

COP 15 & the GBF

What does it mean for finance institutions?

Global policy on biodiversity was previously framed by the Aichi Biodiversity Targets; COP15 in December 2022 saw the revision of new and ambitious targets in the most recent Global Biodiversity Framework (GBF), recognising the critical need to halt biodiversity loss and preserve nature. Of interest to note is language highlighting near mandatory adoption of disclosures, an apex target of '30 by 30' - or 30% of the Earth's land and sea protected by 2030, and the unprecedented participation of the finance sector, indicating tailwinds for the adoption of considerations. Key points for financial organisations and corporates include the following:

- Goal D retains language on "progressively closing the biodiversity finance gap of \$700bn per year, and aligning financial flows with the post-2020 GBF and the 2050 Vision."
- Targets 2 and 3: emphasize the apex target of preserving 30% of earth's land and water, retaining overall ambition on conservation and restoration
- Target 7: pollution reduction, with an emphasis on pesticides and nutrients; Target 10: an emphasis on sustainable agriculture, aquaculture, fisheries and forestry
- Target 14: 'Ensure the full integration of biodiversity and its multiple values into policies, regulations, (...) and, as appropriate, national accounting, within and across all levels of government and across all sectors, in particular those with significant impacts on biodiversity, progressively aligning all relevant public and private activities, fiscal and financial flows with the goals and targets (of the GBF)."
- Target 15: For FIs and corporates, Target 14 should be read in conjunction with Target 15: "Take legal (...) measures to encourage and enable business, and (...) ensure that large and transnational companies and financial institutions (a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts (...) along their operations, supply and value chains and portfolios". This was also viewed as a signal on voluntary disclosure initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD).



COP15: Recent developments

- Targets 2 & 3: A commitment to an apex target of '30 by 30': protection of 30% of earth's land and water by 2030
- Target 15: Close to mandatory disclosures for large and transnational organisations and reference to finance organisations, and recognition of voluntary disclosure initiatives such as the Taskforce on Nature-related Financial Disclosures (TNFD): This includes Target 15 which states that organisations should (a) Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts (...) along their operations, supply and value chains and portfolios"
- Unprecedented engagement with stakeholders across the finance sector, resulting in greater awareness and action

Taking action for biodiversity

- Target 18 : "Identify by 2025, and eliminate, phase out or reform incentives, including subsidies harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least \$500bn per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity."
- Target 19.1 retains the objective of \$200bn biodiversity finance per year by 2030 (today's baseline is currently around \$120-\$140bn), with a significant positive change with biodiversity ODA now required to increase to \$20bn per year by 2025 and \$30bn by 2030 (today's baseline is \$8-10bn/y). Reference to "from all sources" and "Leveraging private finance, promoting blended finance, (...) encouraging the private sector to invest in biodiversity, including through impact funds and other instruments".
- On the climate-nature nexus, "Optimizing co-benefits and synergies of finance targeting the biodiversity and climate crises".



NatureAlpha was privileged to participate in the official line up at COP15. Full access to Finance Day sessions is available [here](#).

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