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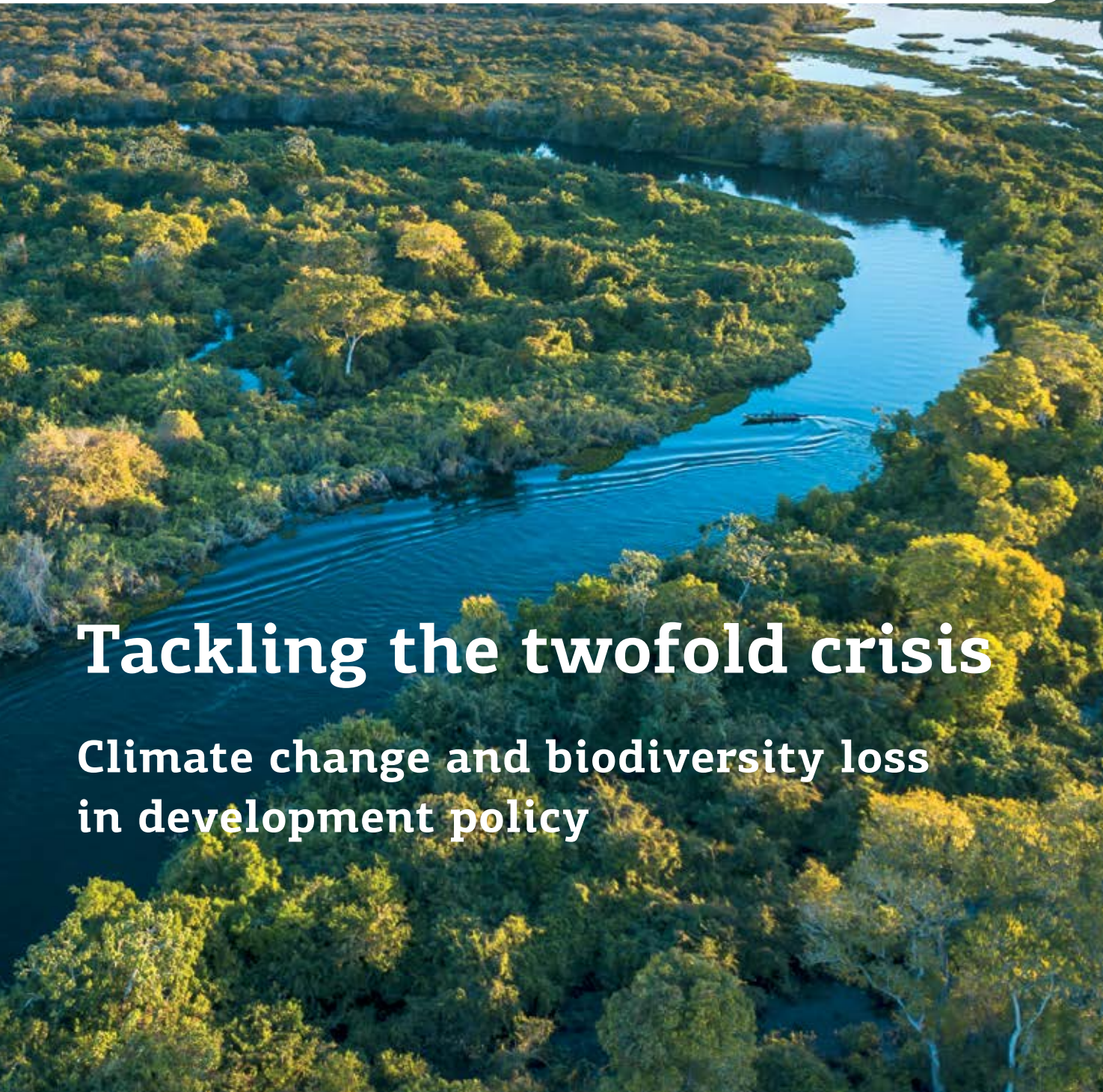
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Tackling the twofold crisis

Climate change and biodiversity loss
in development policy



Protecting nature and the climate at the same time

Climate change and biodiversity loss are mutually reinforcing. Therefore, they must be part of the solution. In practice, too little attention is paid to this connection. KfW intends to change this.

Just about thirty years have passed since the first World Summit on Sustainable Development in Rio. Back then, the global community set out to slow down global warming and stop the loss of nature. But far too little has been achieved to date.

The situation remains dramatic: If climate change mitigation measures do not accelerate significantly, we will be heading towards an average global temperature rise of up to three degrees. The Intergovernmental Panel on Climate Change has repeatedly made urgent statements about what this means: more extreme weather events, scarce water, an uncertain food situation and probable social upheavals, to name but a few. But it also means fewer species and less biodiversity, and that we will conceivably reach ecosystem tipping points. More than 50 per cent of all natural ecosystems have already been destroyed; one in every eight species is at risk of extinction. Then we will lack important pollinators such as birds or insects, for example. The planet's limits have been reached. Only resolutely setting a new course can help. The best way to do this is by jointly addressing climate and biodiversity. They reinforce each other, both positively and negatively. When forests are cleared for farming, not only are species and ecosystem services lost, but vast amounts of climate-damaging greenhouse gases are also released. After joint analysis by the Intergovernmental Panel on

Climate Change and Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, plants and oceans absorb about half of the CO₂ emitted by humans – and they do so naturally. This ability is reduced by global warming and changes in the oceans. It is therefore important to quickly cut emissions from fossil fuels while simultaneously preserving forests, oceans and natural habitats. Their outputs are important for drinking water, food and oxygen. But they also store carbon and slow down further warming.

Placing areas under protection is not enough to achieve these ends. Instead, our economies and our investments must become climate-neutral and ecologically friendly. The financial sector must contribute to the transformation and has recently learned a lot: EU regulation, banking

supervision and the capital market are increasingly taking environmental and climate-related issues into account. KfW firmly adheres to international guidelines and systematically incorporates climate risks and the protection of biodiversity into its banking business. However, still too little focus is placed on the connection between climate action and biodiversity conservation, both in policy and in practice. Thirty years after Rio, it is time to build a bridge – this is precisely what KfW Development Bank is striving towards with efforts that include promoting “nature-based solutions”, for example, through reforestation or the restoration of landscapes. This helps biodiversity while protecting the climate at the same time. ■

*Peter Hilliges and
Dr Christian Lütke Wöstmann*



Serengeti National Park in Tanzania is one of the largest conservation areas in the world.

“Our work determines the future of the planet”

Minister for Economic Cooperation and Development Svenja Schulze on the link between biodiversity and climate change mitigation.

According to your ministry, biodiversity loss is the second global crisis the world faces after climate change. Based on this, the future of humanity also critically depends on global biodiversity. Why?

Without fertile soil, air to breathe, clean drinking water and natural resources, we can't survive, and all these things are only possible with intact ecosystems. They feed us, protect us from natural disasters and protect us from the many effects of the climate crisis. At the same time, biodiversity is suffering massively from the consequences of climate change. The climate is changing too quickly – species and ecosystems don't follow suit. This is a vicious cycle – one we urgently need to break. Development for all people, climate change mitigation and the preservation of biodiversity must be carried out in harmony. This is a challenge that I have already dealt with as Federal Minister for the Environment and on which I can now continue to work in concrete terms as Minister for Development. Our work determines the future of the planet.

Every day, up to 150 animal and plant species disappear from the earth. Why is this relevant to people's lives?

Species are dying at a pace not seen in human history. The animal and plant species affected are irrevocably



Svenja Schulze, Federal Minister for Economic Cooperation and Development.

lost. However, each species has an important function in an ecosystem, and with each species lost, the likelihood of the system collapsing increases. The consequences are dramatic. We are already seeing the harbingers: the hunger crisis, conflicts over scarce water, increasing heat.

The effects are putting a strain on all of us, but particularly on poor countries and vulnerable population groups – especially indigenous peoples and local communities. Their natural livelihoods are being lost and conflicts over resources are increasing. This is particularly unfair, as vulnerable population groups have contributed least to the causes of biodiversity loss.

Today, international attention is primarily focused on the war in Ukraine and the coronavirus crisis. How can more willingness to act and awareness of problems for climate change mitigation and the preservation of biodiversity be re-established worldwide?

I see it differently: Climate change mitigation receives a good deal of attention – in this Federal Government, but also in the population. Everyone is experiencing it. Climate change does not take a break, even in times of war. We just experienced a summer in Europe hotter than ever before. We are working decisively towards a liveable future for our and future generations. Climate change



Federal Minister Svenja Schulze with representatives from the indigenous community in Madidi National Park in Bolivia.

mitigation and biodiversity conservation were top issues at the G7 meeting at Elmau Castle. At all levels, we are currently working on a successful global climate change conference in Sharm El Sheikh in November and a new global framework for biodiversity conservation, which will be decided at the UN nature summit in Montreal in December.

There are always conflicts between conservation and the fight against climate change, for example in the energy transition when building wind turbines. How can the two be combined in partner countries?

Of course, there are conflicting objectives. The partner countries deal with the same issues we do in that respect. A good balance between protection and sustainable use is necessary. The solutions are also similar, for example, checking environmental compatibility,

determining environmentally friendly locations. And another vitally important factor is that these processes must involve all relevant stakeholders, especially those who are most impacted but have contributed the least: the indigenous and local populations in our partner countries. That is a question of justice. Sustainable agriculture is another important factor. And with nature-based solutions, forests, oceans and mangroves can be preserved as natural carbon sinks while simultaneously enhancing human and nature's ability to adjust to a changing climate. Naturally, conservation areas are also extremely important for the preservation of ecosystems. For example, with the Legacy Landscapes Fund, a global natural heritage fund, we recently established an important instrument to enable selected outstanding conservation areas to receive long-term "permanent financing" and planning security that is unaffected by crises.

At the moment, global warming is continuing to progress and we continue to lose biodiversity. How optimistic are you that it is possible to successfully reverse this trend?

We have already been able to achieve a lot over the past several years. The global deforestation rate fell by a third between 2010 and 2020 in comparison with the previous decade. Protected areas already account for over 16% of land area and 8% of the oceans. Without these and other measures, two to four times as many birds, amphibians, insects and mammals would probably have died out. Our efforts are having an impact on a small scale, and we need to build on that. We still have a chance to preserve biodiversity and protect the planet from reaching the tipping point. Biodiversity and climate change mitigation are not a luxury, they are essential for survival – for us and for all generations to come. ■
Interview conducted by Michael Ruffert

Forests are the world's green lungs

KfW is supporting the preservation of threatened areas in Laos and Vietnam that make a major contribution to climate change mitigation.

It is a huge area with lots of trees, shrubs and evergreen jungle. The Xe Sap National Park in Laos borders directly on central Vietnam. The vast forest areas are enormous carbon stores and habitats for many rare and endangered species. They fulfil an important function as greenhouse gas sinks and naturally guarantee climate change mitigation. But the diversity of nature and biodiversity is under threat – by slash-and-burn farming, illegal timber trade, prohibited hunting of rare animals and poaching.

On behalf of the German Federal Government's climate change initiative, KfW Development Bank is supporting a programme to preserve the Laotian national park, three other conservation areas in Vietnam and two forest corridors in order to preserve biodiversity and make a major contribution to combating climate change. Protected area management has various aspects here. "Local residents receive support so that they can sustainably manage their village forests. We also train rangers to carry out periodic inspections," said Adrian Klocke, Portfolio Manager. The young men live in camps, sleep on thin mattresses in sleeping bags on the ground and spot illegal poachers' camps during their patrols and discover animal traps. In the past year, the rangers destroyed an average of more than 35 animal traps per day during their inspection rounds on the Vietnamese and Laotian sides. Rangers also install camera traps that are triggered when animals pass close by. This allows



A village in the Xe Sap National Park in Laos.

conclusions to be drawn about the biodiversity in the park. But climate and nature conservation can only succeed when the people are involved. Alternatives are therefore being developed for residents to generate income – so that they no longer enter the protected areas as they have in the past to collect fruit, harvest wood illegally or to poach. KfW supports voluntary initiatives and youth groups that promote conservation in the villages with music, theatre and dance performances.

The region has the typical Asian villages. Huts are built on stilts, children in shorts and T-shirts walk barefoot across the naked earth. Some women carry babies in their arms, laundry hangs in windows to dry. The villagers tell us that, in the past, they didn't even know where

the protected area started – but they now pay attention to the border and earn a healthy income by growing bananas or rice, and breeding chickens or fish that they sell at the market.

At the same time, the fight against poaching due to the coronavirus pandemic has become increasingly important. Previously, wildlife in Vietnam and Laos was frequently chased, consumed and traded indiscriminately throughout those countries. As a result, there was a great risk that dangerous pathogens carried by the animals could be spread to markets or restaurants. The project's activities have helped many wildlife traders to cease their operations. Violations of wildlife trafficking laws in restaurants, shops for traditional medicine and markets have sharply declined. ■ *Michael Ruffert*

Planting diverse crops, securing livelihoods

In Central America, indigenous peoples and smallholders receive support if they farm in a traditional and sustainable way. This benefits biodiversity and helps against external shocks.

Many indigenous and smallholder communities in Central America feel that their livelihoods are threatened by predatory competition from industrial agriculture. Increasingly, priority must be placed on cultivating a few highly productive crops in place of their traditional varieties.

Other communities, on the other hand, live in such remote regions that they have no access to markets or financial capital. In order to support the rural population while simultaneously counteracting species loss, KfW has launched a regional programme on behalf of the German Federal Government with the aim of promoting agrobiodiversity in and through indigenous smallholder communities. Example in Tacuba, El Salvador: The community is located on the edge of El Imposible National Park, the country's largest and species-rich national park. Around 400 tree species, almost 300 different bird species, numerous mammals and hundreds of species of butterflies are found there. The population is largely indigenous and thrives on agriculture. Smallholder families receive support from the regional "Agrobiodiversity in Central America" programme so that they can maintain their traditional production methods. "It's about improving the nutritional situation while simultaneously preserving the diversity of their natural environment," said Susanne Berghaus, Portfolio Manager. This preserves the



The indigenous population's traditional farming safeguards the diversity of the ecosystem.

gene pool, which is crucial for adapting to changing climatic conditions. This approach also increases balance within the ecosystem – which in turn contributes to climate change mitigation, as plants, forests and soil generate carbon sinks.

A total of 25,000 people in Belize, Costa Rica, El Salvador, Guatemala, Honduras and Panama benefit from the programme, which has three main objectives: to improve productivity on traditional farms, to further process and market their products and to disseminate knowledge about plants and traditional farming practices.

The Costa Rica-based non-governmental organisation ACICAFOC (Asociación Coordinadora Indígena y Campesina de Agroforestería Comuni-

taria Centroamericana) is implementing the programme for KfW. There is a lively exchange with the indigenous smallholders; the support ideas usually come from the local groups themselves.

A lot has happened in the community of Tacuba since the promotional activities began. Gardens for medicinal plants have been created as well as croplands for cassava, coffee and cocoa, and fruit trees with varieties such as papaya, loquat, avocado, guanábana or pigeon peas. Local vegetables such as Creole cucumber or spinach also grow there. The fact that everything blooms and sprouts is also due to a good dozen reservoirs for rain water, which were built with the help of the programme. The special thing about it is that farming activities take place within an agroforestry system; in other words, they are combined with trees or shrubs – this is important for climate change mitigation.

Almost 70 small-scale projects and communities are now part of the programme. The measures look a little different everywhere, but they have the same goal: to secure the livelihoods of the predominantly poor population by using traditional and sustainable farming practices. "This is good for people and for the environment – which means that people will ultimately benefit from it twice," said Susanne Berghaus, describing the success of the programme. ■ *Friederike Bauer*

Saving paradise

Madagascar's unique marine diversity and mangrove forests are at risk. This is why KfW has made a long-term commitment to sustainable fishing and coastal protection on the island.

The key success factor is to get the local population on board and generate income opportunities for them. The KfW programme is currently running in several areas, with around 28,000 fishermen benefiting directly and around 50,000 people benefiting indirectly. KfW has already provided EUR 17 million on behalf of the German government for the sustainable use of coastal zones. A further EUR 10 million has now been secured for measures in mangrove areas.

"We would like to help people solve their own problems, especially the issues they caused themselves," said Martin Bostroem, Technical Expert for Agriculture and Natural Resource

Management for Sub-Saharan Africa at KfW. And the environmental problems are huge. Coastal dwellers are poor and have been overfishing their waters for years. They are constantly clearing the mangrove forests – important ecosystems that function as coastal protection – primarily to make charcoal. The population is aware that overfishing is depriving themselves of their own livelihoods. However, due to poverty and a lack of organisational knowledge, they are unable to escape this vicious cycle. KfW's approach is to help local non-governmental organisations (NGOs) that work with the local population. These

include WWF and Blue Ventures, which support Locally Managed Marine Areas (LMMAs).

The NGOs help village communities to set up rules on the establishment of protection zones and protection periods, as well as monitoring their compliance with them. This allows fish and marine stocks to recover.

"The great thing is that fish and even octopus grow within a few months and fishermen see rapid success. This naturally increases acceptance," said Bostroem.

The NGO representatives also provide fishermen with improved equipment when needed, such as adapted fishing nets. Some use mosquito nets to fish and remove all living things from the water. Better boats are also provided so that fishermen do not have to fish so close to vulnerable corals. The programme also includes the development of new sources of income such as aquaculture. Algae or crayfish farming can be a sustainable alternative to fishing.

The KfW expert considers the programme's success to be good, but success cannot be taken for granted. The implementation of the agreements is problematic, for example, in places where internally displaced persons from the drought-ridden south of Madagascar have settled. These people are not integrated into traditional communities and are difficult to reach. KfW and its partners must also negotiate the implementation of a controlled use of mangroves, as there are still political hurdles. ■

Sabine Balk

Fisherman in the Soariake protected area in Madagascar.



Exemplary wildlife conservation

She is a passionate environmentalist and campaigner for biodiversity: Bolivian conservationist Lilian Painter.

She doesn't like to hear that she is a role model. Lilian Painter is too modest for that. She prefers to point out that effective teamwork and robust alliances are necessary for successful nature conservation, more important at least than her position as head of the Wildlife Conservation Society (WCS) in Bolivia. Yet the 54-year-old Bolivian has a lot to show. Since returning to her home country – after studying Behavioural Biology in Liverpool – Painter has been committed to the conservation of biodiversity. Not only did she bring a PhD with her from the UK, but also her husband Rob Wallace, who studied Biology with her. Together they wanted to dedicate themselves to nature conservation. To this end, they both joined WCS in La Paz directly after their academic training. Since then, Painter has rendered outstanding services to the conservation of the Madidi protected area, which stretches from the heights of the Andes down to the lowlands of the Amazon. Her very first assignment took place in this area – at that time it was about the spectacled



Lilian Painter.

bear population. The focus of her work in this area has often changed, but her approach has remained the same ever since: conservation with people, not against them. In partnership with the indigenous people, WCS succeeded in immersing Madidi protected area, which covers 19,000 square kilometres, within a broader connected landscape of more than 50,000 square kilometres consisting of neighbouring protected areas and indigenous lands. This makes the area one of the world's largest contiguous wilderness areas with a biodiversity that is second to none.

One of Painter's most notable achievements was the submission of the Madidi protected area to the Legacy Landscape Fund, which KfW finances together with other private and public donors on behalf of the German government to safeguard biodiversity worldwide. Together with four other parks spread across the globe, Madidi was selected as a pilot area. This means that Painter's goals and the management of the park will benefit from long-term support. "I see myself as a mediator who builds bridges between different interest groups," Painter emphasises in order to highlight the teamwork that is important to her, playing down her role model function. But the many volunteers, working students and employees of WCS who work with Lilian Painter on nature conservation paint their own picture. Even their son Tommy was obviously impressed by his parents' work: he plans to take on environmental studies to later join the fight against loss of land and species. More role model is not really possible. ■

Dr. Christian Chua

KfW



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