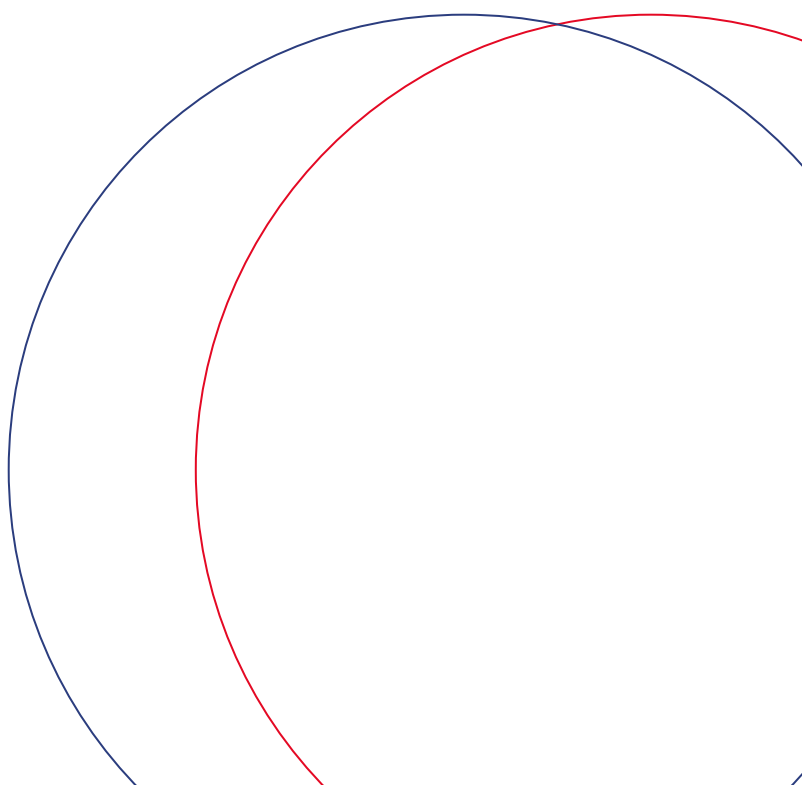


FINANCE FOR BIODIVERSITY

A journey to link nature and business





PREFACE



I'm delighted to welcome this conclusion on ways forward report on the 'Finance for Biodiversity' (Fin4Bio) initiative – a collaborative effort led by AFD, ONEP, and esteemed partners. Biodiversity loss threatens not just ecosystems, but also the very foundation of our economy. Businesses depend on a thriving biosphere for essentials like clean air, water, and fertile soil. Conversely, biodiversity loss poses a significant threat to both ecosystems and economic prosperity. Safeguarding biodiversity requires strong financial mechanisms.

This report marks a significant step towards this goal by fostering knowledge exchange and identifying innovative solutions. This initiative is not only about 'Financing the Green' with SMEs support, but also about 'Greening the Finance' through active participation from the private and financial sectors. The joint recommendations emerging from Fin4Bio are a testament to Thailand stakeholders' commitment to mainstream biodiversity into economic and financial practices. This initiative aligns perfectly with the spirit of the 5th National Biodiversity Strategies and Action Plan (NBSAP) on which ONEP is currently working.

The insights gained from this collaborative effort will guide future initiatives in developing effective financial tools for not only Thailand's biodiversity conservation part, but also the mainstreaming part. This report serves as a springboard for continued collaboration, providing a clear framework for launching these financial mechanisms.

I commend AFD and all partners involved in the Fin4Bio journey. Together, let us continue this journey to drive and shape Thailand's Nature Positive future, ensuring that biodiversity becomes an essential part to our economic and financial systems. As witnessed by the recent signing of the Letter of Intent between Thailand and France, ONEP looks forward to continuing this dialogue with France and the French Development Agency (AFD).

PRASERT SIRINAPAPORN

Secretary-General

Office of Natural Resources and
Environmental Policy and Planning (ONEP)



It is with great pleasure that I welcome this conclusion on ways forward report on the 'Finance for Biodiversity' (Fin4Bio) initiative – a collaborative effort by AFD, ONEP, and esteemed partners. I am delighted to share my reflections on this important initiative. As numerous research studies have pointed out, we must put biodiversity on a path to recovery by 2030 and aim to live in harmony with nature by 2050. Achieving this requires not only protecting ecosystems on at least 30% of the planet but also promoting the sustainable management of economic activities and natural capital.

Like Thailand, France has made environmental protection and fight against climate change core components of its foreign policy. My country has demonstrated its commitment to nature-positive through initiatives like the One Planet Summit. I am delighted that both of our countries recognize the utmost importance of biodiversity to our future. It is to work together towards this common goal that Thailand and France have signed on 2 May 2024 a Letter of Intent to launch a bilateral dialogue on biodiversity, environment and species protection.

Reflecting on the Fin4Bio Forum held in Bangkok on 19 February 2024 and its joint recommendations, I am confident that Thailand could take the lead in the region. By being part of a strong coalition of stakeholders and enabling its private and financial ecosystems, Thailand can implement the relevant financial mechanisms for biodiversity.

I commend AFD, ONEP and their key partners such as UN Global Compact Network Thailand, UNDP including BIOFIN, large conglomerates, and other stakeholders who have endorsed the Forum's joint recommendations. Their efforts have made this Forum a success and I look forward to continued collaboration in the future. I also encourage more stakeholders to endorse these recommendations. France, as a long-time partner, is honored to continue this journey with Thailand.

JEAN-CLAUDE POIMBOEUF

Ambassador of France to Thailand
Embassy of France

PREFACE



JEAN-PIERRE MARCELLI

*Southeast Asia Regional Director
and Thailand Country Director
Agence Française de
Développement (AFD)*

Despite our collective commitments, the rise in greenhouse gas emissions remains unabated, posing a dire threat to our planet and its inhabitants.

The latest IPCC report paints a stark picture: half of humanity are already vulnerable to the ravages of climate change. Concurrently, the alarming findings from IPBES reveal that the degradation of nature accelerates unabated, with 1 million species on the brink of extinction. Vital ecosystems, from our forests to our oceans, are under siege, imperiling not only biodiversity but also the very fabric of our existence.

The current climate crisis exacerbates biodiversity loss, creating a dangerous feedback loop that imperils our collective future. The ramifications of these crises extend far beyond environmental concerns; they jeopardize the achievement of all Sustainable Development Goals, particularly in terms of human health, food security, and access to water resources. The poorest and most vulnerable among us bear the brunt of nature's decline, exacerbating inequalities within and between societies.

Yet, amidst this challenge lies a beacon of hope: It's estimated that one-third of the reduction in greenhouse gas emissions necessary to achieve the Paris Agreement targets can be achieved through Nature-Based Solutions. Also, adaptation becoming now a main issue and priority for all, the potential of convening Nature in adapting to climate change is undebated.

In the face of such monumental challenges, the question arises: what can finance and business do, alongside governments, regulators, and civil society? The answer lies in 'greening the finance' and 'financing green' for Climate and Biodiversity. In shedding light and raising awareness with analytical work on Nature positive public policies, sharing experiences and innovations from the financial and private sectors shall help adapting policies and regulations, identifying new prosperous investment opportunities, mainstreaming biodiversity across all sectors and increasing nature-positive finance as crucial steps towards building a resilient and nature-friendly planet. Reporting and disclosing the impacts on biodiversity, aligning with emerging disclosure frameworks, sharing knowledge with capacity building and orientating resources to projects that benefit both climate and biodiversity are imperative actions.

At AFD, by already dedicating 30% of climate finance with 1 billion €/year to projects benefiting biodiversity, we aim to further catalyze convergence between climate and biodiversity financing. With a mission extending beyond financial support; we seek to accompany financial institutions, governments, businesses, and partners towards alignment with the objectives of the Global Biodiversity Framework.

In the context of Thailand, with both a country rich in natural capital and one of the strongest South East Asia economy, there lies a unique opportunity. By integrating biodiversity considerations into economic development, investment policies, green finance and business models Thailand can emerge as a beacon of Nature and Economic sustainability for the region and beyond.

Together, let us embark on this journey towards a nature positive economy, in Thailand and from Thailand, mobilizing the power of national policies together with the financial and private sectors.

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INTRODUCTION

A global agenda that positions biodiversity concerns at the core of sustainable development priorities has emerged. The 15th Conference of the Parties to the Convention on Biological Diversity (COP 15 CBD), held in December 2022, resulted in a global agreement on biodiversity for the upcoming decade through the "Kunming-Montreal Global Framework for Biodiversity." Notably, this COP marks the inaugural inclusion of a significant representation from the financial and business sectors.

At the same time, within the South East Asia region, Thailand adopted in 2021 an economic development strategy based on the Bio-Circular-Green Economy (BCG). The model thrives on Thailand's diverse plant life, which drives the Bio-Economy through bio-based products and research. Healthy ecosystems also support a thriving circular agricultural sector and act as natural carbon sinks, bolstering the green economy. Investing in biodiversity isn't just environmental; it's a strategic economic decision for Thailand's long-term BCG success, ensuring a sustainable future for agriculture, tourism, and bio-based innovation. This strategy aims to promote a new growth and sustainable development model in the post-COVID era. The first strategic axis of the 2021-2027 action plan specifically concerns the recognition of nature and biodiversity issues in the use of biological resources and promotes a paradigm shift in nature conservation and biodiversity mainstreaming.

"Over half the world's GDP moderately or highly reliant on healthy ecosystems"



Thailand's commitment to sustainability extends beyond its borders. The country championed the Bangkok Goals on BCG Economy at the 2022 Asia-Pacific Economic Cooperation (APEC) Summit and joined the High Ambition Coalition for Nature and People (HAC), emphasizing the global importance of biodiversity. This dedication continues with the alignment of the Kunming-Montreal Global Biodiversity Framework (GBF) into Thailand's Fifth National Biodiversity Strategies and Action Plan (NBSAP). This inclusive approach calls on all sectors to contribute to halting biodiversity loss. Most recently, Thailand and France solidified their commitment through a Letter of Intent establishing a bilateral dialogue on environment, biodiversity, and species protection.

Recognizing the critical threat biodiversity loss poses to the environment, economic stability, and human well-being, the Agence Française de Développement (AFD) Group launched the Finance for Biodiversity (Fin4Bio) initiative in Thailand in 2023. Fin4Bio tackles the challenge by building a comprehensive stakeholder coalition. This coalition bridges the gap between finance and biodiversity conservation, supporting the transition towards a nature-positive economy as envisioned by Thailand's BCG Model (Bio-Circular-Green Economy).

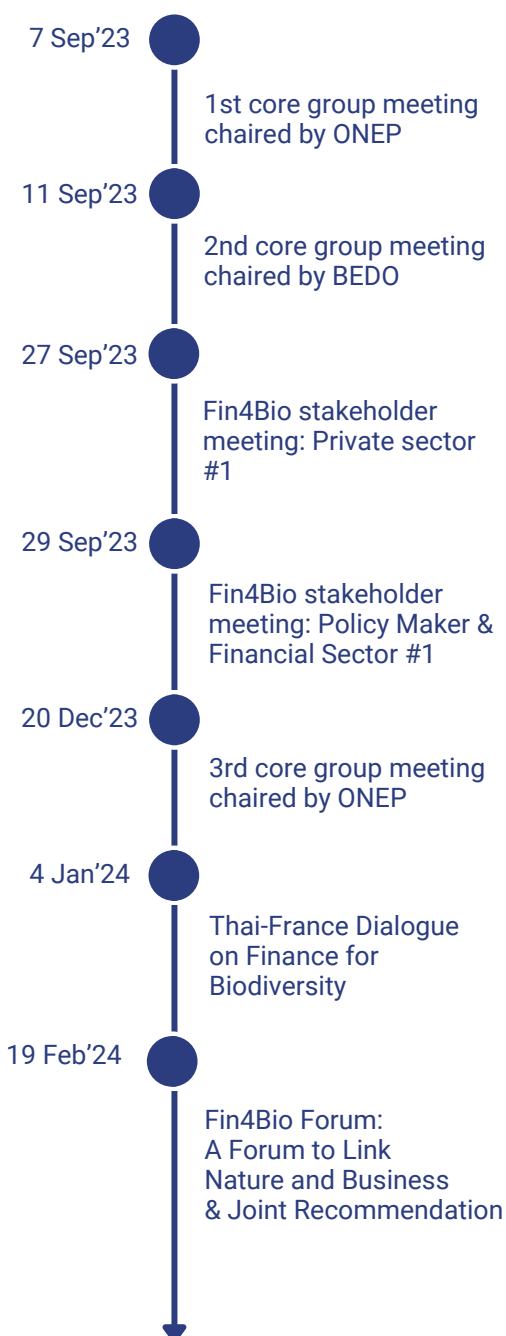
Fin4Bio addresses the challenge through a series of thematic focuses:

- **Biodiversity Context:** Deep dive into the region's biodiversity issues, key stakeholders, and available financing mechanisms.
- **Policy Landscape:** Explore the implications of COP 15 on the financial sector, including emerging ESG frameworks and the role of the Task Force on Nature-related Financial Disclosures (TNFD).
- **Financial Instruments:** Investigate various financial tools and mechanisms that can empower the financial sector to play a pivotal role in biodiversity financing.
- **Innovative Approaches:** Highlight pioneering strategies, both local and regional, that are paving the way for a more sustainable future.

Since May 2023, the Fin4Bio initiative has engaged in a public policy dialogue mobilizing key actors in policy, finance, and private sector in Thailand through dynamic consultations, information and experience sharing, and identifications of best practices and lessons learned to mitigate risks and enhance opportunities. Three coregroup and two stakeholders meetings gathered more than 50 public and private organisations including banking sector actors who contributed to the identification of 6 concrete transformative recommendations and the gathering of more than 150 people for the Fin4Bio Forum, held in Bangkok on the 19 February 2024. The Forum welcomed the announcement of a joint recommendation supported by more than 33 partners acting on regulation, finance, private sector and civil society to pave the way towards biodiversity mainstreaming and nature positive economy.

FIN4BIO KEY CHARACTERISTICS

FIN4BIO fosters a unique approach to bridge finance and biodiversity for a sustainable future:



Dynamic Collaboration:

Through a series of consultations, both bilateral and involving core stakeholder groups.



High-Level Policy Dialogues on Biodiversity:

i.e. Thai-France Dialogue on Finance for Biodiversity hosted by the French Embassy and AFD; brings together senator, Think Tank, government officials, business leaders, financial sector representatives, and the UN. This demonstrates a united commitment from key decision-makers across all sectors.



Public-Private Partnerships:

Fin4Bio facilitates comprehensive discussions by partnering with both governments (e.g., ONEP) and private sector entities (e.g., UNGCNT members).



Inspiring Business Examples:

Fin4Bio goes beyond CSR, showcasing inspiring examples that identify tangible business opportunities linked to biodiversity in sectors like agriculture and tourism.



Actionable Outcomes:

These collaborations and inspiring examples lead to the development of actionable Fin4Bio Joint recommendations that promote a nature-positive economy.



Mainstreaming Biodiversity and Climate Considerations:

Fin4Bio works to integrate both biodiversity and climate change considerations into financial decision-making, recognizing the interconnectedness of these issues.



FIN4BIO

JOINT RECOMMENDATION

Towards the 2030 Mission to reduce biodiversity losses and promote sustainable use of biodiversity in financial and business sectors

Conservation and restoration of land, river, coastal, and ocean ecosystems can support the achievement of climate change mitigation and adaptation targets. In the past 10 years, the world's oceans, plants, animals, and soils have absorbed 54% of man-made greenhouse gas. Over half of the world's GDP is dependent on nature and businesses are at risk when disasters or biodiversity loss occur. Financial and business sectors play a vital role in transitioning the economic system towards a Nature Positive Economy

We support the following recommendations on financing biodiversity:

BIODIVERSITY TAXONOMY

Welcome the development of a Thai Biodiversity Taxonomy as a reference tool for nature-friendly activities in alignment with biodiversity mainstreaming



ASSESSMENT & DISCLOSURE

Promote assessment and disclosure of business risks, dependencies and impacts on biodiversity to be used as a reporting framework for businesses to gain a better understanding of nature-related dependencies and impacts of their operations



INCENTIVES

Support the introduction of incentives and financial mechanisms that can contribute to increasing positive impacts on biodiversity



Data & Knowledge

Ensure that the biodiversity-related data, information, knowledge and capacity-building are available and accessible to all stakeholders to support their actions towards a Nature Positive Economy



ACTIONS

Promote actions to reduce biodiversity losses, support ecosystem restoration, and promote sustainable management of biodiversity



COLLABORATION

Collaborate with businesses and financial institutions to raise awareness about the importance of biodiversity to promote sustainable use of biodiversity as well as the context and commitment of the Kunming-Montreal Global Biodiversity Framework, and to support the implementation of Thailand's actions towards COP-16 and the 2030 Mission



JOINT RECOMMENDATION IS SUPPORTED BY

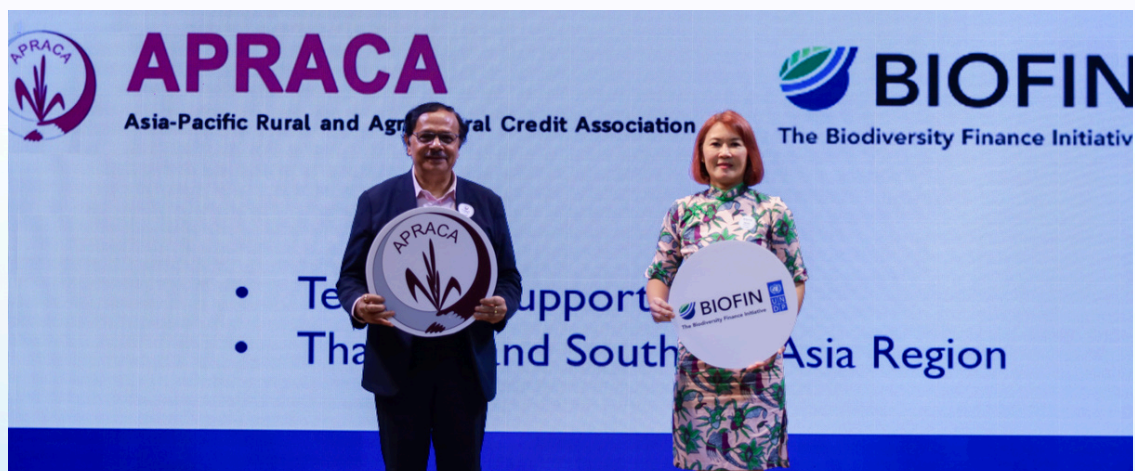
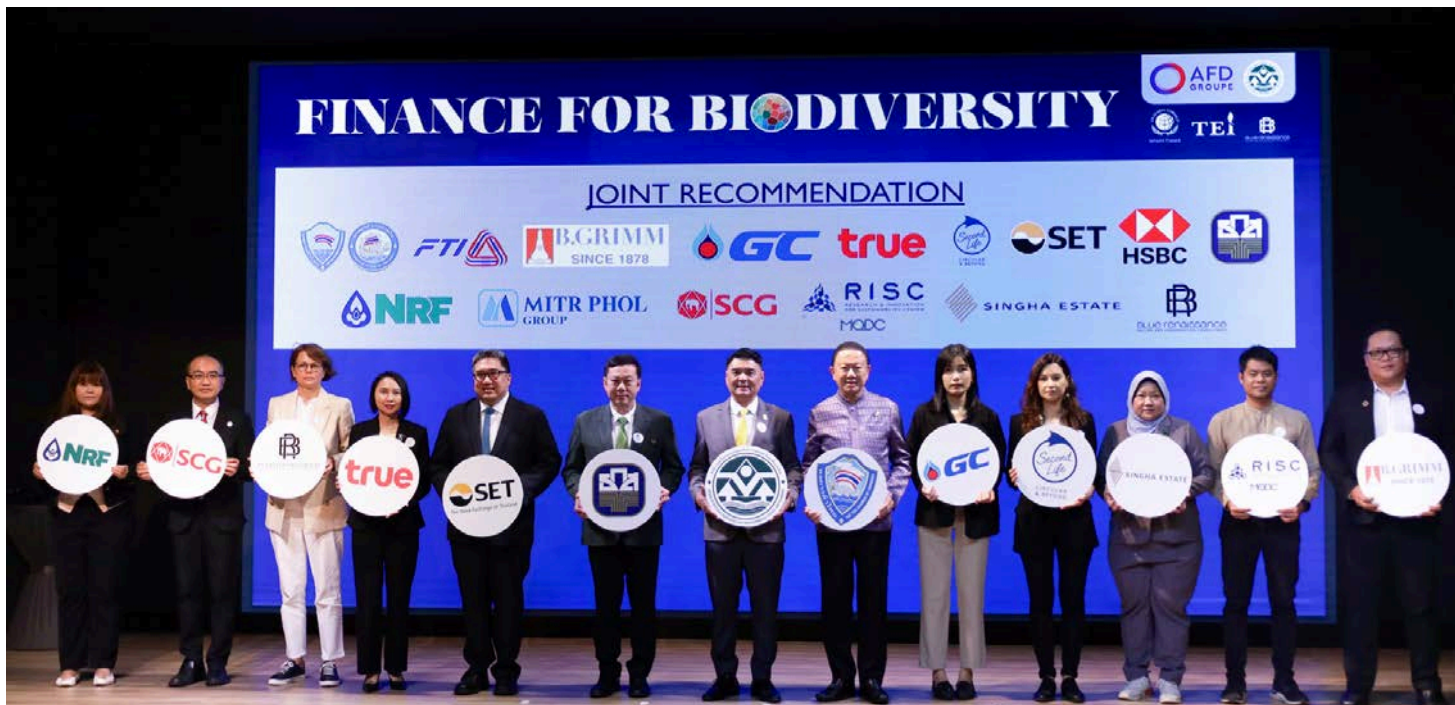


Biodiversity-Based Economy Development Office (Public Organization) (BEDO) | Board of Investment (BOI) | Department of Climate Change and Environment (DCCE) | Department of Marine and Coastal Resources (DMCR) | Office of the National Economic and Social Development Council (NESDC) | Office of Natural Resources and Environmental Policy and Planning (ONEP) | Securities and Exchange Commission (SEC) | Thailand International Cooperation Agency (TICA) | Asian Ecotourism Network (AEN) Thailand | Bird Conservation Society of Thailand (BCST) | Change Fusion Institute | Green World Foundation (GWF) | Federation of Thai Industry (FTI) | Raks Thai Foundation | TerraCycle Thai Foundation (TCTF) | Thailand Environment Institute (TEI) | The Thai Chamber of Commerce and Board of Trade of Thailand (TCC) | Bank for Agriculture and Agricultural Cooperatives (BAAC) | Stock Exchange Market (SET) | HSBC Thailand | B.Grimm Power Public Company Limited | Blue Renaissance | Charoen Pokphand Group (C.P. Group) | Mitr Phol Sugar Corporation | NR Instant Produce Food Company (NRF) | Research and Innovation for Sustainability Center (RISC) by MQDC | PTT Global Chemical Public Company Limited (GC) | True Corporation Public Company Limited | Second Life | Siam Cement Group (SCG) | Singha Estate

JOINT RECOMMENDATION FOR TECHNICAL SUPPORT



Asia-Pacific Rural and Agricultural Credit Association (APRACA)
United Nations Development Programme (UNDP) Thailand, including the UNDP BIOFIN Programme



Joint recommendations were supported by 33 partners during the Fin4Bio Forum on 19 February 2024 at ThaiBev Rama 4, Bangkok.



[Top left] Thai-France Dialogue on Finance for Biodiversity Dinner Talk
[Top right] the 3rd Fin4Bio Core Group meeting
[Middle left & right, Bottom] Fin4Bio Forum



This comprehensive strategy is firmly anchored in the Joint Recommendations formulated through extensive stakeholder consultations.

- *Mobilize the preparation of the Thailand Taxonomy*: Ensure it aligns with the 5th NBSAP and global 2030 biodiversity targets.
- *Capacity Building Programs*: Enhance understanding of the biodiversity-business-investment nexus within the private and financial sectors through targeted programs.
- *Thailand Taxonomy Phase 2 Collaboration*: Facilitate deep consultations to refine the taxonomy further.

- *Develop a Positive-Impact Activity List:* Identify business activities that demonstrably support biodiversity conservation and sustainable utilization.
- *Green Finance Products with Biodiversity Scope:* Enable financial institutions to expand green financial products encompassing these activities.

- *Transition Packages for SMEs:* Offer support tailored to agriculture, food, and tourism SMEs adapting processes without harming biodiversity.

- *Review and Expand Product/Service Standards:* Refine and expand standards for agricultural and tourism products and services, incorporating biodiversity conservation and sustainable utilization measures.
- *Effective Communication Strategy:* Enhance consumer awareness by effectively communicating information about certified products and services to responsible businesses and consumers.
- *Promoting Biodiversity-Friendly Choices:* Create incentives for consumers to choose biodiversity-responsible products and services.

07

KEY TAKEAWAYS FROM THE FIN4BIO FORUM



"Financial investment in biodiversity is the most demanded driving force for biodiversity conservation in Thailand. With the global goal and the country's needs in mind, government, businesses, and financial institutions need to join hands and work together to leverage financial resources for biodiversity management in Thailand..."

*Mr. Jiravat Ratisoonporn
Office of Natural Resources and
Environmental Policy and Planning (ONEP)*



"...greening the finance means supporting the company to manage natural capitals on which they depend, and which they could impact...by integrating the risk and impact on all financial decision..."

*Ms. Mathilde Bord-Laurans
Agence Française de Développement (AFD)*

"Businesses can help lead the transition to an equitable, nature-positive, and net-zero economy by making ambitious but achievable commitments, embedding climate change and biodiversity in their corporate DNA, conducting continuous and systemic assessments, transforming business to embrace biodiversity as a strategic element, and ensuring transparency, reporting, and monitoring..."

*Dr. Netithorn Praditsarn
UN Global Compact Network Thailand (UNGCNT)*



"TICA stands ready to enhance the role of international development cooperation in advancing global partnership, to collaborate with potential partners, youth, and organizations as well as stakeholders in public, private and academic sectors to accelerate actions and collaboration at scale; to implement joint recommendation; to create better busy in a way to address our common challenges and achieve our common goal in sustainability..."

*Mrs. Arunee Hiam
Thailand International Cooperation Agency (TICA)*





“...Biodiversity, the intricate web of life, underpins all our basic needs: from the air we breathe and the clothes we wear to the medicine we rely on and the food we eat. Without it, our very existence is in jeopardy. We have a moral obligation to future generations. By safeguarding biodiversity and integrating biodiversity conservation into the fabric of sustainable economy which requires a united front, a collaborative network encompassing all sectors...”

*Professor Dr. Sanit Aksornkaew
National Economic and Social Development Council (NESDC)*

“

How do you put a price on saving the earth

We are putting trillions of dollars to rescue our economies

Our countries

Our communities

But healthy prosperous communities also depend on a healthy planet

The food we eat

The water we drink

The air we breathe

They all depend on Nature

So how do we ensure the investments we make now

Are good for the future

We dug into the numbers

We can have great thriving economies and a thriving planet

But we need some changes

We will have to stop investing in ways that degrade the planet

Get creative with new investments

From both the public and private sectors

And we have to spend the money we have more efficiently

Putting our money to work for people and nature

We can't return to business as usual It's time to do better

It's time to be better

It's time for nature

Now

”



Special remarks by Mr. Weerasak Kowsurat
Senator & 30x30 Thailand Coalition Honorary Advisor
Delivered at the Fin4Bio Forum, 19 February 2024,
Bangkok



Scan QR to watch
Fin4Bio Forum on
19 February 2024

The Agence Française de Développement (AFD) Group

France's inclusive public development bank, the AFD Group, is a global leader in financing projects that promote sustainability and biodiversity conservation. Their focus areas include climate change, biodiversity, peace, and social development, with over 4,200 projects supported worldwide. AFD Group is committed to fostering nature positive development. Building on more than 20 years of action for biodiversity – by promoting sustainable agriculture, green cities and a sustainable blue economy – in 2019 it developed a biodiversity road map with two main targets: build the Group's financial contribution towards biodiversity to reach EUR 1 billion by 2025 and ensure that 30% of the Group's climate finance is nature positive.

AFD Group committed 736 million euros to biodiversity in 2022 in developing countries and French overseas territories, representing 6.5% of the Group's total commitments. The year was also marked by numerous partnerships and unprecedented mobilization for the protection of resources.

In 2022, the 196 members of the Convention on Biological Diversity adopted the new Kunming-Montreal Global Biodiversity Framework (GBF) at COP15 biodiversity. This ambitious agreement sets clear goals and targets to halt biodiversity loss by 2030. For AFD, this agreement is binding and confirms biodiversity as a transversal strategic marker, just like the climate.

AFD partnered with the Asian Development Bank (ADB) and launched the Nature Solutions Finance (NSF) Hub for Asia and the Pacific at COP28 in December 2023. This initiative aims to attract at least \$2 billion in investments that incorporate nature-based solutions for climate and environmental challenges.