

World Bank submission to the CBD Secretariat (15 September 2019)

Recommendations to the Open-Ended Working Group on a structure and proposed elements for the Post-2020 Global Biodiversity Framework

1. Background

At the first meeting of the Open-Ended Working Group (OEWG) on the Post-2020 Global Biodiversity Framework held in Nairobi, Kenya on August 27-30, 2019, participants invited Parties, other Governments, relevant organizations and stakeholders, to submit to the Executive Secretary proposals on the structure of the Post-2020 Global Biodiversity Framework by 15 September 2019.¹

This document responds to the call by providing a set of proposed elements and a proposed structure for the Post-2020 Framework. The proposal does not aim at being exhaustive, but rather at providing a number of elements for the possible structure.

2. Rationale for this proposal and key principles

2.1. Rationale

Despite the hopes that came with the CBD and the Strategic Plan, the world is failing to achieve the Aichi Biodiversity Targets. Out of the 20 targets, there has been good progress only on a limited number of elements of 4 targets. Such progress refers mostly to processes (e.g. protected areas declared; entry into force of a protocol) and not to actual outcomes. There has been moderate progress towards meeting some components of an additional 7 of the Aichi Targets, such as conserving at least 17 per cent of terrestrial and inland water areas, which are on track to be met. Of the remaining 10 targets, poor or no progress has been recorded, making it virtually impossible to achieve the targets set for 2020. Additional action is required to keep the Strategic Plan for Biodiversity 2011–2020 on course.²

A successful Post-2020 Global Biodiversity Framework will require doing things differently. Transformative action slowing down the rate of biodiversity loss will require a shift in production and consumption patterns. It will also call for adopting an ecosystem lens when planning infrastructure, and adaptation to climate change. While the public sector has historically played and continue to play a major role in conservation, the bulk of the actions going forward will need to come from the private sector. Private sector behavior will shift

¹ Notification 2019-075, <https://www.cbd.int/conferences/post2020/submissions/2019-075>.

² See Diaz, Sandra, Josef Settele, Eduardo Brondízio, H. Ngo, M. Guèze, J. Agard, A. Arneth et al. "Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services." (2019). See also Secretariat of the Convention on Biological Diversity (2014) Global Biodiversity Outlook 4 — Summary and Conclusions. Montréal, 20 pages, available at <https://www.cbd.int/gbo/gbo4/gbo4-summary-en.pdf>.

as a result of: (i) changing market preferences, and (ii) public policies that bring materiality to biodiversity considerations in private sector decisions. The latter will include a mix of: (a) regulatory instruments; (b) pricing instruments and market-based instruments; (c) information instruments. In addition, it will require public finance and public investments to be designed in a way compatible with Nature. These in turn will require the engagement of high-level decision makers including in Ministries of Finance, Planning and Central Banks. The public sector will play a transformative role as long as it can change the rules of the game.

2.2. Guiding principles for the Post 2020 Framework

Making the framework SMART, actionable and accountability-based. A key to the success and an important feature of the Post-2020 Framework will be the definition of targets that are specific, measurable, achievable, realistic and time-bound (SMART). The World Bank considers moreover that targets should: address drivers (direct and indirect), be policy actionable and designed to galvanize action in the short and medium term, and be knowledge-based, including on scientific and traditional knowledge.

The following key principles could be instrumental in making the Post-2020 Framework an ambitious one:

1. Integrate biodiversity and ecosystems in national policies. Parties should recognize that the drivers of biodiversity loss can be attenuated and controlled through domestic policies (including fiscal policies, incentives and regulations). Fiscal measures are proving successful in curbing greenhouse gas emissions and can become an important mechanism to reduce land use change in pristine areas and to curb over-fishing. Payment for Ecosystem Services schemes can also be an important tool in fostering landscapes that are economically and ecologically sound and efficient. Financial sector policies (e.g. regulation of financial markets) are key to influence the way commercial banks, bond markets and institutional investors make decisions and operate.
2. Engage non-State actors, foster global cooperation and new sources of finance. A key driver of biodiversity and ecosystem loss is the global demand for commodities (e.g. soybeans, meat, palm oil, sugar cane, coffee, livestock) and of illegally harvested products such as precious timber, rhino horns, turtles, pelagic fish, among others.³ Trade policies and implementation of the Convention on the International Trade of Endangered Species are an important part of the solution. At the same time, it is important to recognize that progress on biodiversity conservation in each country will depend on the country's own development challenges. Leveraging global finance through innovative mechanisms such as green bonds, forest carbon

³ Consumers are drivers of environment sustainability. As their knowledge and preferences evolve with better information, consumers make more sustainable choices and do not hesitate to "name & shame" companies with high footprints. On the other hand, producers face operational, regulatory and reputational risks due to ecosystem degradation. Agriculture, forestry, water supply, tourism, fisheries, pharmaceuticals are some of the threatened industries. Transparency can be achieved through the establishment of natural capital protocols and risk disclosure standards.

credits and biodiversity offsets should be encouraged.⁴ Green bonds, for example, are heavily oversubscribed, having reached 167 billion in 2018.⁵

3. Support biodiversity knowledge, science and data. What is not measured loses relevance in decision making. For this reason, Parties should support the development of a science-based approach to the Post-2020 Framework. Moreover, Parties should recognize the importance of integrating ecosystem physical and monetary information in national accounts, so as achieve more comprehensive measures of wealth and its changes. In particular, the measurement of GDP should be complemented by a measure of the evolution of the asset base, notably natural capital, that underpins it. It is also key to link ecosystems and biodiversity sensitive areas to poverty prevalence at the sub-national level. Curbing biodiversity loss and reducing extreme poverty must go hand in hand.

3. Proposed elements and structure

3.1. Elements

- Adopt a Pressure-State-Response approach to the framework. The Post-2020 Framework could point at a goal that provides a description of the State the Parties aim at. However, achieving a given state will depend on the pressures and on the responses that Parties put in place to address such pressures.
- Aim for accountability and focus targets on the policy actions. This is where transformation needs to be. Setting policy actionable target means putting an accent on accountability.
- Recognize the role of non-State actors such as the private sector, local communities and indigenous peoples. Non-state actors are key. The private sector can drive change going forward by adopting standards and protocols at the industry level.
- Invest in science-based and standardized monitoring, reporting and verification. The adoption of standardized and science-based measurement could be a target in an on itself. Transparent and standardized measurability is a pillar of resource mobilization and accountability.

3.2. Structure, goals and targets

The structure below exemplifies the elements described above. State indicators are used as “apex goal(s)” aiming at describing the state of biodiversity and/or conservation and sustainable use of terrestrial and marine areas. Goals are characterized by intermediate milestones to 2030, 2040 and 2050.

Targets on the other hand are aimed at measuring responses and, as such, induce accountability and be conducive towards a monitoring framework that allows to monitor progress by actors and at the

⁴ Investors and bankers are exposed to market and financial risks due to ecosystem loss and have to adapt to new investment patterns: demand for green investments is rising, driven by commitments to diversify and reposition portfolios and capitalize on sustainable or climate-related business opportunities (IFC: \$23 trillion in climate-smart investment opportunities exist in the emerging markets)

⁵ Climate Bonds Initiative (2018) “ 2018 Green Bond Market Highlights”. Source: <https://www.climatebonds.net/resources/reports/2018-green-bond-market-highlights>

aggregate level. Targets are grouped around three broad categories: (i) Government policies; (ii) Non-state actors' engagement; and (iii) science and knowledge development.

Vision to 2050: Living in Harmony with Nature

Apex Goals (2030; 2040; 2050):

1. [STATE OF BIODIVERSITY GOAL]
And/or
2. [STATE OF CONSERVATION AND SUSTAINABLE USE GOAL] World's terrestrial and marine area under verified: (i) conservation; (ii) sustainable management.

| Targets (2030) | | |
|---|--|---|
| Government policies | Non-state actors' engagement | Science and knowledge development |
| <ul style="list-style-type: none"> ▪ Fiscal policy: eliminate perverse subsidies and create positive incentives in sectors such as agriculture, fisheries and forestry ▪ Financial sector policy: define and apply standards to integrate environmental risks in financial and private sector decisions ▪ Trade policy: integrate environmental costs and benefits ▪ Implement areas for conservation and sustainable use ▪ Plan infrastructure in a biodiversity friendly way ▪ Adopt the System of Environmental-Economic Accounting (SEEA) ▪ Systematically integrate "nature" in NDCs ▪ ... | <ul style="list-style-type: none"> ▪ Private sector: Transparently report on industry commitments ▪ Private sector: Adopt Natural Capital Protocol ▪ NGOs, local communities: Enhance global multi-stakeholder cooperation for critical biodiversity "hotspots" ▪ ODA, Multilateral Development Banks, Private Sector: Blend sources of finance so as to maximize the impact of ODA ▪ ... | <ul style="list-style-type: none"> ▪ Invest in improving science-based targets ▪ Finalize, disseminate and support the adoption of ecosystem accounts in SEEA. ▪ ... |