

THE NATURE FUNDING GAP:

Rerooting subsidies in nature

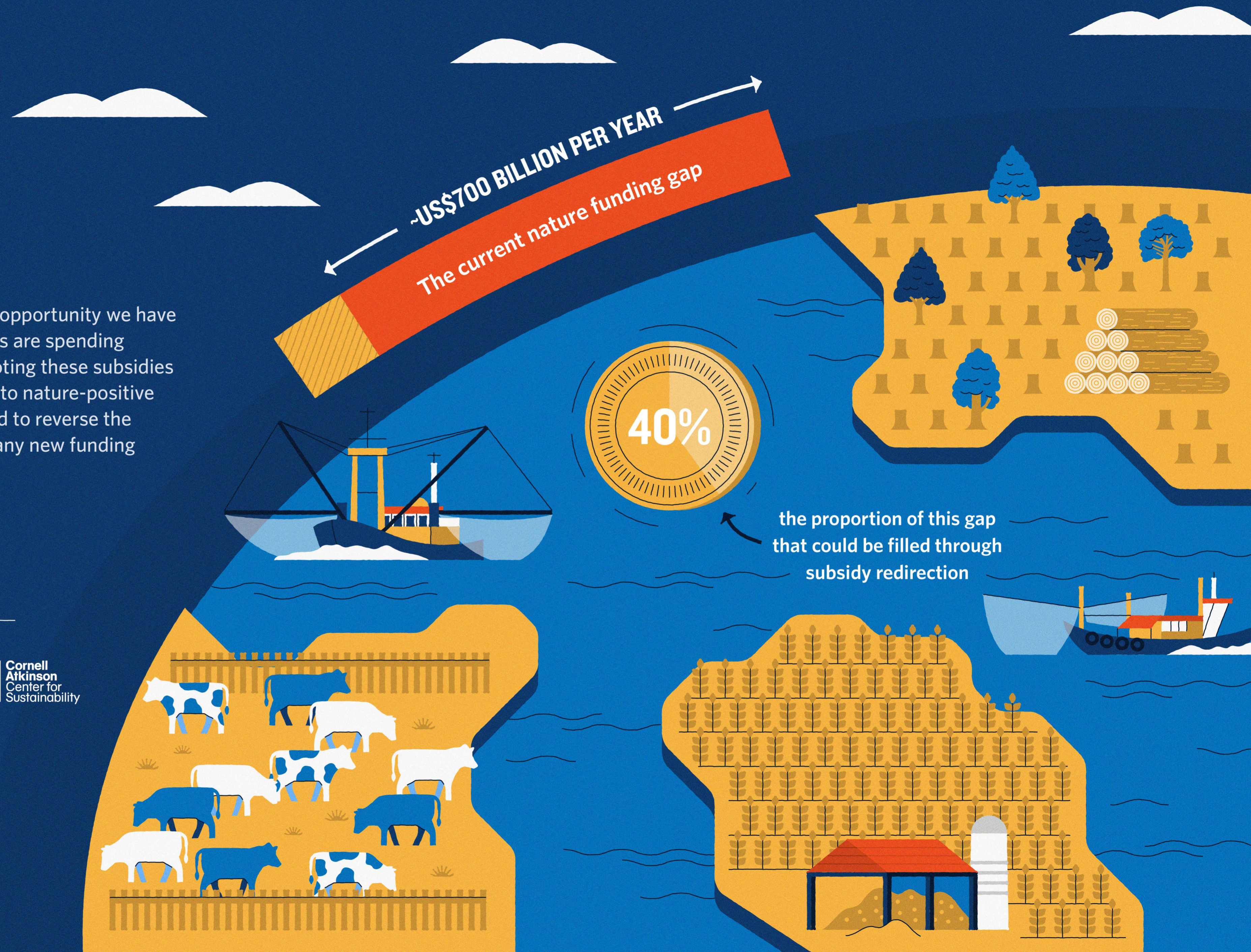
Refining the way we produce food is the greatest opportunity we have to save our planet. Across the world, governments are spending hundreds of billions of dollars on subsidies. Rerooting these subsidies so that they support producers in their transition to nature-positive production could provide 40% of the total needed to reverse the global biodiversity crisis—without necessitating any new funding and protecting those that receive them.

What are subsidies?

Financial aid or support extended to an industry or businesses by governments.



Source from partners above: *Financing Nature: Closing the Global Biodiversity Financing Gap*, the most comprehensive assessment to date of how much the world currently spends to benefit nature, how much more is needed, and how we can close that funding gap.

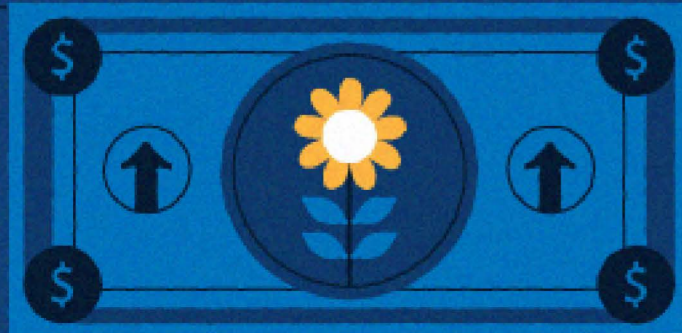
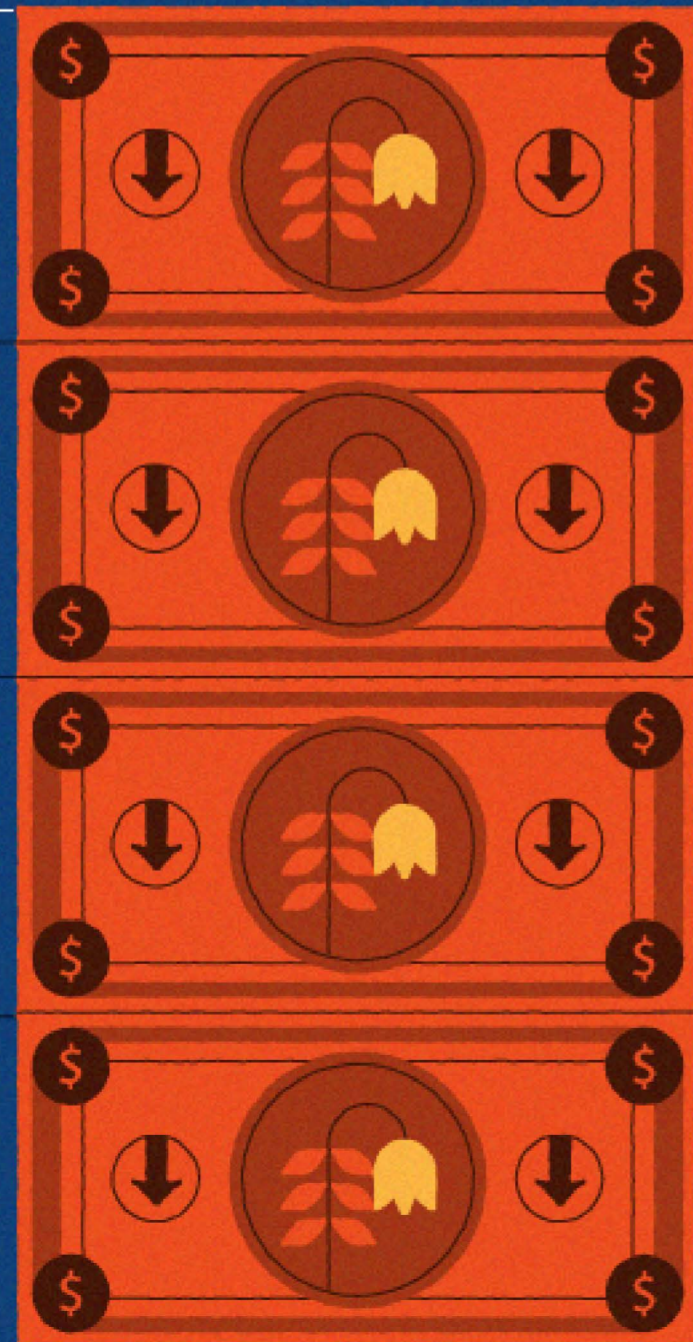


The current picture for the planet

1 Super-sized subsidies

Annual government spending on the most harmful agricultural, forestry and fisheries subsidies that degrade nature is up to *four times higher* than the total spending that benefits nature.

4x



2 Promote practices...

1 Take agricultural subsidies. Price supports and policies reward high production levels, encouraging input-intensive farming practices and overproduction of some crops while food and nutrition are lacking elsewhere.

2 Crop-specific subsidies disincentivizes diverse crop-rotation, eventually depleting soil health.

3 Chemical over-use damages soil, plants and pollinators. Fertilizer runoff increases eutrophication in rivers and oceans.

4 Deforestation and habitat conversion result from expanding agricultural production areas and contribute to unsustainable water use.

5 Governments subsidize inputs (say, fertiliser) and incentivize consumption of some outputs over others (lowering the price of wheat, for example). This distorts the costs of production, encouraging yet more input-intensive farming.

3 Which are bad news for biodiversity

1/3 Approximately one third of global land surface area is dedicated to crops and livestock. The impacts are even greater.

70% of global freshwater withdrawals are used for agriculture.

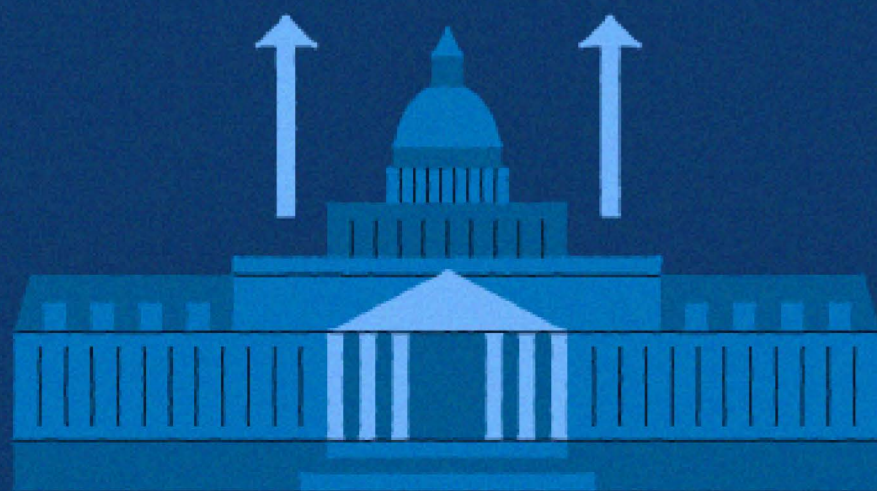
25% of GHG emissions are created by agricultural production.

80% of global deforestation is the result of agricultural conversion.

70% of terrestrial biodiversity loss and 50% of freshwater biodiversity loss will be attributed to unsustainable agricultural practices by 2050 in a business-as-usual scenario.

The possibility

US\$273.9 billion - The gift we could give nature and food producers each year. This is how much governments across the world currently spend on agricultural, fisheries and forestry subsidies that harm biodiversity. We can redirect those subsidies to support positive practices within those sectors and narrow the nature funding gap.



Here's how

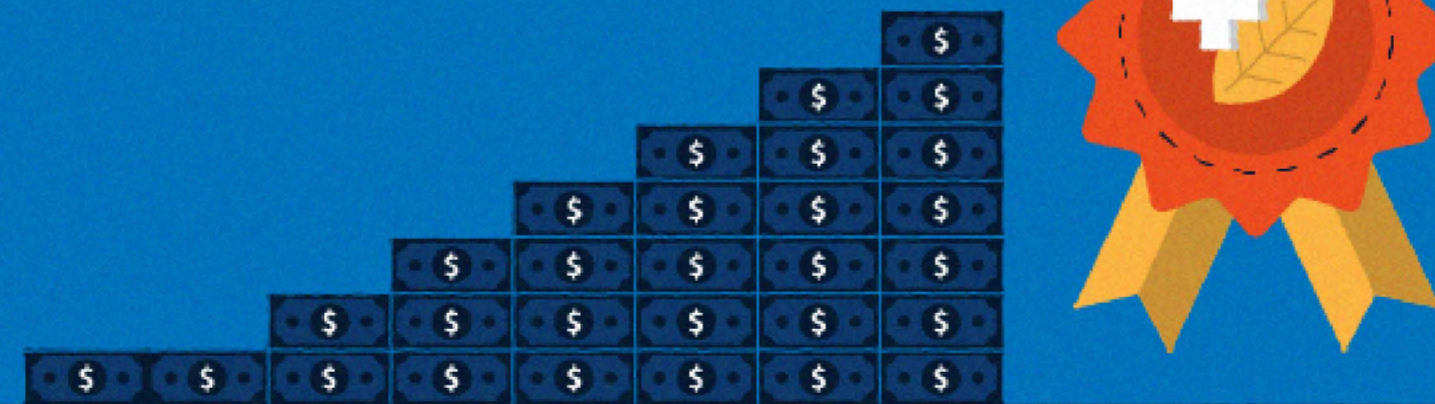
1 Subsidy support decoupled from production levels.



2 Producers freed to consider more environmentally friendly and efficient techniques.



3 Graduated subsidy payments reward nature-positive practices.



4 Freed-up financing allows governments to support producers in their transition to regenerative practices.



Case study: Switzerland

Over the past two decades, Switzerland has reformed its agricultural subsidies to meet biodiversity goals



1 It shifted from market price support to direct payments, independent of production volume



2 It set out clear targets and included transition payments to prevent any negative impact on farmers' incomes



3 It boosted payments to farmers meeting biodiversity goals, such as extensive upland grazing

The benefits? Incomes and productivity in the agricultural sector are expected to be higher, while substantial progress toward meeting biodiversity targets has been achieved.



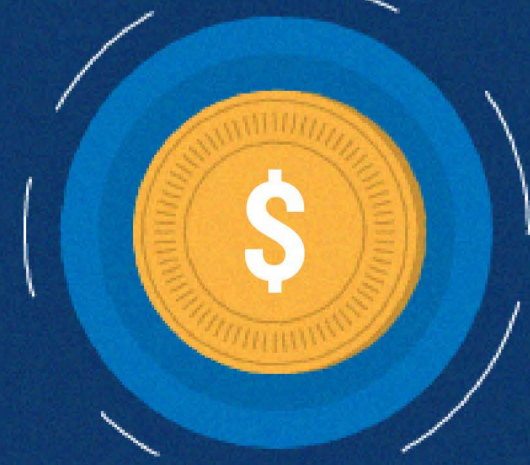
Future benefits: planet, people, pocket



Planet: Subsidy reform represents the single biggest opportunity to close the nature funding gap. Subsidy redirection towards regenerative practices could provide 40% of the total \$700 billion needed to reverse the global biodiversity crisis.



People: Helping farmers strengthen on-farm biodiversity supports yields and livelihoods, boosting the 1.25 billion people employed by agricultural systems. Beyond farms, it boosts nutrition in the wider population and creates more resilient food systems.



Pocket: By 2030 a total of US\$4.5 trillion in new commercial opportunities could be realized through food system transformations including regenerative agriculture, healthy oceans and nature protection, according to a Food and Land Use Coalition model.



The nature funding gap \longrightarrow ~\$700BN

