

2025 INFF Facility Partner Meeting

SESSION SEVEN

Integrating finance for climate, nature and development

Date and time: 23 January – 9:30-10:30

Session focal point: Christopher Lilyblad (christopher.marc.lilyblad@undp.org)

Background

This panel will provide policymakers and stakeholders with actionable insights on investment in climate and nature within developing countries, emphasizing public and private financing for NDCs and NBSAPs within a broader context of *sustainable* development trajectory since the Rio Conference. Panelists will share experiences of initiatives to scale up financing for country-led NDCs and NBSAPs in support of climate and nature-cognizant development, within a broader context of multilateralism and collective action necessary for enhancing global cooperation and resilience vis-à-vis common challenges in broader political, economic, environmental, and social contexts imbued with fragmentation, polarization, and fragility.

Since the 1992 Rio Conference, sustainability has become central to human development, emphasizing the critical role of healthy ecosystems and biodiversity for thriving societies. The concept of sustainable development, reinforced by the 2030 agenda and the SDGs, highlights the risks posed by climate change and biodiversity loss, exacerbated by their insufficient integration in financial systems. Environmentally harmful practices in development often go unaccounted for, while the benefits of eco-friendly approaches are overlooked in financial analyses, leading to decision-making that neglects long-term ecosystem and resource sustainability. To address these issues, reforms promoting green transition, nature-based solutions, net-zero targets, and sustainable finance, among others, are being pursued to mitigate environmental impact and support sustainable development.

However, these myriad and proliferating approaches remain as varied and diverse as the financial logics and instruments that endeavor to enable or facilitate their implementation. With lingering disagreements over the definitions and practicalities of finance that underpin climate and biodiversity, particularly as debates simmer at their respective conferences of the parties (COPs), we need to avoid the further splintering and crystallization of policy frameworks that, at best address climate, nature and sustainable development in parallel or,

at worst, compete against each other for scarce public and private resources. Indeed, any distinction between climate and nature in terms of policy and finance appears rather artificial. Hence, an integrated approach bridging policy and finance is necessary to achieve efficient resource allocation processes and mechanisms conducive to synergies and mutually reinforcing effects at the epicenter of the climate-nature-development nexus.

The zero draft outcome document for the Financing for Development Conference, to be held in Sevilla, Spain, in June 2025, urgently emphasizes the escalating crises of climate change and biodiversity loss, underscoring the critical need for accelerated action and significantly increased financing to confront these intertwined complex challenges by the end of this decade. It underscores the immense financing gap for climate action, biodiversity preservation, and ecosystem restoration, especially highlighting the pressing need for adaptation funding in countries most vulnerable to these crises, such as Least Developed Countries (LDCs) and Small Island Developing States (SIDS). These countries, facing the dual challenge of pursuing development goals and poverty eradication while committing to ambitious climate action under the Paris Agreement and protecting their environments as per the Kunming-Montreal Global Biodiversity Framework, are at the heart of the document's call for developed countries to spearhead the mobilization of necessary financial resources. This aligns with the indispensable approach for driving a global transition towards a climate-resilient and nature-regenerative future, converging with the Sustainable Development Goals (SDGs) that necessitate integrated approaches.

Acknowledging the significant threat climate change and biodiversity loss pose to development and its financial underpinnings, particularly in developing regions, the draft outcome document reaffirms a global commitment to bolstering economy-wide and financially sustainable NDCs and NBSAPs amidst these global planetary challenges. Meeting the NDCs of developing countries requires over \$2.4 trillion, necessitating a significant shift in climate-development financing to achieve climate action and economic growth. Decisive climate action globally could prevent dire impacts and bring about a \$43 trillion gain by 2070, increasing global GDP by 3.8%. Although developing countries' climate spending has surpassed the initial \$100 billion annual goal, reaching the revised \$300 billion target by 2035, set at COP-29, demands enhancing policy frameworks to attract investment. Additionally, the implementation of the Kunming-Montreal Global Biodiversity Framework and related strategies calls for overcoming a \$700 billion annual biodiversity finance gap, requiring the alignment of financial flows with biodiversity goals, integrating biodiversity into policy, promoting risk disclosures, reforming harmful incentives, and mobilizing significant funds, including \$200 billion annually by 2030 through innovative financing for conservation and green economies. In other words, as the Paris Agreement and Kunming-Montreal GBF now seek to mobilize over 500 billion per year in aggregate climate and nature financing, this panel discusses how INFFs can enable countries to establish effective financing strategies integrating coherent approaches across SDGs, NDCs, NBSAPs, and other relevant policy frameworks. Hence, the aim of this panel is two-fold:

First, the session explores how the policy imperatives of biodiversity conservation and climate action can be harmonized and inter-operationalized within the broader framework of sustainable development, as reflected in the 2030 Agenda, that can lower transaction costs

and avoid duplication by streamlining overlapping and at times incompatible or competing frameworks and taxonomies acting as impediments rather than facilitators of decisive action. Second, it outlines how integrated financing approaches, drawing on public, private, foreign, and domestic resources can be leveraged, aligned, and attracted towards investable NDCs, NBSAPs, and SDGs that are anchored in economy-wide and all-of-society approaches.

Herein, country experiences from the Maldives and the Gambia illustrate how INFF-derived financing strategies and policy reforms can establish the requisite institutional contours enabling coherent, actionable, and prioritized decision-making with a medium-to-long-term perspective. Accordingly, INFFs emerge as an institutional vehicle that places NDCs and NBSAPs at heart of an economy-wide approach to financing holistic sustainable development. While the upfront costs may be considerable, the long-term benefits—such as enhanced ecosystem services, improved resilience to climate change, and sustainable resource management—justify vital investments in the future of planet, people, and prosperity.

Objectives

The primary objectives of this side event include:

- Learning from initial country experiences in devising financing strategies targeting the climate-nature-development nexus, as reflected in NDCs, NBSAPs, and SDGs
- Exchanging experiences and future priorities in relation to country-led integrated national financing frameworks for interlinking climate, nature, and sustainable development
- How donors and partners can support countries in this INFF journey
- Facilitating discussion on possible commitments in the FfD4, COP-30 on climate, and COP-17 on biodiversity outcomes.

Guiding Questions

- What is the experience to date with INFFs and establishing a financing strategy conducive to the climate-development nexus?
- How can the FfD4 outcome foster greater integration between SDGs and NDCs?
- How can we enhance practical collaboration at the country level between climate and development financing approaches, including leveraging the potential of the private sector?

Format

This event will include presentations from participating countries sharing success stories and case studies on how the countries have leveraged INFFs to scale up financing for climate initiatives in alignment with the NDCs. The event will connect various INFF stakeholders from governments, international organization, development partners, private sector and civil organisations. The session will have a panel discussion on the importance of public-private collaboration to resource allocation with an emphasis on capacity building to

address the unique needs of developing countries. The session will open for participants' questions and knowledge sharing.

Agenda

60 minutes

TIME	SESSION	SPEAKERS
3 mins	Welcome + introduction	Moderator: Christopher Lilyblad , SDG Finance and NDCs Policy Specialist, UNDP
30 mins	Panel discussion 5 minutes per panelist	Panelists: <ul style="list-style-type: none"> • H.E. Ambassador Lamin Dibba, Permanent Representative of Gambia to the UN • Sariha Moya, National Planning Secretary, National Planning Secretariat, Ecuador • Tom Tayler, Head of Climate Finance, Aviva • Mohamed Maaiz Munaz, Chief Accounts Executive, Ministry of Finance, Maldives • Isabelle Cabos, Policy Advisor, European Investment Bank (TBC) • Nicolas Picchiottino, Secretary General, International Development Finance Club
20 mins	Questions and comments	
2 mins	Closing remarks	Moderator

*buffer time will be added to the above timetable to allow the transition between speakers