



NATURE'S PARIS? KEY OUTCOMES AND MEASURES OF THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK (COP15)

Agreement was reached by 190 countries on the Kunming-Montreal Global Biodiversity Framework (GBF) on 19 December 2022, after two weeks of negotiations at COP15 in Montreal. A key pillar of the GBF is a '30 by 30' pledge, with countries agreeing to protect 30% of land and water by 2030. This has led to the GBF being hailed by some as the Paris for nature, a comparison to the Paris Climate Agreement in 2015 which saw agreement for the first time on a common goal to cut greenhouse gas emissions. This briefing considers some of the key targets in the GBF.

Through its 23 Targets, the GBF sets a framework under which governments are obliged to ensure that national regulatory schemes facilitate the reduction of biodiversity impacts. Below we discuss a snapshot of key targets.

Embedding biodiversity in policy commitments

Two key targets require governments to embed biodiversity commitments into all their policy activities and align financial and fiscal flows accordingly, while ramping up funding for biodiversity improvements from developed countries to developing countries:

Target 14 obliges governments to ensure the full integration of biodiversity and its multiple values into policies, regulations, planning and development processes, strategic environmental assessments, environmental impact assessments and, as appropriate, national accounting - progressively aligning all relevant public and private activities, fiscal and financial flows with the goals and targets of the GBF.

Target 19 of the GBF requires governments to substantially and progressively increase the level of biodiversity-related funding from all sources (public and private) to at least USD\$200 billion per year by 2030. This includes through stimulating schemes such as payment for ecosystem services, green bonds, biodiversity offsets and credits, and benefit-sharing mechanisms, as well as:

- increasing total biodiversity-related international financial resources from developed countries to developing countries to at least US\$ 20 billion per year by 2025, and to at least US\$ 30 billion per year by 2030; and
- leveraging private finance, promoting blended finance, implementing strategies for raising new and additional resources, and encouraging the

Key issues

- The Global Biodiversity Framework (GBF) signed at COP 15 contains a number of biodiversity targets, key among which is protection of 30% of land and water by 2030.
- Public and private biodiversity funding sources must be increased to at least USD\$200 billion per year by 2030, including by stimulation of schemes such as biodiversity offsets and credits.
- Much detailed work is needed to provide the detail of a biodiversity market and the Biodiversity Credit Alliance has been formed to help define the features of biodiversity credits and develop the market.
- Parties agreed to require businesses to disclose their biodiversity risks, dependencies and impacts. The evolving Task Force on Nature-related Financial Disclosure is likely to form a key framework for disclosure.

private sector to invest in biodiversity, including through impact funds and other instruments.

Stimulation of Biodiversity Markets

The agreement on stimulating biodiversity markets is a significant move forward. How these are implemented will differ from country to country, but the GBF provides the clear foundation and potential scale for potential biodiversity credit markets and increased support for nature-based solutions. The creation of a biodiversity credit trading market, in particular, is being encouraged by the World Economic Forum among others. Noting that Target 19 imposes an obligation on individual parties to boost action, this Target alone will not lead to a global biodiversity credit market. That goal would likely need significantly more detailed agreement at international level (as in the Paris Agreement and emerging technical details being fleshed out under its Article 6 at COPs 26, 27 and beyond).

It would also need a greater level of consensus on how best to value biodiversity and on the linkage between biodiversity credits and carbon credits, given that many projects could potentially provide both. In a positive move, [the Biodiversity Credit Alliance](#) was launched during COP15 with a mission to define and categorise biodiversity credits and develop market standards with an overall goal of helping to formulate a credible and scalable biodiversity credit market. This is a development parallel to the voluntary carbon market (VCM) where the Integrity Council for the Voluntary Carbon Market and the Voluntary Carbon Markets Integrity Initiative are doing similar work for the VCM by improving the integrity of voluntary carbon credits for the sell and demand side. We are supporting these efforts (See our [client briefing](#) on our involvement in this respect).

Overall, the GBF is a good first step and may give a broad boost to the various national projects and pilots already underway, and trigger wider debate on the potential for biodiversity markets going forward. Indeed the UK is planning to launch a national scheme on biodiversity offsets relating to real estate development in 2023 which will as much address Target 14 as it does Target 19 and potentially lead to a new biodiversity market (See our [client briefing](#)).

Financial flows and developing country funding

Targets 14 and 19 are reminiscent of the Paris Climate Agreement with respect to financial flows and developer country funding, and this has been supported by a [statement](#) endorsed by 154 financial institutions (representing over approximately USD\$24.8 trillion in assets under management), who called on governments to adopt measures at COP15 which would "*set a clear mandate for the alignment of financial flows with the preservation of global biodiversity, like Article 2.1(C) did within the Paris Agreement..*".

Target 19, in particular, further supports this through a commitment to increase total biodiversity-related international financial resources from developed countries to developing countries to at least US\$ 20 billion per year by 2025, and to at least US\$ 30 billion per year by 2030.

Assessment and disclosure of biodiversity impacts

Target 15 of the GBF requires governments to ensure that large and transnational companies and financial institutions regularly monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity through their operations, supply and value chains and portfolios.

These assessment and disclosure obligations were supported by over 330 institutions from 52 countries (with combined revenues of more than USD\$1.5 trillion) who [urged governments](#) to adopt mandatory requirements for all large businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity by 2030 (although the word "mandatory" did not make it into the final GBF).

An important tool for enabling the assessment and disclosure of biodiversity impacts is likely to be the evolving Taskforce on Nature-related Financial Disclosures (TNFD Framework), whose objective is to deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks modelled on the TCFD recommendations. The TNFD Framework seeks to create a set of fundamental concepts and definitions for understanding nature that market participants can use when assessing and disclosing their nature-related risks and opportunities. It will also provide guidance as to how corporates and financial institutions can incorporate these nature-related risk and opportunity assessments into their enterprise strategy and risk management processes to inform corporate and capital allocation decisions, including those relating to reporting and disclosure. For more information on the TNFD, see our [client briefing](#).

Other key targets

Other key targets in the GBF include:

- by 2025, identify and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, while reducing them by at least USD\$500 billion per year by 2030, starting with the most harmful incentives (Target 18).
- by 2030, reduce pollution risks and the negative impact of pollution from all sources, to levels that are not harmful to biodiversity and ecosystem functions and services, including reducing the overall risk from pesticides and highly hazardous chemicals by at least half, and preventing, reducing, and working towards eliminating plastic pollution (Target 7).
- minimize negative and foster positive impacts of climate action on biodiversity (Target 8).
- significantly increase the area and quality and connectivity of, access to, and benefits from, green and blue spaces in urban and densely populated areas sustainably, and ensure biodiversity-inclusive urban planning (Target 12).

Next steps

National biodiversity strategies and action plans (NBSAPs) are expected to be a key component for implementation of the GBF. Revised NBSAPs are expected to include national targets and concrete actions addressing and meeting each of the goals and targets of the GBF, developed hand in hand with the development of national finance plans and the provision of finance. 23 countries have already signed an Accelerator Partnership, to support governments in fast tracking implementation of NBSAPs. However, meeting the GBF's ambitious goals and targets in the relatively short time period will require urgent attention from governments, the mobilisation of financial flows and increased private sector engagement.

COP15 (and indeed Climate COPs 26 and 27) signalled a move towards the recognition of the link between protecting nature and climate change, but the biodiversity journey is only just beginning. It will therefore be interesting to see how implementation of the GBF adopts lessons learned from the Paris

Agreement and the carbon markets, and how a biodiversity market might sit with the carbon world.

[Link to the Kunming-Montreal Global Biodiversity Framework](#)

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