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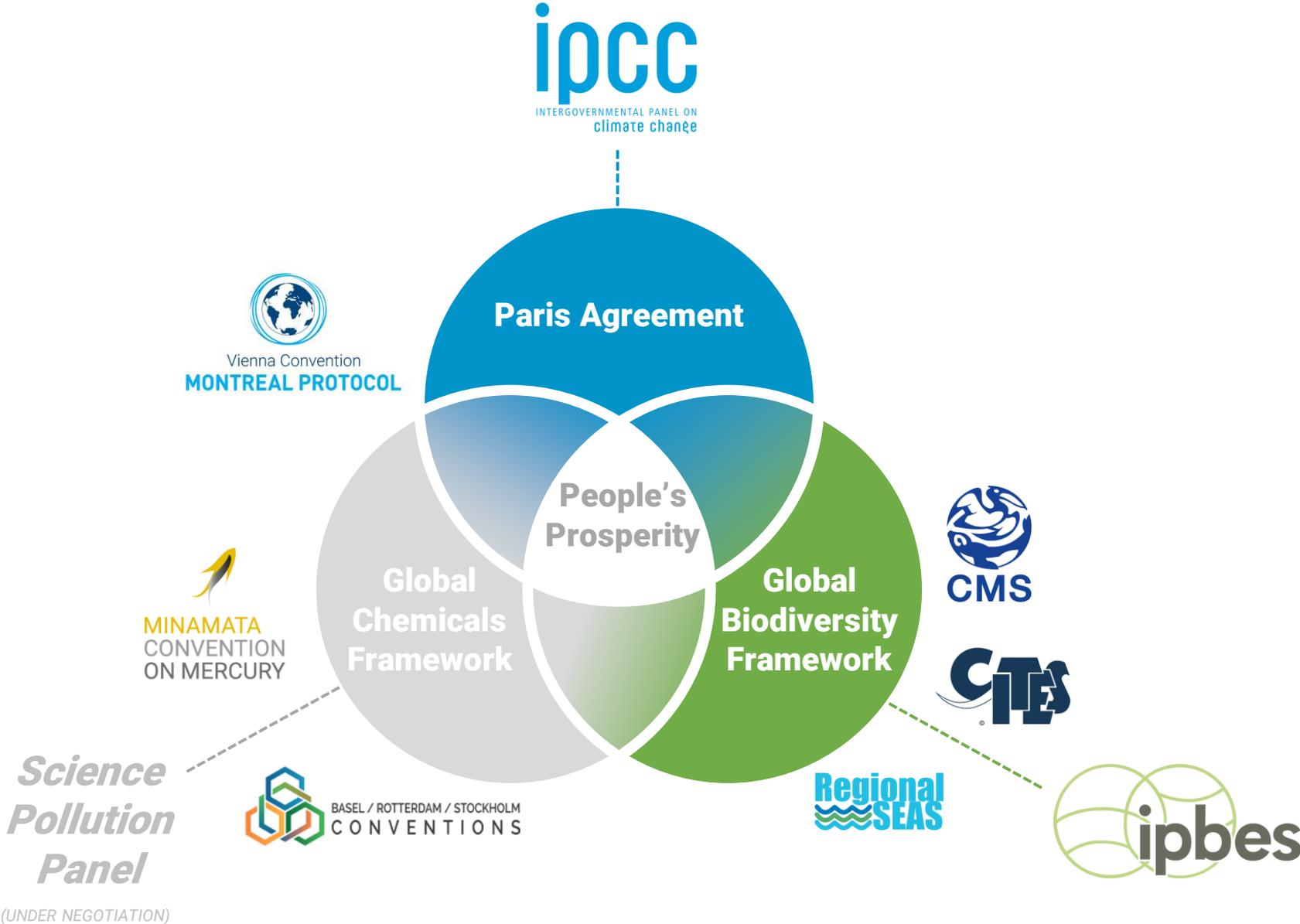
30 November 2023

Investing in a livable planet for people's prosperity

Pushpam Kumar, Chief Environmental Economist

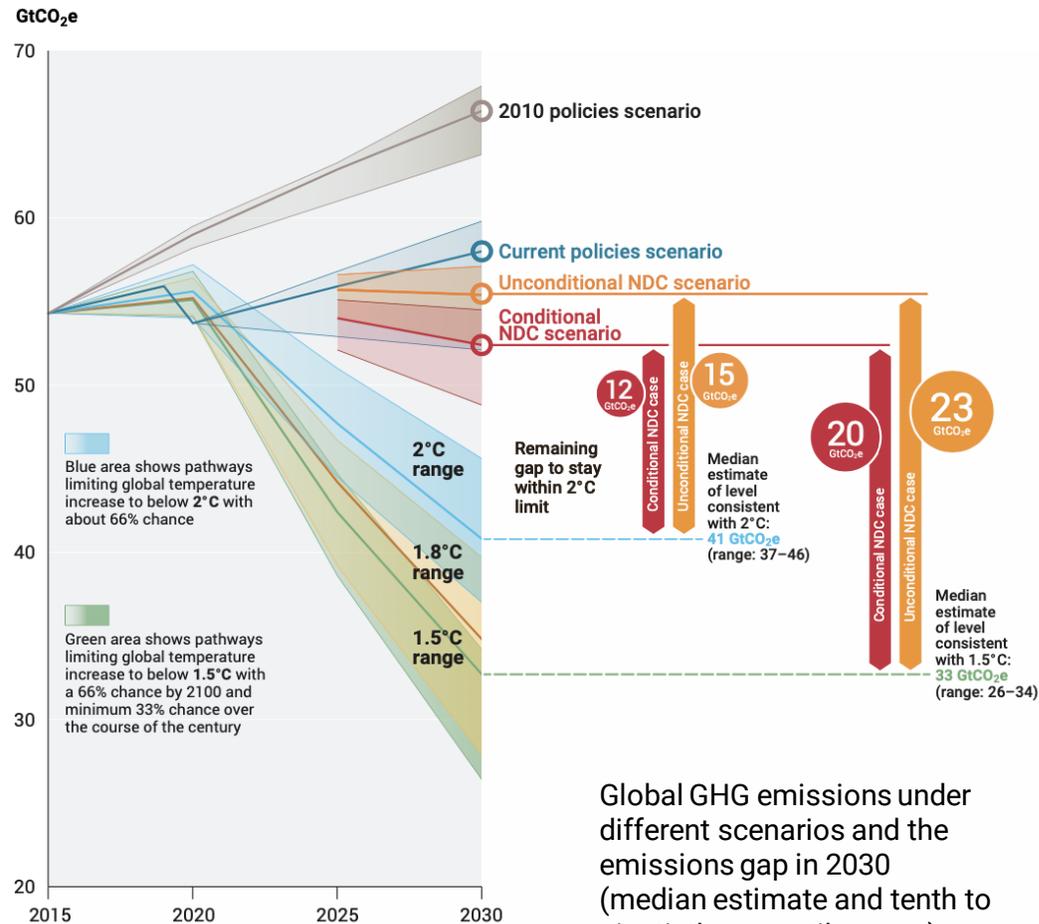


Global environmental frameworks enable investments



Emissions Gap

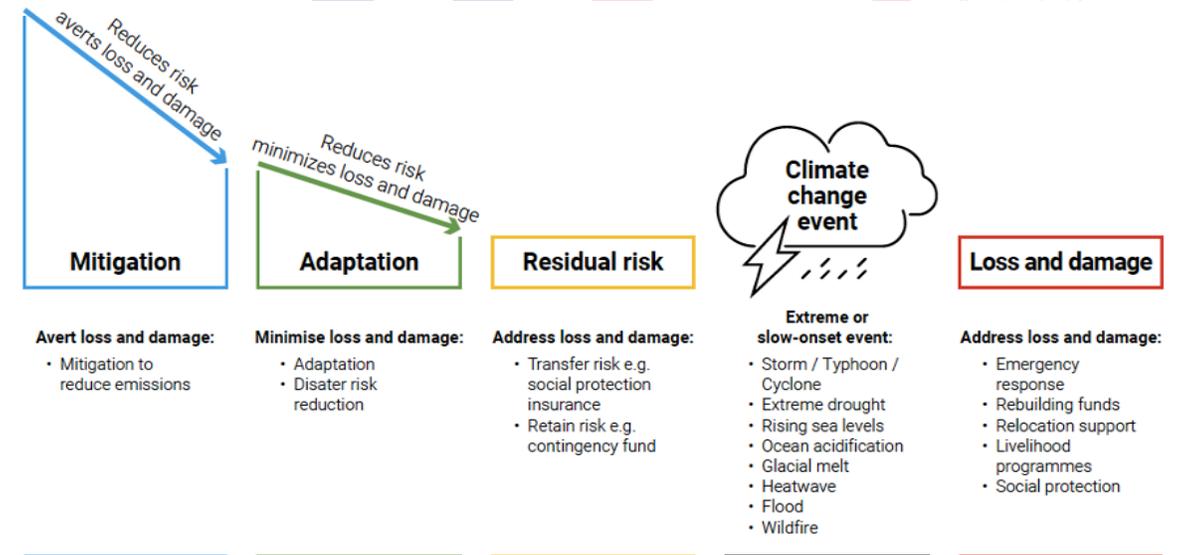
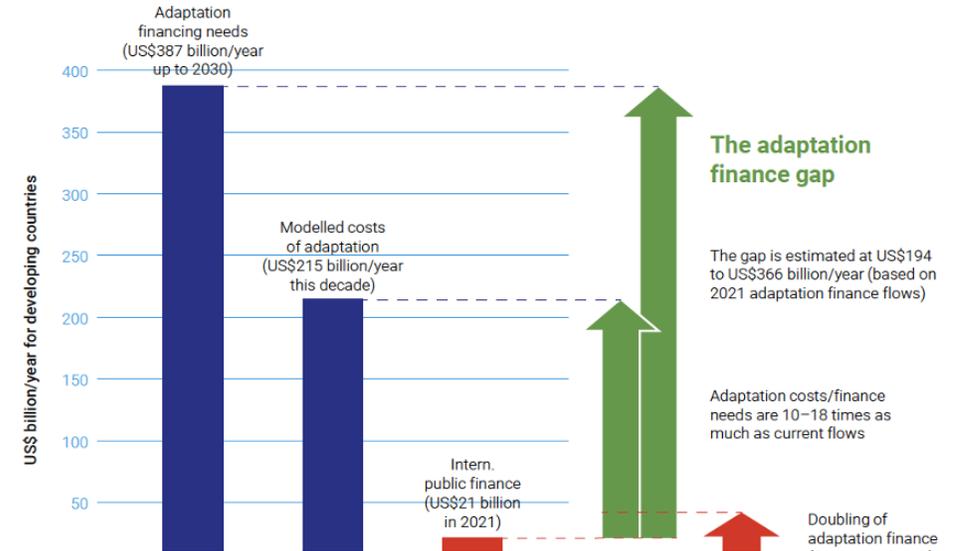
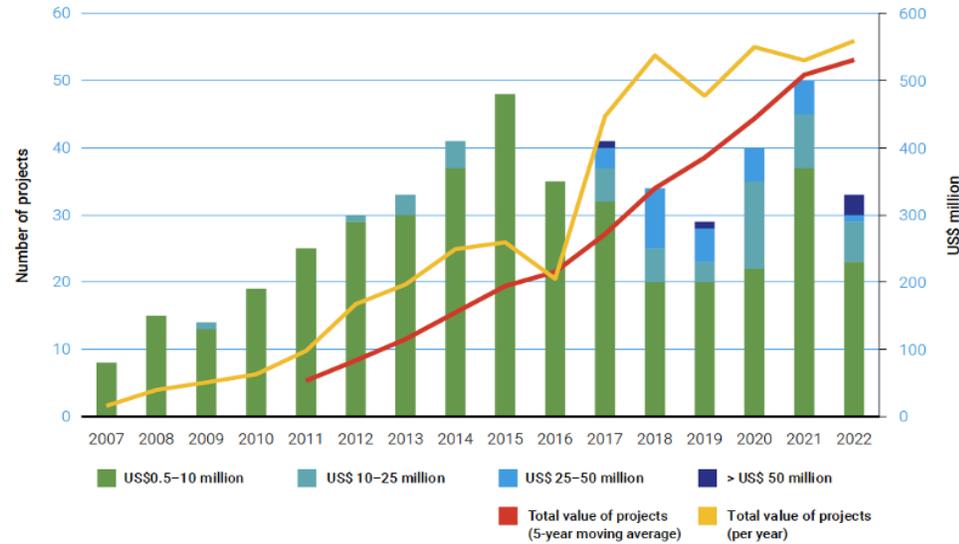
Economy-wide transformations are required to bridge the emissions gap



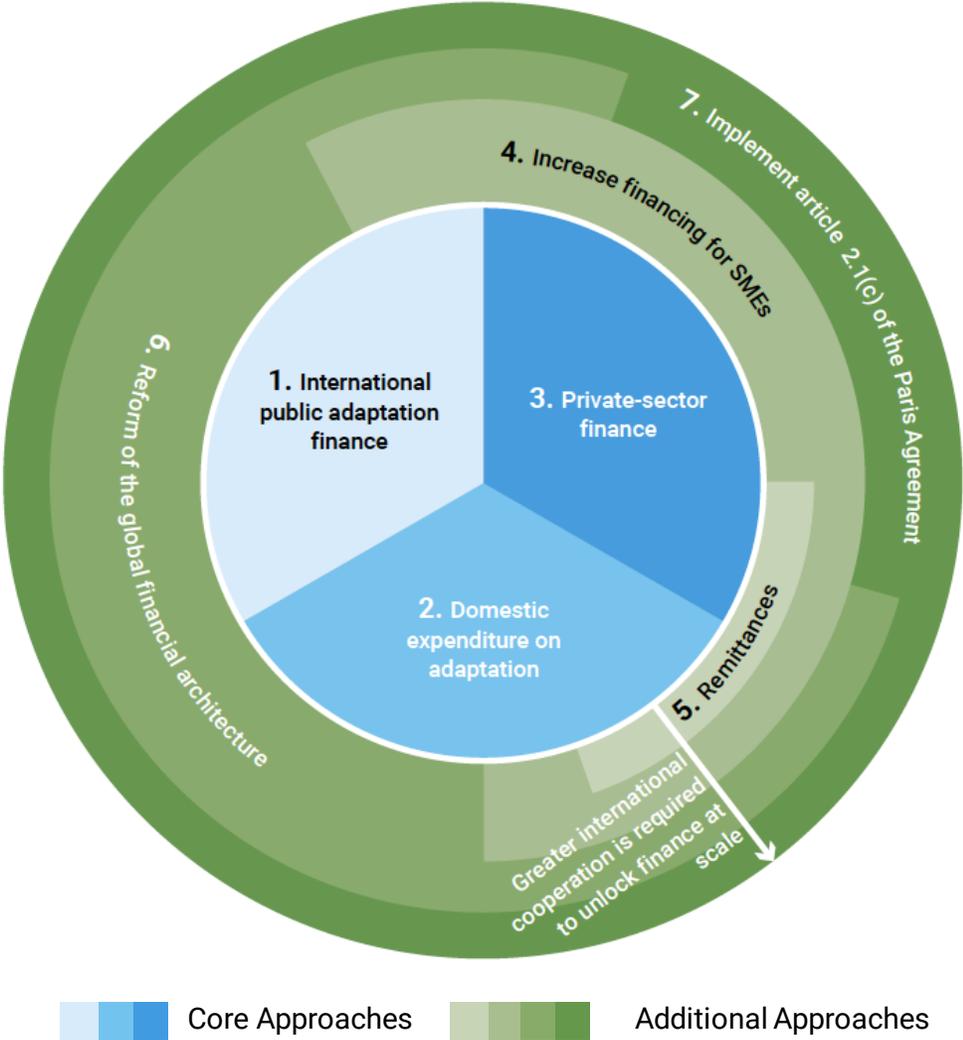
Incremental change is no longer an option: broad-based economy-wide transformations are required to avoid closing the window of opportunity to limit global warming to well below 2°C, preferably 1.5°C.

Adaptation Gap

Progress slowing on all fronts despite rising climate impacts

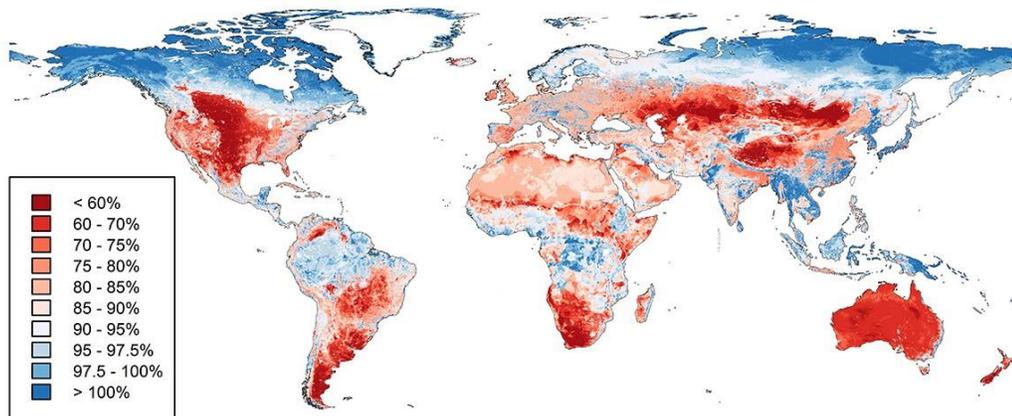


Adaptation Investment Opportunities

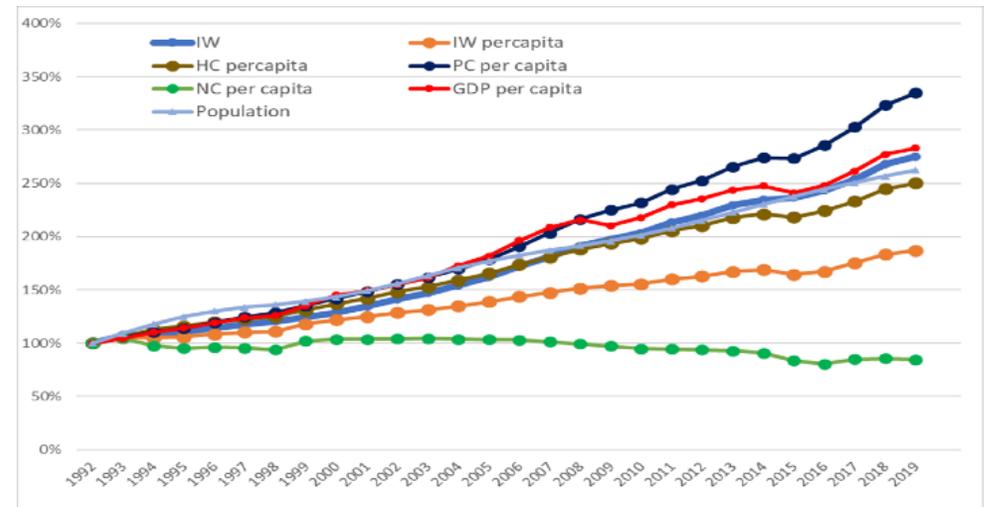


Biodiversity and Nature

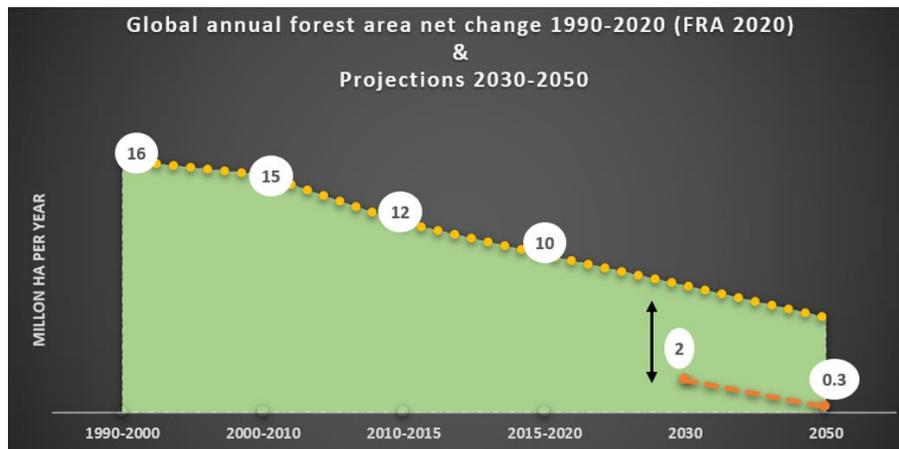
Species, forests and natural capital declining



Average local abundance of originally present species, in percent



Global trends in inclusive wealth per capita and other indicators (1991-2019)



Biodiversity and Nature Investment Opportunities

	Largest NbS by land area	Cumulative finance need by 2030 (\$bn), Rio-aligned	Key facts
Asia	  	920	\$430bn for 170Mha of reforestation by 2050 Consistent with reforestation ambition in Asia, e.g. China's commitment to plant 70 billion trees by 2030 (WEF 2022) and India's NDC committing to expand forested land by 30Mha by 2030 (Carbon Brief 2022)
Middle East and Reforming Economies	 	290	\$180bn finance required into agricultural NbS Russia and Kazakhstan have the highest crop and grassland carbon sequestration potential (Rose et al 2022)
Latin America	 	210	\$60bn finance needed to reforest 100 Mha by 2050 Requires significant scale-up from current commitments, e.g. Brazilian commitment to reforest and restore 18 Mha by 2030 (Simpkins et al 2022)
Africa	  	110	Investment required is primarily into low-cost protected areas and avoided deforestation NbS expansion is constrained due to competition from urban expansion and conventional agriculture ⁵
Europe	 	100	\$40bn finance required for agriculture NbS Aligns with EU Soil Strategy for 2030 and proposed EU Soil Health Law (European Commission 2022)
North America	  	80	\$40bn finance required for protected areas to achieve North America's targets Canada and US committed to 30x30, requiring protected area expansion of 340Mha (Government of Canada 2022, NRDC 2022)
Oceania	 	60	\$30bn finance required for agriculture NbS Potential of agriculture NbS recognized in Australia's NDC, including SOC as a key mitigation measure (Rose et al 2022)

 Reforestation
  Cover crops
  Agroforestry
  Managed grazing
  Protected areas
  Avoided deforestation

NbS finance needs comparison by region

UNEP Finance Initiative: integrating sustainability into financial practice

Principles for Responsible Banking – Principles for Sustainable Insurance – Principles for Responsible Investment

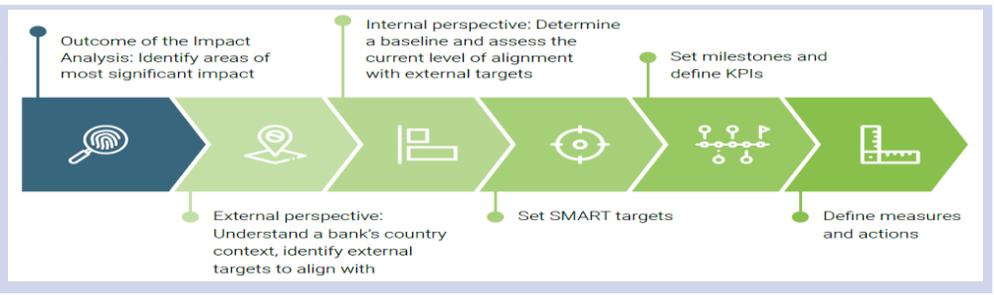
Example Framework	Embedding Change	Centered on Impact
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Principles for Responsible Banking:
 325 members in 80 countries (37% in developing economies).
 50% of global banking assets



- 91% embedded sustainability in governance at Board or CEO level
- 94% aligned their strategies with global agreements
- 83% analysing pos/neg impacts of their loan books
- 100% submitting annual reporting / accountability mechanism with all signatories reviewed annually

Signatories must est. impact analysis for all business lines and set targets for priority areas.



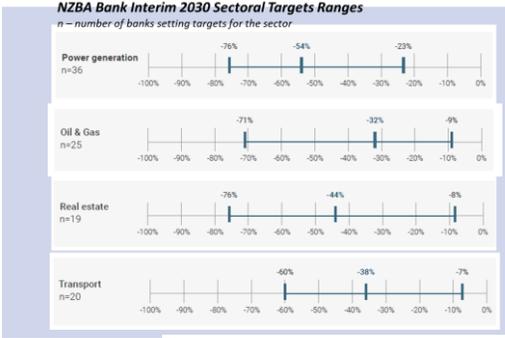
GFANZ Net-Zero Alliances

Embedding Change

Credible, science-based pathways to net-zero with five year interim targets

Net-Zero Banking Alliance, a PRB climate accelerator
 137 signatories in 44 countries
 US\$74 trillion; 41 % global banking assets

- 90% banks met commitment to set first 2030 targets within 18-months of signing
- Required targets for nine priority sectors: agriculture, aluminum, cement, coal, commercial and residential real estate, iron and steel, oil and gas, power generation, and transport.



Citibank – Example Bank Targets
 Financed emissions targets for Citi's Energy and Power loan portfolios:

Sector	2020 Baseline	Climate Scenario	2030 Targets
Energy (Scope 1, 2, 3)	143.8 million mt CO ₂ e	IEA NZE 2050	29% reduction from absolute 2020 baseline 102.1 million mt CO ₂ e
Power (Scope 1)	313.5 kg CO ₂ e /MWh	IEA SDS OECD	63% reduction in Scope 1 intensity per MWh 115 kg CO ₂ e /MWh

Net-Zero Asset Owner Alliance
 86 members in 19 countries
 US\$10 trillion assets; 10% of global institutional assets

- 69 members set intermediate 2025 targets
- Established positions, or binding commitments, on thermal coal, oil & gas and governmental carbon-pricing
- Described by UN Secretary General as a “gold standard” of emerging net-zero commitments



What Credit Unions Can Do?

- Supports new architecture of finance where debt restructuring can release funds for climate, nature and pollution in the Global South;
- Implementing & investing in agreed global environmental frameworks with large co-benefits (pandemic prevention, fragility and conflict, food, water, equity, etc.);
- Upscaling investments in climate, biodiversity and pollution through integration of triple planetary crisis into national planning & development policies;
- Bringing in net zero, biodiversity and pollution into the way key value chains and sectors operate – textiles, mining, buildings & construction, agri, electronics, etc.;
- Working in tandem with government constituencies and leveraging strong partnership networks through coalitions of willing;
- Ensuring that operations and programmes fully embrace net zero, nature positive and pollution free.
- Supporting shift to new grammar of economics to measure progress through wealth, not GDP alone.



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Thank you

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United Nations Environment Programme