The Bottom Line: Why tackling environmental degradation is critical to the future of the global financial system

Leadership Dialogue 3
Friday, 12 December, 11:30 a.m. to 1 p.m.

A. Introduction

The seventh session of the United Nations Environment Assembly (UNEA-7), to be held from 8 to 12 December 2025, will feature three leadership dialogues on the UNEA-7 theme of "Advancing sustainable solutions for a resilient planet". The three leadership dialogues are:

- Leadership Dialogue 1: An Ounce of Prevention Beats a Tonne of Cure: Why addressing environmental crises is essential for human health; Thursday, 11 December 2025, from 3 p.m. to 4.30 p.m. EAT
- Leadership Dialogue 2: Round and Round: Why circularity and sustainability are critical to the future of global industry; Friday, 12 December 2025 from 10:00 a.m. to 11:30 a.m. EAT.
- Leadership Dialogue 3: The Bottom Line: Why tackling environmental degradation is critical to the future of the global financial system; Friday, 12 December 2025, from 11.30 a.m. to 1 p.m. EAT

This concept note is intended to assist Member States, observers, major groups and other stakeholders in their preparations for Leadership Dialogue 3 focusing on actions to advance resilience in the context of finance.

Climate change, nature loss and pollution are breeding economic volatility, adding to fiscal constraints and increasing inequalities, presenting a growing risk to economies and societies. As a result, governments need to prioritize resilience for the stability of their economies and financial systems.

The dialogue will showcase how countering climate change and protecting the environment are crucial to the stability of the financial system. The session will include a deep dive into how private finance can help foster the transition to more sustainable economies, and address climate change, biodiversity loss, land degradation, and pollution and waste.

Private finance has a key role in contributing to the transition of high-impact sectors towards sustainable economies. Mobilizing private finance at scale to transition high-impact sectors can create jobs and grow incomes while having environmental benefits. What's more, financial institutions adopting UN frameworks to embed sustainability into financial practice may be more financially resilient.

This dialogue will highlight policy and regulatory frameworks to align public and private finance with development goals. Governments can deploy strategic policy frameworks, using tools such as fiscal innovation and science-based taxonomies, to optimize public and private finance to create resilient financial and economic systems that safeguard human well-being and the environment. A whole-of-government approach can transform economies. Private finance can become an engine of sustainable development if sustainable finance policy and prudential regulations are combined with broader economic policies aligned with sustainability objectives.

B. Scope and Interlinkages

This leadership discussion will focus on how governments can provide conditions to finance sustainable economic growth that supports resilience. The dialogue will be guided by evidence from several UNEP reports. It will explore policy and regulatory frameworks, good practices and innovation to unlock private finance and align economies with sustainable development. It will build on the UNEA-7 associated event, Prosperity through Resilience: Advancing Sustainable Solutions for a Resilient Planet through Public and Private Finance. It will share practical lessons and scalable solutions that have benefited countries. The session will look at how private financial institutions are increasingly turning to United Nations-led frameworks to make their businesses more sustainable and more profitable. And it will feature a discussion on how governments can promote fiscal innovation while leveraging artificial intelligence, science-based taxonomies and other policy tools to build more resilient, sustainable financial systems.

It will look at how policy and regulatory frameworks are enabling financial institutions to support transitions of high-impact industries, covered in Leadership Dialogue 2. Managing impacts on the climate, nature and pollution can enhance resilience in human health, as highlighted in Leadership Dialogue 1.

C. Guiding questions

Participants will be invited to address the following questions to foster a focused dialogue:

1. How can policymakers and regulators support a whole-of-government approach to create the conditions to catalyze sustainable finance to transition high-impact sectors and promote economic, social and environmental resilience?
2. What are some effective, system-wide approaches that governments are taking to steer private finance toward pathways that enhance the stability of economic and financial systems, while also addressing climate change, biodiversity loss, land degradation, pollution and waste?
3. What role can UNEP play to facilitate coherence across policy and regulatory frameworks, as well as standards, across jurisdictions, and what actions can private financiers take to scale up investments in economic activities that contribute to social and environmental security?

D. Expected Outcomes and Call for Action

The dialogue will help identify the enabling conditions for responsible business and finance to drive inclusive and resilient growth. It will highlight economic and sustainable finance policies, governance, practices and innovation to transition high-impact sectors to sustainable models. As well, it will showcase opportunities for member states to deploy finance and economic frameworks to unlock private business and finance for resilient development, and for the United Nations Environment Programme (UNEP) to support coherent policy making and impact management. Participants will be encouraged to share initiatives to unlock sustainable finance, including for nature-based solutions and adaptation and resilience.

Contact Details

For inquiries and additional information, please email Sheila Aggarwal-Khan (sheila.aggarwal-khan@un.org), Eric Usher (eric.usher@un.org), and Liesel van Ast (liesel.vanast@un.org), Industry and Economy Division, United Nations Environment Programme.