

Submission from Third World Network (TWN) on nature-based solutions 2 May 2023

PART I. Overall aim of the intergovernmental consultations

There are many actors, governmental and from Major Groups and Stakeholders, who have raised concerns about nature-based solutions as a key tool to address the climate and biodiversity crises. In this regard, one of the aims of the intergovernmental consultations should be to understand these concerns and ensure that all potential risks identified are addressed satisfactorily. These concerns need to inform an assessment of the effects of nature-based solutions, including in the long term. Such an assessment is recognized as necessary in Paragraph 2 of UNEA Resolution 5/5.

Another aim of the intergovernmental consultations should be to identify principles that apply to the design, implementation and evaluation of nature-based solutions in the context of UNEA Resolution 5/5. It is our view that the following key principles must apply:

1. National determination and implementation

In line with relevant COP-15 decisions of the Convention on Biological Diversity (CBD), including the Kunming-Montreal Global Biodiversity Framework, and that of the UN Framework Convention on Climate Change (UNFCCC) COP-27, Parties may choose to implement nature-based solutions and/or ecosystem-based approaches at the national level. Such implementation should be based on national needs, priorities, and determination. In accordance with these decisions from the treaty bodies, any focus on nature-based solutions should not be at the expense of a focus on ecosystem-based approaches.

In the implementation of these treaties at the national level, we support the implementation of the ecosystem approach and ecosystem-based approaches, as preferable to nature-based solutions. The ecosystem approach and ecosystem-based approaches have clear and mature articulation in the CBD, and have been substantively and comprehensively elaborated upon. They are well established, have a long history of use, and wide application. CBD Parties adopted the ecosystem approach as the primary framework for action over two decades ago, and much work has been undertaken to develop the concept and its implementation since. It is central to the implementation of the CBD, has a sound legal basis and clear principles and safeguards.

2. Common but differentiated responsibilities

In accordance with Principle 7 of the Rio Declaration on Environment and Development and its operationalization in the UNFCCC and its Paris Agreement, as well as the CBD and its Protocols, and to ensure coherence across treaty obligations contained in, inter alia, Article 4.7 of the UNFCCC and Article 20 of the CBD, the principle of common but differentiated responsibilities (CBDR) must apply. In order to maintain the balance of obligations and to ensure equity, there should be no burden shifting from developed to developing countries. In particular, any financing derived from nature-based solutions must not replace developed countries' financial obligations towards developing

countries, and developed countries' responsibilities to reduce emissions and protect biodiversity must not be transferred to developing countries through so-called 'nature-based solutions'.

3. Non-mitigation centric

Paragraph 1 of UNEA Resolution 5/5 provides a broad understanding of nature-based solutions. This implies that the implementation of the Resolution should not be mitigation centric, but must equally focus on adaptation, resilience and disaster risk reduction. In addition, paragraph 1(c) of the Resolution makes it clear that nature-based solutions may have broad application, beyond climate change.

Importantly, there should not be development of criteria, standards or guidelines on nature-based solutions for mitigation purposes under UNEA auspices, as the proper forum for such discussions, if any, would be the negotiations under Article 6 of the Paris Agreement.

4. Nature-based solutions must not replace the need for rapid, deep and sustained emissions reductions

In accordance with paragraph 2 of UNEA Resolution 5/5, it is critical that nature-based solutions must "not replace the need for rapid, deep and sustained reductions in greenhouse gas emissions". The easiest way to guarantee this is to ensure that nature-based solutions are not used as carbon offsets, including to fulfil 'net zero' pledges (see also next point). This is because it is not technically possible for biodiversity to sequester all the carbon that is being released from the burning of fossil fuels, nor will it do so on the long time scales that matter to the climate. As a result, carbon offsets do not reduce the atmospheric concentration of carbon dioxide, and would instead detract from the urgent need for emissions reductions.

5. De-link from offsets, non-market approaches important

Nature-based solutions should not promote the financialization of nature, nor should they be integrated into carbon or biodiversity offset markets. Carbon offsets have been demonstrated to be ineffective and pose environmental and social risks. For example, in January 2023, following a nine-month long investigation, investigative journalists found that more than 90% of Verra's (a carbon trading firm) credits "are likely to be 'phantom credits' and do not represent genuine carbon reductions."¹ While Verra published its own technical review and rebuttal in response to the exposé, this shows that avoided deforestation credits are fundamentally problematic. In a real world with complex politics and socioeconomic situations, it is nearly impossible to establish with certainty that a carbon offset project is additional, which is a major risk contributing to subprime carbon. The same is true for biodiversity offsets, which additionally are likely to fail in delivering biodiversity conservation or sustainable use outcomes.

Non-market approaches should instead be prioritised. Such non-market approaches should include community-based natural resource management and civil society

¹ <https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe>

cooperation and solidarity aimed at the conservation of biodiversity, in accordance with paragraph (f) of Target 19 of the Kunming-Montreal Global Biodiversity Framework.

6. Social and environmental safeguards

In accordance with UNEA Resolution 5/5, social and environmental safeguards to nature-based solutions must be applied and respected. In particular, concerns have been raised about the implication of nature-based solutions on indigenous peoples and local communities who depend on land and forests for their livelihoods and resources. Any safeguards must, as a prerequisite, respect, fulfil, protect and guarantee the rights of indigenous peoples and local communities, peasants and other people working in rural areas, women and youth, in accordance with relevant international human rights law and norms. Further, the approach to nature-based solutions must not be carbon-based but should ensure biodiversity and ecosystem integrity as a key priority. Implementation of nature-based solutions should strengthen the rights of indigenous peoples and local communities, other human rights, livelihoods, and food sovereignty, and promote multifunctional strategies that contribute to socioecological resilience while supporting the realization of various human rights.

There should be multilateral agreement on such social and environmental safeguards, and their compliance ensured. Until such time, nature-based solutions projects should not be implemented.

PART II. Specific tasks for the consultations

(a) Compile examples of best practices in nature-based solutions, based on the best available science;

- Best practices in nature-based solutions must, at a minimum, be in accordance with UNEA Resolution 5/5, in particular its substantive paragraphs 1 to 4.
- Rigorous debate and analysis are necessary in applying the ‘best available science’, as is an understanding of the assumptions, limitations, uncertainties and interpretation of the science on nature-based solutions.
- It would be important to also compile examples of experiences where the concept of nature-based solutions has been misinterpreted or co-opted for greenwashing purposes, delaying urgent action for the decarbonization of our economies, as well as examples where adverse effects have impacted indigenous peoples and local communities, or biodiversity conservation and sustainable use. Such examples are needed to inform, and will be useful to assess the effects of nature-based solutions, in line with Paragraph 2 of UNEA Resolution 5/5. The lessons learnt would help ensure that these are not repeated and that any new proposals, criteria, standards and guidelines guard against such bad practice:
 - For example, one of the biggest oil and gas multinationals, Shell, launched a programme focused on nature-based solutions in 2019. On its website, Shell claims that they have increased investments dedicated to the

protection or development of natural ecosystems, such as forests, grasslands and wetlands, to capture more carbon from the atmosphere and help their customers offset their fuel use using carbon credits. At the same time, Shell has approved new oil and gas extraction projects that lock in millions of metric tonnes of additional carbon dioxide emissions. Recent analysis also suggests that if Shell persists with as yet undeveloped oil and gas assets that it owns stakes in, it could cumulatively cause 4.3 billion tonnes (Gt) of additional emissions².

- The carbon trading firm Verra is setting up “an external working group focused on forest carbon innovations”. Verra states that, “As is the case with other Nature-based Solutions (NbS), finance for such approaches has been slow to materialize. Carbon credit sales would help drive funding to nature-based solutions and thereby assist in addressing this barrier.” Verra has applied to provide carbon credits to be used by the aviation industry’s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Yet, one of the fastest-growing sources of greenhouse gasses on the planet is the aviation industry, and carbon offsets will only maintain the status quo of their operations.
- An example of how big corporations are using nature-based solutions or natural climate solutions to greenwash their impacts on ecosystems is the “Markets for Natural Climate Solutions initiative” launched at the UN climate negotiations in 2019 by the International Emissions Trading Association³. This scheme will offset the emissions of some of its partners in the fossil fuel industry, including some of the biggest emitters such as Shell, Chevron and BP. Many have warned that this is another example of greenwashing from bad-faith actors promoting monoculture tree-plantations as “offsets” for business-as-usual fossil fuel emissions.
- The literature on the challenges and failure to deliver local benefits with REDD, REDD+ and other similar schemes should be carefully examined for their lessons. Critical among the issues raised are: the need for land tenure reform, in particular, the recognition of customary rights; the need to challenge deep-rooted economic and political interests of business-as-usual exploitation of forests; the need for meaningful participation of right-holders, which is often limited; the need for gender-responsive strategies; and the fallacy of prioritising carbon, which encourages false solutions such as tree plantations, carbon trading and offsets.

(b) Assess existing and discuss potential new proposals, criteria, standards and guidelines to address divergences, with a view to achieving a common understanding among Member States for the implementation of nature-based solutions, including to support Member States in designing, implementing and evaluating nature-based solutions, building on existing work, initiatives and platforms, as appropriate, and

² <https://priceofoil.org/2022/09/30/shell-fossil-fuel-production-climate-chaos/>

³ <https://www.ieta.org/page-18192/8185755>

without prejudice to existing efforts and initiatives of and new proposals from individual Member States;

- Some of the existing proposals, criteria, standards and guidelines have raised concerns as to whether these would suffice to ensure that ecosystem integrity and human rights will be effectively safeguarded in the implementation of nature-based solutions and if they may instead justify further offsetting, monoculture and greenwashing schemes.
- Any existing and potential new proposals, criteria, standards and guidelines should be assessed as to whether they apply multilaterally agreed principles and safeguards.
- Any new proposals, criteria, standards and guidelines should, at a minimum, be in accordance with UNEA Resolution 5/5, in particular its substantive paragraphs 1-4.
- The use of “net” terminology (e.g. net gain, net zero, no net loss, net positive, and related approaches) in the development of criteria, standards, and guidelines should be avoided since these relative approaches have justified many past carbon and biodiversity offsets, which have failed to provide climate or biodiversity benefits.
- It would also be important to identify which types of criteria, standards and guidelines have not worked in past initiatives, to learn the lessons and avoid the same gaps in the implementation of nature-based solutions. Inter alia, the need for stronger private sector regulation should be addressed.

(c) Identify options for supporting sustainable investment in nature-based solutions and share information on bilateral and multilateral sources of finance to enable developing countries to develop and deploy nature-based solutions;

- Before identifying options for supporting investment in nature-based solutions or identifying potential sources of finance for nature-based solutions, there should first be an analysis of their effects, including in the long term, in accordance with Paragraph 2 of UNEA Resolution 5/5. There should also be multilateral agreement on social and environmental safeguards, and their compliance ensured. These steps should be taken *before* further investment is made into nature-based solutions.
- The focus on financing for nature-based solutions must not be at the expense of equally ensuring financing for ecosystem-based approaches.
- Nature-based solutions should not be linked to any secondary market trading and derivatives, especially the securitisation of biodiversity credits. Secondary market trading allows the purchase and resale of biodiversity credits for speculative purposes, i.e., short-term financial gain. A market controlled by speculators may push up prices, create a bubble and lead to the development of subprime assets. This will be detrimental to biodiversity.