Third World Network Briefing Note for COP 17 (October 2026)

How the impacts of debt on biodiversity can be taken up in COP17 decisions

Overview: Sovereign debt represents an important underlying driver of biodiversity destruction and a key barrier to effective implementation of the Convention on Biological Diversity (CBD). Executive Secretary Astrid Schomaker recently warned that "[p]oliticians will have to work to prevent debt burdens from pushing countries towards biodiversity-destructive sectors." This objective is reflected in the draft decision on resource mobilization for COP17, which invites Parties and Governments "**to explore alternative debt management pathways that do not result in financial flows harmful to biodiversity**."

Debt service pressures—which have unequal impacts due to structural imbalances in the international financial system—push many countries into biodiversity-harming sectors to earn export revenue and maintain financial stability, constraining economic transformation. These constraints are most severe in developing countries, two thirds of which are commodity dependent, and therefore rely heavily on resource-intensive exports in order to earn foreign exchange and repay debts. **Acknowledging and addressing these unequal structural constraints in the Resource Mobilization and Global Review decisions would be essential to inform appropriate policy responses.**

Background: In 2024, CBD Parties asked the Secretariat of the Convention to commission a study on the relationship between debt sustainability and the implementation of the Convention.

- That study found **that debt and fiscal consolidation limit finance for biodiversity**, hindering implementation of the Convention. This means that debt, tax, and other issues of fiscal space will need to remain high on the resource mobilization agenda.
- The study also found that **the impact of debt-related innovative financial mechanisms in relieving these pressures is limited.** It found that debt-for-nature swaps have a modest impact on relieving debt stocks and service burdens, while market-rate instruments such as sustainability-linked or green bonds are not available to all countries.
- The study also recognized that **high debt, high interest rates, and demand for foreign exchange can generate pressures, especially in resource-dependent economies, to expand biodiversity-destroying sectors**, though this point is buried in the report rather than central to the analysis.

In this regard, the decision on resource mobilization should:

- **Keep the invitation to explore alternative debt-management pathways that do not rely on biodiversity-harming resource extraction.** It is critical to examine and advance options that enable countries to manage debt without resorting to extractive, export-oriented activities that undermine biodiversity. This point could go further to name international institutions that must act to prevent these outcomes: the IMF, World Bank, other regional development banks and debt restructuring processes. The absence of biodiversity safeguards in these mechanisms is a policy gap requiring urgent attention.
- **Call for continued engagement with structural economic conditions that shape harmful flows of finance, and therefore biodiversity outcomes.** Parties should emphasize that addressing these underlying drivers is central to achieving the effective implementation of the Convention. This engagement could include identifying policy obstacles to greater diversification of production, ambitious environmental policy, and equitable trade rules.
- **Call for coordination across UN conventions and international processes.** Parties should emphasize the importance of coherent and coordinated engagement across UN Conventions, including the UN Framework Convention on International Tax Cooperation that is currently being negotiated, to ensure

that the aims of the Rio Conventions are fully integrated. There is a risk that these reforms to international financial rules will proceed without consideration of biodiversity targets.

The global review decision, in the current paragraph 16 of the section on 'Accelerating action and implementation', should also name the international financial architecture and sovereign debt burdens as underlying drivers of biodiversity loss that must be transformed.