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## COP15's Global Biodiversity Framework and the Rising Focus on Nature — What Businesses Can Expect

*The Framework looks to guide global action on biodiversity, ecosystems, and other aspects of natural capital through 2030 and beyond.*

### Key Points:

- The Global Biodiversity Framework adopted at COP15 to the Convention on Biological Diversity establishes long-term goals and interim targets to guide countries' biodiversity strategies.
- Structures to implement the Framework remain nascent and will likely be a key focus for the Convention on Biological Diversity.
- Parties are taking action even before all details are hammered out, with several notable announcements from both governments and the private sector in addition to the Framework.

The 15<sup>th</sup> Conference of Parties (COP15) of the Convention on Biological Diversity (the Convention or the CBD) concluded on December 19, 2022. The negotiations resulted in nearly 200 countries adopting the [Kunming-Montreal Global Biodiversity Framework](#) (the GBF or the Framework). The Framework includes four overarching goals for 2050 and 23 action-oriented targets for 2030.

This Client Alert provides an introduction to the CBD as well as more detail on the Framework and other major developments announced at COP15, in particular new decisions to support the implementation of the GBF and announcements from the private sector regarding increasing disclosure and engagement expectations for natural capital.

### Background on the CBD

The CBD is the foundational treaty for international cooperation on biological diversity, opened for signature in the same year as the UN Framework Convention on Climate Change (UNFCCC), progenitor of the climate COPs. As of 2022, the CBD counted 196 parties, with the United States being the most notable absence (having been signed by President Clinton in 1993, but never receiving a ratification vote on the Senate floor).

The Convention sets out three main goals: (1) conservation of biological diversity; (2) sustainable use of its components; and (3) fair and equitable sharing of benefits arising from genetic resources. Countries implement their obligations under the CBD primarily through National Biodiversity Strategies and Action

Plans (NBSAPs) and the submission of periodic national reports describing measures taken and their effectiveness in meeting the objectives of the Convention.<sup>1</sup>

As with the UNFCCC, a series of (currently biennial) COPs governs the CBD, assessing convention progress, identifying new priorities, setting work plans, and amending the Convention as necessary. This approach has resulted in several protocols (namely the Cartagena Protocol regarding biotechnology safety and the Nagoya Protocol on the use of genetic resources), as well as decadal strategic plans for biodiversity. The previous strategy plan (2011-2020) included the Aichi Targets, which introduced some of the first quantitative goals for ecosystem conservation, in addition to goals around awareness, pollution and other anthropogenic pressures, and the mainstreaming of biodiversity into government policy decisions.

## Summary of the Kunming-Montreal Global Biodiversity Framework

After extensive negotiations, the parties to COP15 adopted a new post-2020 strategic plan for biodiversity. The Framework consists of four long-term goals for 2050 and 23 interim targets for 2030.

The long-term (2050) goals focus on:

- cessation of biodiversity degradation at ecosystem, species, and genetic levels (building on significant action taken to “halt and reverse biodiversity loss to put nature on a path to recovery” by 2030);
- sustainable use and integration of biodiversity and ecosystem services into sustainable development for current and future generations;
- equitable sharing of monetary and non-monetary benefits from the utilization of genetic resources, with recognition of and protection for traditional knowledge; and
- adequate means for all parties to implement the Framework, including aligning financial flows with the Framework and progressively closing the \$700 billion/year<sup>2</sup> biodiversity gap.

The interim targets include various steps to pursue these goals under the three main pillars of: (1) reducing threats to biodiversity; (2) meeting people’s needs through sustainable use and benefit-sharing; and (3) tools and solutions for implementation and mainstreaming biodiversity considerations. These interim targets include quantitative aims like halving global food waste, reducing the rates of invasive species introduction by 50%, and the global rallying cry for “30 by 30,” i.e., the aim of conserving at least 30% of terrestrial, inland water, and coastal and marine areas by 2030. However, the targets also set other policy aspirations expected to facilitate the mainstreaming of biodiversity considerations. For example, Target 15 is the implementation of legal and policy measures to encourage businesses to monitor, assess, and disclose their risks, dependencies, and impacts on biodiversity, similar to the aims of the voluntary framework being developed by the Taskforce for Nature-related Financial Disclosures (TNFD). For more information on TNFD, see Latham’s previous blogposts [here](#) and [here](#).

Similarly, several targets specifically aim to scale the financial resources directed to biodiversity. These targets include phasing out or reforming financial incentives that are harmful for biodiversity by at least \$500 billion per year by 2030 and scaling up incentives for conservation and sustainable use of biodiversity. Other financial goals include leveraging private finance; developing new valuation schemes such as payment for ecosystem services, biodiversity-related green bonds, and biodiversity offsets/credits; and increasing biodiversity-related international development assistance. In total, the Framework aims for these other financial initiatives to mobilize at least \$200 billion per year by 2030, with a substantial portion coming from the private sector.

In addition to specific goals and targets, the Framework also contains a variety of provisions to guide implementation. These provisions include consideration of related environmental and social matters that impact, or are impacted by, biodiversity and natural capital considerations and several references to the role of Indigenous peoples and local communities, as well as using a human rights-based approach to natural capital, whereby the Framework expressly acknowledges a human right to a clean, healthy, and sustainability environment.

## Other Decisions From COP15

While the Framework has received the most fanfare, COP15 resulted in a broader constellation of actions under the Convention to address natural capital concerns. Some of the key decisions address: (1) indicators for monitoring the implementation of the Framework (the Monitoring Framework) and (2) considerations for genetic resources.

### Monitoring Framework

The [Monitoring Framework](#) is composed of a series of indicators and methodological criteria to monitor and report on countries' progress on implementing the GBF. The indicators consist of:

- **Headline indicators:** the minimum set of high-level indicators capturing the overall scope of the GBF's goals and targets and composed of nationally, regionally, and globally relevant indicators validated by the parties. Examples include the International Union for Conservation of Nature's Red List Index for species extinction risk and Red List for Ecosystems, as well as metrics such as coastal eutrophication potential and proportion of fish stocks within biologically sustainable levels.
- **Global level indicators:** responses to yes/no questions to be included in the draft national reporting template. These indicators aim to provide an overview of the number of countries that have undertaken particular activities.
- **Component indicators:** optional indicators to supplement the headline indicators to cover all components of the GBF that may apply at global, regional, national, and subnational levels. Examples include the Ecosystem Intactness and Ecosystem Integrity Indices, the Red List Index (as context for any species that provide products or services), fertilizer use, floating plastic debris density, and proportion of wastewater flow that is safely treated.
- **Complementary indicators:** optional indicators for thematic or in-depth analysis of each goal and target of the GBF that may apply at global, regional, national, and subnational levels. Examples include extent and distribution of various ecosystems, Marine Stewardship Council fish catch, pesticide use per area of cropland, and trends in loss of reactive nitrogen to the environment.

These indicators are expected to comply with certain methodological criteria by 2025, including public availability of data/metadata; peer review of the underlying methodology for the indicators; data compiled and updated on an interval of no more than five years, where possible; existing mechanisms to maintain the indicator methodology and/or data generation; and, when possible, alignment with existing intergovernmental processes under the UN Statistical Commission.

In the adopting decision, the parties also established an ad hoc technical expert group to advise on further operationalizing the Monitoring Framework, paving the way for further development at COP16.

### Genetic Resources

The [decision on digital sequence information on genetic resources](#) (the DSI Decision) resulted in an agreement to establish a multilateral mechanism for benefit-sharing (i.e., a fund) from the use of digital

sequence information (DSI) on genetic resources, i.e., information derived from an organism's genetic composition. The DSI decision determined various goals for the functioning of the fund, including incorporation of both monetary and non-monetary benefits and recognition of a particular need to support sustainable use of biological diversity, respect traditional knowledge, and benefit Indigenous peoples and local communities.

However, the specific development and operationalization of the fund remains unsettled. A working group was established to develop recommendations for the development and operationalization of this mechanism for finalization at COP16. Issues that the DSI Decision noted for further consideration include:

- governance of the fund;
- triggering points for benefit-sharing;
- contributions to the fund;
- potential to voluntarily extend the mechanism to genetic resources or biological diversity;
- sharing of monetary benefits and non-monetary benefits, including information on geographic origin;
- relationship to the Nagoya Protocol; and
- other policy considerations, including indigenous rights, data governance, and the role and interests of industry and academia.

## Other Major Announcements Made at COP15

As is common with the climate COPs, a number of important announcements were made during the conference outside of the Convention negotiations. A common theme of these announcements was the interconnection of nature/biodiversity with other topics, particularly climate and human rights.

### ISSB Updates Disclosure Expectations to Include Nature and Just Transition

The International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards currently being finalized aim to provide a baseline for sustainability reporting and will either influence (or be directly adopted into) many countries' disclosure requirements. Final standards for both general sustainability and climate-related disclosures are expected in early 2023, with other standards to follow.

The ISSB received strong feedback on the connection between climate, nature, and social issues (namely, a just transition), so at COP15, ISSB Chair Emmanuel Faber announced plans to advance work on the climate standard to incorporate connections to natural capital (e.g., forests, water, and biodiversity) and the just transition (e.g., human capital, supply chains, and Indigenous rights).

While details are lacking on how these topics may be reflected in the standard, the ISSB [noted](#) that it will consider the work of existing nature-related frameworks and specifically referenced TNFD. In particular, ISSB underscored TNFD's work on the intersection of climate and biodiversity disclosures.

### Nature Action 100

Continuing a trend of nature-related organizations forming in parallel to successful climate counterparts,<sup>3</sup> a group of institutional investors announced the formation of [Nature Action 100](#) (NA100) to engage with companies on nature-related risks and dependencies. NA100 has announced plans to establish a common high-level agenda to achieve corporate commitments and actions regarding natural capital. The plans will include sector-specific pathways and identification of a list of 100 focus companies for investor engagement.

## Governments Announce Financial Support for Mainstreaming of Natural Capital Considerations through TNFD

Various countries announced their own plans to promote the incorporation of nature and biodiversity into corporations and policymakers' decisions. For example, [Germany](#) and the [United Kingdom](#) launched initiatives to help fund the uptake of nature-related disclosures and the integration of nature-related considerations into decision-making. Both of these initiatives expressly discuss the important role of TNFD, indicating growing support for the nascent framework among governments.<sup>4</sup>

## Canada Announces Funding for Indigenous-Led Conservation Efforts

In another announcement of government funding, Canadian Prime Minister Justin Trudeau [announced](#) up to C\$800 million in funding over seven years to support indigenous-led conservation initiatives in the British Columbia, the Northwest Territories, Nunavut, and Ontario. The projects are anticipated to protect up to 1 million square kilometers (an area approximately the size of Egypt) and to contribute significantly to Canada's environmental (conservation) and social (reconciliation) goals.

## What's Next?

The adoption of the new global Framework at COP15 marks a noteworthy development in international efforts to protect and sustainably manage natural capital. Now, member countries will be expected to adapt their NBSAPs to reflect the Framework, which will likely include (1) additional conservation efforts; (2) considerations for financial policy; and (3) increased expectations for natural capital reporting from the private sector. A group of 23 countries, led by Colombia, signed a declaration supporting the fast-tracking of implementation, and Germany has provided an additional €20 million to support this partnership.

COP16, slated to take place in late 2024, will be hosted by Türkiye. Key areas of focus will be the review and finalization of structures established to support implementation of the GBF, including the Monitoring Framework and a mechanism for benefit-sharing from DSI on genetic resources.

In terms of other action, the first final ISSB standards and the final recommendations of the TNFD are both expected in 2023. Various financial institutions have already started to incorporate natural capital into their financing considerations, including the formation of some natural capital-focused funds at certain (primarily European) asset managers. Paired with the launch of initiatives such as NA100, companies should anticipate that biodiversity and natural capital will become an increasingly key topic in ESG engagement.

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**You Might Also Be Interested In**[TNFD Releases Second Version of Its Disclosure Framework](#)[TNFD Releases Third Beta Version of Disclosure Framework Ahead of Global Biodiversity Summit](#)[COP27: Overview and Key Takeaways](#)

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**Endnotes**

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- <sup>1</sup> Copies of countries' sixth national reports are available on the Convention on Biological Diversity's website [here](#).
  - <sup>2</sup> All \$ values are in US dollars, unless otherwise specified.
  - <sup>3</sup> Several organizations promoting increased efforts on natural capital have pursued frameworks and names that parallel organizations that have had success in the climate arena: e.g. (1) the Taskforce on Nature-related Financial Disclosures (vs. Task Force on Climate-related Financial Disclosures); (2) the Science-Based Targets Network (vs. the Science Based Targets Initiative); and (3) the Partnership for Biodiversity Accounting Financials (vs. the Partnership for Carbon Accounting Financials).
  - <sup>4</sup> A significant part of TNFD's budget comes from government funding, with the website specifically mentioning funding from Australia, France, the Netherlands, Switzerland, and the United Kingdom. The G7 has also previously shone a spotlight on TNFD. For more information, see Austin Pierce, *The G7 Gambit: Endorsing Disclosure Requirements for Climate. And More?*, Corp Gov (July 2021), <https://corpgov.com/the-g7-gambit-endorsing-disclosure-requirements-for-climate-and-more/>.