Financing circularity for nature: Delivering the Global Biodiversity Framework

For more information

Evgeniya Tasheva
Cities Campaign Leader
CEE Bankwatch Network
evgeniya.tasheva@bankwatch.org



Modern sanitary landfill taking waste from regions without separate biowaste collection, July 2026 (photo: Dimitar Dimitrovski, CEE Bankwatch Network)

Biodiversity finance cannot keep pace with the loss of nature while public money rewards extraction and waste. The UN Biodiversity Conference (COP17) should set deadlines for shifting harmful subsidies away from costly treatment of residual waste towards circular solutions that avoid pollution and regenerate nature.

Redirect financial flows

The extraction and processing of natural resources cause more than 90% of land-use-related biodiversity loss worldwide. [1] Yet circular solutions remain underfunded, while at least USD 2.6 trillion a year still goes on subsidies that harm

[1] International Resource Panel, Global Resources Outlook 2024: Bend the Trend – Pathways to a liveable planet as resource use spikes, x, 1 March 2024.

the environment.[2] COP17 must accelerate implementation of Target 18 of the Kunming-Montreal Global Biodiversity Framework, under which governments agreed to cut incentives harmful to biodiversity by at least USD 500 billion a year by 2030.[3] The funds freed up should go to waste prevention, reuse, repair, source separation, clean biowaste treatment and inclusive resource management.

Bankwatch evidence from the ground

Inclusive governance in Berat, Albania: The city's source-separation pilot, the first comprehensive scheme of its kind in Albania, succeeded thanks to municipal ownership, business participation, tailored collection systems for different zones, public communication and the integration of waste pickers.[4] Lasting reform should be adaptive and inclusive, built together with communities, rather than imposed through inflexible, stand-alone technological fixes.

Building capacity along with infrastructure in North Macedonia: Regional waste reform can replace dumpsites with EU-aligned sanitary landfills, but lasting results need more than new facilities. They depend on operational capacity, full cost recovery through fair tariffs and producer fees, institutional coordination, reliable data, separate biowaste collection and safeguards for informal waste workers.[5]

Planning regionally, acting locally in Lviv, Ukraine: The Lviv case study shows that, even in times of deep crisis, composting source-separated biowaste delivers clear climate and environmental benefits.[6] For the model to last, grow and be replicated elsewhere, inter-municipal cooperation and a supportive national legal framework are essential.

Redirecting EU funds in central and eastern Europe: The next EU budget should prioritise prevention, reuse, source-separated collection, local composting and quality recycling, exclude incineration and limit landfill support to genuinely residual waste.[7] Public money must move waste policy up the waste hierarchy.

Incineration risks in the Western Balkans: Using incineration to tackle waste and energy challenges at once risks undermining both goals. Governments should instead decarbonise heating with renewable energy and build circular waste systems that prioritise source separation, recycling and clean biowaste treatment.[8]

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[2] Doug Koplow, Ronald Steenblik, Protecting Nature by Reforming Environmentally Harmful Subsidies: An Update, Earth Track, 5, 17 September 2024.

[3] Conference of the Parties to the Convention on Biological Diversity, Decision adopted by the Conference of the Parties to the Convention on Biological Diversity 15/4. Kunming-Montreal Global Biodiversity Framework, 12, 19 December 2022.

[4] Ermelinda Mahmutaj, Fidanka Bacheva-McGrath, Inclusive waste governance in practice: Report from a fact-finding mission in Berat, Albania, CEE Bankwatch Network, 15–16, 18 March 2026.

[5] Evgeniya Tasheva, North Macedonia's waste reform: Two steps forward, one step back, CEE Bankwatch Network, 3, 14–15, 27 May 2026.

[6] Yanina Basysta, Advancing sustainable municipal waste management in Ukraine: Lviv agglomeration case study, Kharkiv Zero Waste, CEE Bankwatch Network, 27–28, 56–57, October 2026.

[7] Evgeniya Tasheva, From cost to value: How EU funds can boost biowaste circularity in central and eastern Europe from 2027, CEE Bankwatch Network, 4, 16–17, 11 November 2025.

[8] Nataša Kovačević, Waste incineration trends in the Western Balkans: A critical overview of energy and heat generation, CEE Bankwatch Network, 4–7, 21 April 2026.



Former waste pickers, now formally employed, sorting source-separated dry recyclables, July 2026 (photo: Dimitar Dimitrovski, CEE Bankwatch Network)

Ten essentials for circular finance

1. Prevent financial lock-in: Avoid guaranteed tonnage, put-or-pay obligations or infrastructure that depends on a continued supply of mixed waste. Incinerators need a steady supply of waste, which undermines prevention, source separation, recycling and composting, and burning destroys recoverable materials and produces hazardous ash.

2. Separate resources instead of reducing them to fuel: Finance source separation and material recovery, not mixed-waste treatment that produces refuse-derived fuel for burning.

3. Keep biowaste clean and return nutrients to soils: Finance food waste prevention, separate collection, quality composting and anaerobic digestion, not treatment of contaminated mixed waste. Biowaste is the largest fraction of municipal waste [9] and, when landfilled, a major source of methane. [10] Treating it separately protects ecosystems, rebuilds soils and keeps nutrients circulating.

4. Make polluters cover the full cost: Well-functioning extended producer responsibility schemes must fully fund clean-up, collection, sorting and high-quality recycling, as well as prevention, reuse and repair.

5. Guarantee access for all: Collection under these schemes must reach rural communities and small towns, not only profitable urban markets.

[9] Silpa Kaza, Lisa Yao, Perinaz Bhada-Tata et al., What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050, World Bank, 29, 20 September 2018.

[10] Climate and Clean Air Coalition, United Nations Environment Programme, Global Methane Assessment: Benefits and Costs of Mitigating Methane Emissions, 9, 6 May 2021.

6. Make waste tariffs fair and effective: Household charges must be affordable and linked to the amount of residual waste. Separate collection of recyclables and biowaste must be convenient, available to everyone, and free or much cheaper than collection of mixed waste.

7. Respect and support waste pickers: Modernisation must recognise waste pickers as workers who already separate waste, restore their livelihoods and support safe, fairly paid work, such as through cooperatives, municipal contracts or formal service roles.

8. Measure what is truly circular: Track residual municipal waste (the amount landfilled or incinerated) per person per year, and measure contamination rates in every separately collected stream.

9. Fund systems, not only assets: Bins and plants alone do not deliver circularity. Invest in stronger governance, municipal capacity, transparent and reliable data, and effective communication.

10. Align finance with circularity and biodiversity: Shift funds from harmful subsidies to nature-positive investments. As a minimum benchmark, apply the EU Taxonomy's circular economy criteria and its 'do no significant harm' principle, under which activities that significantly increase waste incineration count as harmful.[11] Incinerators and plants that produce refuse-derived fuel from mixed waste should not qualify as green, circular or biodiversity-aligned finance.

Key message for COP17

Measure progress not by how much waste is managed but by how much extraction, pollution and waste are avoided. Redirect funds from harmful incentives towards systems that generate less waste, preserve material value, regenerate soils and improve livelihoods. Treat investments in the circular economy as investments in biodiversity, human and ecosystem health, climate resilience and green jobs.

[11] European Parliament, Council of the European Union, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, Article 17, 18 June 2020.