9 ECONOMIC AND FINANCIAL REFORMS
TO STOP THE COLLAPSE OF NATURE
A beginner’s guide to transformative change
for preserving the habitat of humanity

ADOPT BINDING INTERNATIONAL TARGETS FOR PRESERVING NATURE
In 2021, the United Nations will start renegotiating international targets for the conservation and restoration of nature to be met for 2030. But economic growth will keep harming nature if governments do not also plan for the transition to a sustainable economy.

REQUIRE COMPANIES TO CALCULATE, DISCLOSE AND REDUCE THEIR ENVIRONMENTAL IMPACT
To know which activities are causing nature-loss, it is not enough that some companies disclose their impact on nature voluntarily; policymakers must require large companies to disclose their environmental impact and to define their transition plans.

AVOID DESTROYING NATURE INSTEAD OF COMPENSATING FOR DAMAGES
Reducing environmental harm should mean just that. Policymakers should refrain from allowing companies to harm nature and then paying compensation. This will encourage a shift from “harming nature as a cost of doing business” to avoiding harm in the first place.

MAKE SURE “GREEN” FINANCIAL PRODUCTS ARE REALLY “GREEN”
A growing number of savers are keen to invest their money in environmentally sound activities. But not many finance professionals who sell green financial products are able to authenticate their “sustainability” claims.

DO NOT RELY ONLY ON PRIVATE FINANCE TO SAVE NATURE: IT WILL NOT ON ITS OWN
Private finance always needs sufficient revenue sources, even sustainable finance. But nature projects often have no or low revenue and require a long-term commitment. Reconciling these two logics is, at best, a challenge.

IMPOSE RULES RATHER THAN RELYING ON MARKET DYNAMICS TO PROTECT NATURE
Policymakers should ban harmful practices with regulations rather than expecting businesses to change their behaviour by themselves based only on consumer demand or ethical concerns.

ASSESS WHETHER ECONOMIC INSTRUMENTS ARE EFFECTIVELY LIMITING HARMFUL ACTIVITIES
Economic instruments such as quotas and environmental taxes can constrain economic activities that overexploit natural resources, but only if they are designed properly and calibrated to nature’s limits.

BETTER TRACK THE USE AND IMPACT OF PUBLIC FUNDING AND REDIRECT HARMFUL SUBSIDIES
Public money still finances activities that harm nature and biodiversity, such as some kinds of farming. Public authorities should better track and measure the environmental impact of their investments and subsidies, and revise them accordingly.

FULLY INTEGRATE ENVIRONMENTAL OBJECTIVES IN THE EU’S ECONOMIC GOVERNANCE
Nature-related projects will need public investment, given the limitations facing private financing in this area. European economic governance should therefore expand beyond a focus on enforcing EU fiscal rules to include enforcing the EU transition.

WE MUST HARDWIRE SUSTAINABILITY WITHIN THE FINANCIAL SYSTEM.

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