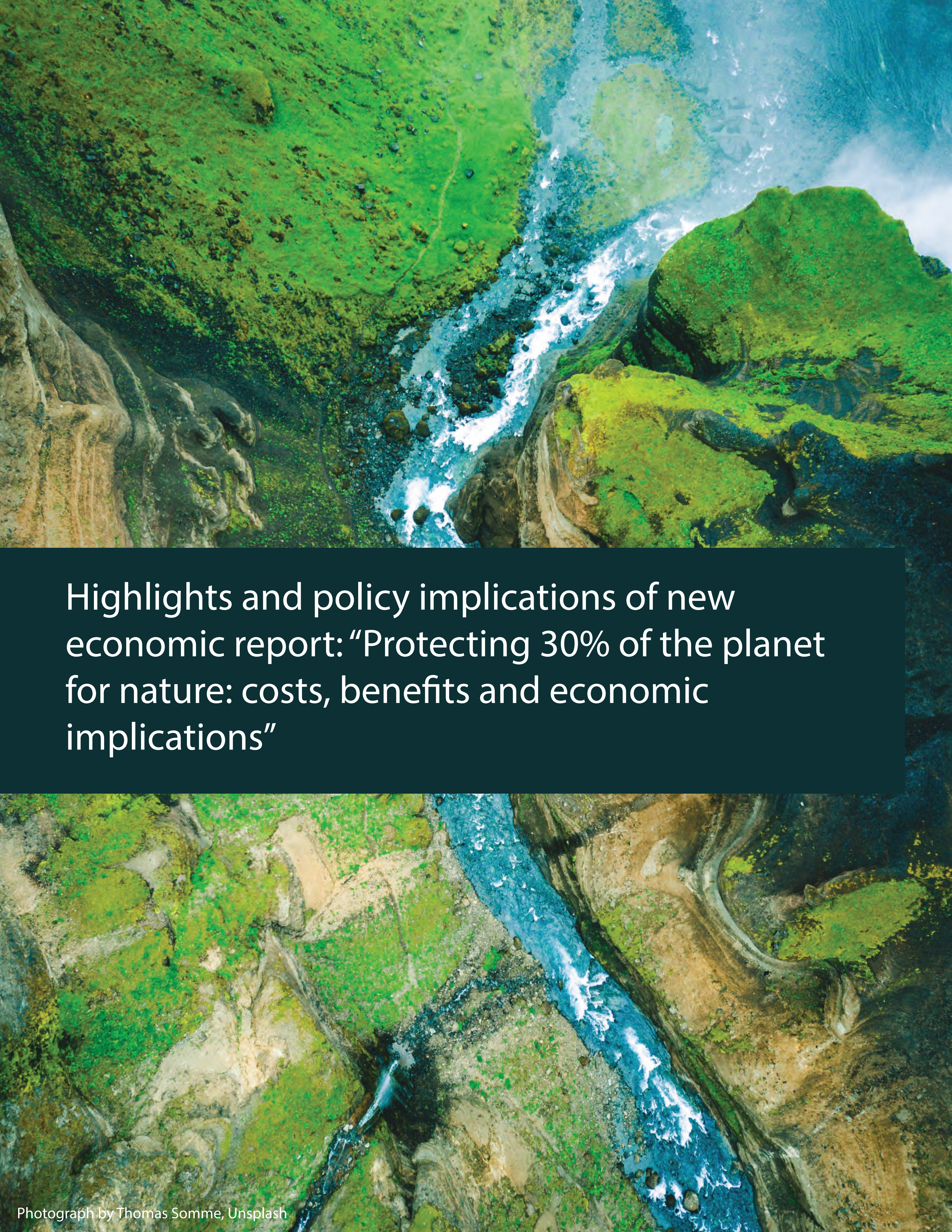

Highlights and policy implications of new economic report: “Protecting 30% of the planet for nature: costs, benefits and economic implications”

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Released on July 8, the independent report "Protecting 30% of the planet for nature: costs, benefits and economic implications" represents the most comprehensive global assessment of the financial and economic impacts of protected areas ever completed. Based on work from over 100 experts, the report found that protecting 30% of the world's land and ocean provides greater benefits than the status quo, both in terms of financial outcomes and non-monetary measures like ecosystem services. These benefits outweigh the costs by a factor of at least 5:1.

This economic assessment follows the urgent call from scientists to protect at least 30% of the earth's land and sea by 2030 to halt the collapse of biodiversity. The United Nations Convention on Biological Diversity has included this goal of protecting at least 30% of the planet's land and ocean in its draft 10-year strategy, which is expected to be finalized and approved by the Convention's 196 parties next year in Kunming, China.

The following are highlights from the report, with a set of recommended policies and actions listed afterwards that the Campaign for Nature has developed based on the report's findings.

A first of its kind report:

- This report is the first multi-sector analysis that assesses the global impacts of terrestrial and marine protected areas across the nature conservation, agriculture, forestry and fisheries sectors.

The financial and economic benefits of 30% protection outperform the status quo and far exceed the costs:

- The report's main finding is that protecting at least 30% of the world's land and ocean provides greater benefits than the status quo, both in terms of financial outcomes and non-monetary measures like ecosystem services.
- The financial and economic benefits of 30% protection exceed the costs by a factor of at least 5:1. This is a conservative estimate because the report did not quantify all ecosystem services benefits.

Protected areas boost the global economy and deliver key non-monetary benefits:

- 30% protection leads to increased economic output (compared to the status quo, across all the sectors analyzed in the report) averaging $250 billion annually (the report estimates a range of $64-454 billion, as the costs and benefits will vary depending on which areas are protected) and generates additional non-monetized economic benefits from ecosystem services averaging $350 billion annually (the report estimates a range of $170-534 billion) by 2050.
- The nature conservation sector is a net contributor to the global economy, not a drain. The economic growth of the nature sector, primarily driven by growth in nature-based tourism, outweighs the economic impacts of expanded protection on agriculture, timber and fisheries. In fact, after recovery from the COVID-19 pandemic, the nature sector is projected to grow 4-6% per year compared to less than 1% for agriculture, timber and fisheries.

- The non-monetary economic benefits of 30% protection, which are typically considered "public goods" and currently outside the market economy, include ecosystem services such as climate change mitigation, flood protection, clean water provision and soil conservation. While studies have estimated the total global value of nature's ecosystem services to be up to $125 trillion per year, this new report only calculates the value of a subset of ecosystem services provided by forests and mangroves, the two ecosystems for which there is the most reliable data on a global scale.

Protecting 30% of the world's land and ocean would require just 0.16% of global GDP:

- The current global protected area network is only receiving about one-third of what it needs to be managed effectively - $24.3 billion is currently spent annually versus a need of $68 billion - and the shortfall is even greater in developing countries.
- The world is not investing enough to keep its protected area natural assets, the life support system of our planet, from depreciating. The Dasgupta Review - which is an independent, global review on the economics of biodiversity led by Professor Sir Partha Dasgupta, commissioned by the government of the United Kingdom - echoes this point, finding that the world is underinvesting in natural assets more broadly.
- Expanding protection to at least 30% of the world's land and ocean and effectively managing it would require an average investment of $140 billion annually (the report estimates a range of $103-178 billion, depending on which areas are protected) by 2030, which is less than one-third of the government subsidies currently directed to activities that destroy nature. This investment would mean short-term net costs, but they would be offset by financial benefits over time.

Economic benefits outweigh costs across all 30% scenarios:

- Costs and benefits vary with which 30% of the earth is protected. The report looks at the impacts of six different combined terrestrial and marine scenarios with varying tradeoffs between biodiversity protection and extractive uses. All scenarios assume that marine protected areas are highly and fully protected (minimal levels of extraction or no-take areas), which provide the greatest ecological and economic benefits.
- Scenarios that prioritize biodiversity are more expensive but also yield greater financial and economic benefits. The scale of the rewards are directly linked to the level of financial ambition. Locating protected areas closer to people, as opposed to in remote places, produces the greatest financial and economic benefits. The bottom line is that the economic benefits outweigh the costs of protection under all 30% scenarios.

Indigenous Peoples and Local Communities (IPLCs) are integral to achieving 30% protection scenarios:

- All 30% protection scenarios would involve conservation led by Indigenous Peoples and local communities. With an appropriate rights and governance framework, the report estimates that achieving 30% protection could lead to an increase of roughly 80% of the formal recognition of IPLC contributions to global land stewardship (the report found a range of 63-98%).

Low and middle income countries will require financial assistance to achieve 30% protection:

- There is unequal distribution of the costs and benefits of 30% protection, as investors and beneficiaries are different groups. For example, 70-90% of the cost would be focused on low and middle income countries, given the location of the world's most threatened biodiversity. Given this discrepancy, low and middle income countries will require financial assistance to capitalize on their nature conservation sector potential and help achieve 30% protection.

Local compensation and support will be needed to effectively implement increased protected areas:

- Local analysis, compensation, community support, livelihood alternatives, education and governance need to be addressed for effective implementation of increased protected areas. For example, medium and long-term fisheries gains from 30% ocean protection require short-term costs during the period while fisheries recover around no-take marine protected areas. As tourism grows, it must be managed carefully to ensure it remains at sustainable levels and maintains the natural assets on which it is based.

Policy Implications

The Campaign for Nature recommends the following policies based on the findings of the report "Protecting 30% of the planet for nature: costs, benefits and economic implications."

The world must increase long-term funding of protected areas:

- Investments in protected areas must increase dramatically in recognition of the need to provide adequate long-term funding for the long-term asset of nature. By 2030, an estimated $140 billion is needed annually to effectively protect 30% of the planet's land and ocean compared to the $24.3 billion in current spending.

Increased long-term funding for protected areas must come from all sources:

- Given the shortfall in protected area funding, strategies must be developed to significantly increase financial support from all sources, including official development assistance, governments' domestic budgets, climate financing directed to nature-based solutions, philanthropies, corporations, and new sources of revenue or savings through regulatory and subsidy changes.

Protected area funding requires a range of financial mechanisms:

- In addition to international co-financing mechanisms like the Global Environment Facility, funders should support innovative models that provide long-term funding for protected areas to governments, NGOs and Indigenous Peoples and local communities that are accountable for measured outcomes. Specifically, when possible, endowments should be established to secure funding into perpetuity and to provide dependable baseline funding to "keep the lights on" in protected areas, even in times of crisis like the one we are experiencing currently.

- Examples of innovative models include:
  - The German government's proposed Legacy Landscapes Fund
  - Project Finance for Permanence initiatives as implemented in Bhutan, Brazil, British Columbia, Costa Rica and Peru
  - The UK's proposed Biodiverse Landscapes Fund and Blue Planet Fund
  - The ~80 Conservation Trust Funds in Latin America, Africa and Asia-Pacific

Governments should recognize nature conservation as a key sector of a resilient global economy:

- Governments should recognize the nature conservation sector as a driver of economic growth through responsibly managed tourism and related services.
- Governments should place as much or more priority on the growing nature conservation sector as they do with the stagnant or shrinking sectors of agriculture, timber, fisheries, mining, and oil and gas that often compete over the same land and ocean resources.
- The nature conservation sector should be supported for its ability to both drive economic growth and for the non-monetary benefits it provides to people, including: health of local and global populations, including by reducing the risk of pandemics; jobs and poverty alleviation; education; biodiversity conservation; climate mitigation; flood prevention; clean water; soil conservation; cultural and historic resource protection; and spiritual values.
  - Governments should conduct natural capital accounting to integrate the non-monetary benefits of nature conservation into their balance sheets.
  - This value should be recognized in all aspects of policy development across government agencies, including policies relating to agriculture, fisheries, timber, extractive industries, infrastructure and urban development.
- Governments should recognize the contributions that protected areas can make to their Nationally Determined Contributions under the Paris Climate Agreement and towards meeting the UN Sustainable Development Goals.
- Development assistance from developed countries to developing countries should be directed to support the growth of nature-based economies in developing countries.
- Nature conservation should be a core pillar of economic development strategies.
- Governments should provide clear business incentives and disincentives to protect nature through legislation and regulation, and effective monitoring systems.

Businesses should commit to supporting protected areas

- In recognition of all the financial and economic benefits that protected areas provide, businesses should support 30% protection and the government policies necessary to implement it.
- Businesses should adopt "do no harm" policies relative to protected areas and intact ecosystems and commit to not conducting extractive activities or taking actions that otherwise degrade the natural asset values of protected areas and intact ecosystems.
- Businesses should implement transparent supply chain disclosure to prove that no parts of their supply chain are conducting extractive activities or taking actions that otherwise degrade the natural asset values of protected areas and intact ecosystems. This disclosure should be required by governments and investors.
- Businesses should invest in supporting profitable, sustainable development of the nature conservation sector, particularly in nature tourism operations.
- Businesses should invest in innovative ways to diversify the revenue streams for protected areas, including payments for the carbon sequestration benefits they provide.
- Businesses should dedicate a material portion of their philanthropic funding to protected areas in recognition of the support system they provide for local, regional and international economies.

Philanthropists should increase their funding of protected areas

- Philanthropists, like governments and businesses, should recognize the multiple benefits of protected areas listed above.
- Philanthropists should increase the share of their giving dedicated to protected areas and realize the potential protected areas provide for meeting multiple human development, nature conservation and climate goals. There is tremendous opportunity to increase the current level of philanthropic giving to protected areas. For example, only 3% of charitable giving in the United States goes to environmental and animal organizations ($14 billion out of a total of $450 billion in 2019) and only a very small fraction of this goes to protected areas.
- Philanthropists should partner with governments and businesses to leverage their support of innovative mechanisms like the ones listed above.

Governments should redirect subsidies:

- Governments should reduce the pressures on protected areas by changing agricultural, fisheries and fossil fuel subsidy requirements to include biodiversity outcomes.
- Governments should reduce agricultural, fisheries and fossil fuel subsidies and redirect a substantial portion to funding protected areas.

Governments should invest in securing Indigenous land tenure rights:

- Governments should increase investments in projects to formally recognize the land and forest tenure rights of Indigenous Peoples and local communities, whose engagement in biodiversity conservation will be essential to achieving any 30% protection scenario.

Governments should implement and fund the Convention on Biological Diversity's post-2020 strategy:

- Parties should update National Biodiversity Strategies and Action Plans (NBSAPs) and adopt National Finance Plans to fund them, using the United Nations Development Programme's Biodiversity Finance Initiative (BIOFIN) process where appropriate, within two years of the UN Biodiversity Conference (COP15). Many options exist for generating funding for nature and every country should develop a diverse set of funding sources. Developed countries should provide financial assistance to developing countries to produce and implement these plans.

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This highlights and policy implications document reflects the views of the Campaign for Nature and has not been reviewed or endorsed by the study's authors.