Briefing

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New biodiversity framework can learn from climate change experience

Policy pointers

In this 'super year' of major international decision points, including negotiation of the new post-2020 Global Biodiversity Framework (GBF), the global community must take the chance to set a bold course for action on climate and nature.

Leaders from public and private sectors should call for cohesive action across the linked crises of biodiversity loss, climate change, rising inequality and the COVID-19 pandemic.

Action to address biodiversity loss has not kept pace with much stronger climate action. GBF negotiators can learn from the climate action experience, including scaling up biodiversity finance and engaging business.

Actors from across society must be included in GBF discussions to help shape decisions and take action: government, business, civil society, Indigenous Peoples, and men, women and youth from local communities.

Biodiversity loss is accelerating, while the global response lags. Failure to meet the previous 10-year targets for biodiversity conservation set under the Convention on Biological Diversity (CBD) places extra pressure on the post-2020 Global Biodiversity Framework (GBF), one of the key international frameworks being negotiated in 2021. This 'super year' of meetings will chart the next decade of action to address entwined threats to climate, nature and people, and will heavily influence our COVID-19 recovery. As CBD's Fifteenth Conference of the Parties (COP15) talks approach, negotiators keen to drive a whole-of-society step-change in tackling the biodiversity crisis can learn lessons from the climate change agenda. This paper draws on experiences from UNFCCC processes and outcomes to outline two practical opportunities to achieve a strong and effective GBF: scale up finance and strengthen business engagement.

Biodiversity loss is an existential threat and escalating challenge. The benefits that nature provides — food, clean water, flood protection and climate regulation — are critical to our survival. Despite this, biodiversity is declining globally at rates unprecedented in human history.[1]

It's not just ecologists and scientists who are worried; business people and economists are too. Biodiversity loss consistently ranks in the World Economic Forum's (WEF) Global Risk Reports; in 2021 it was ranked third greatest existential threat (just behind weapons of mass destruction and state collapse).[2] Another WEF report found that over half the world's total GDP is moderately or highly dependent on nature and its services and so is exposed to risks from nature loss.[3]

But this isn't the only challenge we face. As outlined in the Leaders' Pledge for Nature,[4] the world is struggling with multiple crises entwined with biodiversity loss, including climate change, rising inequality and now the COVID-19 pandemic.

Seizing opportunity this year

This year, 2021, is termed a 'super year' because it encompasses several major international meetings and decision points relevant to these multiple crises, including the G7, G20, the UNFCCC COP26 and the CBD COP15. In this critical moment we must galvanise action; the decisions made this year will chart the course for climate, nature and people for decades to come. Further, world leaders face mounting pressure to prioritise a green recovery from the pandemic, one that places climate, nature and people at the centre.

One of the major activities this year is negotiation of the new 10-year post-2020 Global Biodiversity Framework (GBF) (see Box 1), which is to be endorsed at the CBD COP15 this year in Kunming, China.

Negotiators must land a strong GBF. The need for this cannot be overstated: none of the Aichi Targets from the previous 10-year biodiversity framework were met. We cannot lose another decade. The experience of the UNFCCC and the Paris Agreement on Climate Change offers important lessons to governments, businesses and NGOs involved in negotiating the new biodiversity framework.

The UNFCCC experience offers lessons to governments, businesses and NGOs involved in CBD biodiversity framework negotiations

Elements of the Paris Agreement to look at and learn from include recognition that broad societal representation is critical in decision making and implementation. The voices of women, girls, youth, Indigenous Peoples, local communities and social movements are instrumental in driving domestic and international action, and were critical in shaping the Paris Agreement. GBF negotiators should also consider how the Paris Agreement laid the foundation for signatory countries to increase transparency and accountability for climate action. While both these elements must be strengthened further to drive stronger climate action, they have helped countries maintain a degree of trust in the process. The new biodiversity framework also must enshrine such measures.

Of the many lessons GBF negotiators can draw from the climate change journey, this briefing will focus on two major issues that the CBD needs to strengthen and that the UNFCCC has a better handle on: scaling up public finance and engaging the business sector.

Countries must scale-up public finance for biodiversity

As of 2019, spending on biodiversity conservation was between US$124 billion and $143 billion per year, against the total estimated need of US$722–967 billion per year. This leaves a substantial gap of US$598–824 billion per year.[5] The need to scale up public finance, source new forms of investment and mainstream biodiversity across all public finance is urgent. These issues are critical in the GBF negotiations and align with ambitions for a green recovery from the COVID-19 pandemic.

The broad approach to climate change finance through the Paris Agreement framework offers lessons for scaling up biodiversity finance. As outlined in the January 2020 report to the CBD by the Panel of Experts on Resource Mobilisation,[6] governments must close the biodiversity financing gap at 'both ends' by scaling up biodiversity finance and scaling back finance that is harmful to biodiversity.

Learning from the climate change journey, we outline three practical options for embedding greater biodiversity finance ambition in the GBF.

1. Governments must commit to ambitious GBF finance targets. Leaders made huge strides in climate finance at the UNFCCC COP21 in 2015 when developed countries committed to a new, collective climate-finance goal of US$100 billion per year from 2020. This financing arrangement, one of the defining features of the Paris Agreement, takes into account the needs and priorities of developing countries. Although climate finance under the Paris Agreement has had challenges, the developed countries' commitment to an actual figure encouraged developing countries to trust the Paris Agreement process.

Governments must make a similar financial commitment to the GBF. Just as the climate crisis requires a serious transition, so does the nature crisis. Developed countries can set the stage by making ambitious biodiversity finance pledges under the GBF. CBD Article 20 (on financial resources) paves the way for this and the Paris Agreement establishes the precedent. Sizeable, concrete biodiversity finance commitments will ensure developing countries have the resources needed to support their action on biodiversity. As with the Paris Agreement, this will build trust in the GBF as well as ramp up support for, and implementation of, the protection and restoration of biodiversity in developing countries.

2. Governments must reform subsidies that damage biodiversity. One of the most important anticipated outcomes of the new GBF is that it will reform subsidies that damage biodiversity. These have been estimated at US$500 billion per year by the OECD[7] and as much as US$5–7 trillion (including fossil-fuel subsidies) in the recent UK government Dasgupta Review.[8]

Such subsidies, including those related to agriculture and fossil fuel, must be eliminated, reformed and/or repurposed. This will incentivise investment in biodiversity conservation in much the same way that countries are seeking to

Box 1. Post-2020 Global Biodiversity Framework

This framework,[12] under negotiation through the Convention on Biological Diversity and up for agreement this year at COP15, will replace the previous 10-year targets. Through collective action, it will guide efforts to address biodiversity loss over the coming decade. The framework will be supported by goals and targets to advance the vision of living in harmony with nature by 2050.

reduce fossil-fuel subsidies to meet the mitigation goals of the Paris Agreement.

Reforming such subsidies requires identifying and assessing potentially harmful subsidies, and navigating political interference and backlash from affected sectors and communities. But reforming subsidies and redirecting the funds to nature-positive investments are tangible approaches in addressing the biodiversity finance gap, so these should be core to 2021 discussions on GBF resource mobilisation.

3. Governments must mainstream biodiversity into public financing. The biodiversity crisis is a multidimensional issue requiring a systemic response. To achieve this, biodiversity considerations should be integrated across all public decision making and finance, including that for climate change, poverty reduction, disaster risk reduction, agriculture, fisheries, forestry, transport, mining, energy, tourism and pandemic recovery measures. The GBF should require that biodiversity is mainstreamed in all government finance, as the Paris Agreement does with climate change.

Integrating biodiversity into public decisions and finance across all sectors is a win-win. It will help reduce the harmful drivers of biodiversity loss and drive nature-positive outcomes across all sectors. Further, donors and investors increasingly want to support activities that tackle the climate and biodiversity crises together, to deliver coherently across multiple Sustainable Development Goals (SDGs). Signatory governments must align the international climate and biodiversity frameworks, particularly through mainstreaming efforts across multiple sectors.

Business must get on board

Business[9] has increasingly acted on climate change and engaged with UNFCCC processes in recent years. This has helped tip the scales towards greater climate action and pressured governments to commit to ambitious targets and goals to reduce greenhouse gas emissions and adapt to climate change. Is the same outcome possible for biodiversity this year?

Several recent high-profile reports have made clear the links between business and nature. Essentially, business needs a healthy, stable planet to operate on. It needs healthy customers and workforces and natural resources to provide food, fibre, water, minerals and building materials.

Despite this interdependency, business has not taken enough action to address the biodiversity crisis. Reasons vary, including a lack of incentives and low awareness of the risks and opportunities. But business leaders seem more willing than ever before to lean in. For example, a growing number of businesses support the Leaders' Pledge for Nature,[4] and more than 1,200 have committed to taking action via the Business for Nature initiative (see Box 2).[10]

As business embraces nature-positive ambitions, it must respect the stewardship and rights of Indigenous Peoples and local communities who live on and manage lands that contain substantial natural resources. All efforts must acknowledge their cultures, including the substantial traditional knowledge and experience they have in environmental protection and sustainable development.

Greater engagement by business is critical. It can help to reverse business drivers of biodiversity loss and bring increased investment, resources, skills, technology and innovation to tackle problems. There are substantial opportunities to bolster business action on biodiversity this year; drawing on lessons from the climate change journey, we outline two practical options below.

1. Business must disclose biodiversity risks/ opportunities across supply chains. A practical first step for business is understanding the risks and opportunities that arise when business and nature meet. Business poses risks to biodiversity, such as when paving and construction destroy watersheds. And when biodiversity is lost, nature poses risks to business, such as flooding. To improve its understanding, business must embed biodiversity into risk management and transparently disclose such

Box 2. Business for Nature

The global Business for Nature[10] coalition brings together businesses and conservation organisations. It has catalysed a group of private sector organisations, including major banks and multinational corporations, to commit to and advocate for ambitious action in support of nature. This includes advocating for clear GBF outcomes.

Box 3. Taskforce on Nature-related Financial Disclosures (TNFD)

Modelled on the climate version, the TNFD[13] is developing a framework for corporations, including financial institutions, to assess, manage and report on their dependencies and impacts on nature, and aid in appraising nature-related risk. It hopes to steer finance towards nature-positive outcomes aligned to the Paris Agreement, the SDGs and the GBF.

Box 4. Business aligns with Paris Agreement

Different initiatives are underway to support the private sector to align with the Paris Agreement. For example, the Paris Aligned Investment Initiative[14] by the Institutional Investor Group on Climate Change looks at how investors can align their portfolios to the goals of the Paris Agreement and become 'net-zero investors'.

risks and impacts across its supply chain. This would mark a new industry standard and follow on from the climate-risk disclosure work already well underway, based on the Paris Agreement.

The Taskforce on Nature-related Financial Disclosures (see Box 3) is accelerating this work in 2021. Early adopters of climate-risk disclosure have enjoyed the reputational reward of being seen as leaders helping to set the standard. Business has the opportunity to do the same for biodiversity.

Governments can support disclosure efforts by providing national data and other information, and endorsing consistency in disclosure to drive comparability. Voluntary and industry-led initiatives are an effective starting point, as we have seen with climate change. But to drive the desired long-term transformational change in biodiversity, we need more stringent requirements delivered through government policy and regulation. If business lacks regulatory certainty, other economic or social concerns may push biodiversity off the list of boardroom priorities.

That said, not all governments and businesses have the capacity to assess and disclose risk. Businesses in richer countries should be mindful that their appetite to disclose risk doesn't yield the unintended consequence of stopping trade with poorer countries and communities altogether, should they struggle to assess and disclose their activities. Business and governments must work closely with suppliers across the full supply chain and support them. This will help suppliers address shortcomings so they are part of the solution and not left behind.

2. Businesses should commit to being 'Kunming compliant' (and Paris aligned). As a second practical step, business can commit to mainstreaming the GBF into decision-making processes, policies, programmes and operations. This would be similar to efforts, discussed earlier, to mainstream biodiversity in public finance and decision making. Businesses would become 'Kunming compliant', comparable to actions by some corporations to align with the Paris Agreement and the SDGs (see Box 4).

Commitments of this type would likely be well received by governments and civil society, as they have been with Paris aligned commitments, and early movers will be seen as the leaders. Business must commit to aligning with all three complementary frameworks: the Paris Agreement, the SDGs and the GBF.

Governments can help here by ensuring they, too, are Kunming compliant in their own policies, programmes and operations. This could include increasing the levels of development assistance available for delivering on the GBF and ensuring aid flows for other purposes do not undermine it.[11]

Conclusion

This year's CBD COP15 conference offers negotiators a major opportunity to drive a whole-of-society step-change in tackling the biodiversity crisis. Valuable lessons can be learnt from action on climate change, which is ahead of the nature agenda. This super year offers a real opportunity to deliver scaled-up biodiversity finance and more concerted action by business to tackle the biodiversity crisis.

We must act now, and act decisively across society to tackle the entwined crises of climate change, biodiversity loss, rising inequality and the COVID-19 pandemic. If there were ever a year to go big, learn from the climate change experience and take bold steps to tackle the biodiversity crisis, this is it.

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This briefing is part of a super year series from IIED to drive a stronger connection between climate, nature and people in 2021. More information on IIED's engagement with the super year can be found here: **www.iied.org/iied-2021-super-year**

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Notes

[1] Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2019) Global Assessment Report on Biodiversity and Ecosystem Services. See https://ipbes.net/global-assessment / [2] World Economic Forum (2021) The Global Risks Report 2021, 16th edn. See www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf / [3] World Economic Forum (2020) Nature Risk Rising. See www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf / [4] See www.leaderspledgefornature.org / [5] Paulson Institute (2020) Financing Nature: Closing the Global Biodiversity Financing Gap. www.paulsoninstitute.org/key-initiatives/financing-nature-report / [6] CBD (2020) Evaluation and review of the strategy for resource mobilisation and Aichi Biodiversity Target 20. First report of the Panel of Experts on Resource Mobilisation. See www.cbd.int/doc/c/7d05/ed2f/156920ef027d2436635b05db/sbi-03-inf-02-en.pdf / [7] OECD (2020) A Comprehensive Overview of Global Biodiversity Finance / [8] HM Treasury (2021) The Economics of Biodiversity: The Dasgupta Review. See www.gov.uk/government/collections/the-economics-of-biodiversity-the-dasgupta-review / [9] The term 'business' is used throughout this report to include financial institutions, banks, corporations and other private sector organisations that seek to make a profit. / [10] See www.businessfornature.org/act / [11] Roe, D (2021) Learning from Paris: what would 'Kunming-compliant' look like for development cooperation agencies? See www.iied.org/learning-paris-what-would-kunming-compliant-look-for-development-cooperation-agencies / [12] See www.cbd.int/conferences/post2020 / [13] See https://tnfd.info / [14] See www.iigcc.org/our-work/paris-aligned-investment-initiative/