

COP-16 Client Brief

Biodiversity and Climate Change From Cali to Baku

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Key Messages

- **The climate and biodiversity agendas are intrinsically linked.** Climate goals cannot be achieved without nature; and achieving biodiversity goals depends on mitigating and adapting to climate change. The Parties to the Convention on Biological Diversity (CBD) have called for cooperation between the United Nations' climate and biodiversity Conventions for a long time. Finally, there is a chance that the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) will hear the call to work together. The increasing number of climate experts present at COP-16 confirms a growing understanding among the climate community of the relevance of nature.
- **The biodiversity regime suffers from the same ills as the climate regime: Insufficient implementation efforts at the national scale.** Parties lack ambition and are slow to take action to implement measures that ensure global goals can be met. By the closure of COP-16, only 44 Parties had submitted revised and updated National Biodiversity Strategies and Action Plans (NBSAPs).
- **Progress in mobilizing resources for biodiversity is equally sobering under both Conventions.** There is a gaping hole of absent funds for meeting Global Biodiversity Framework (GBF) Target 19, to increase public and private financial resources. The GEF-administered Global Biodiversity Framework Fund established at COP-15, was capitalized with USD396 million by the end of COP-16. Yet, developing countries expect USD20 billion a year.
- **But there is also positive and potentially groundbreaking news:**
 - **The CBD established a landmark new fund that will collect private contributions from companies whose business depends on using genetic information from wildlife.** This opens a very big funding door that was closed until now: funding linked to revenues or profits made by private companies. The model may be relevant to mobilize funds for other needs such as financing the conservation of tropical forests and restoring other critical ecosystems.
 - **Efforts to strengthen the standing and representation of Indigenous Peoples and local communities at the CBD COP have progressed.** Decisions were taken to start a new work program on indigenous matters, and Indigenous Peoples and local communities will now have their own permanent subsidiary body under the CBD.

Converging Crises: Nature and Climate

In the early morning of November 2nd, the 16th session of the Conference of the Parties to the Convention on Biological Diversity (CBD COP-16) came to a halt when the Colombian Minister of Environment and Sustainable Development, Susana Muhamad, suspended the session after

establishing that the quorum of countries to take decisions could no longer be reached.¹ With the COP stretching hours beyond its set deadline, delegations had to rush to catch flights, and the deserted plenary fell under the two-thirds of Parties required for decision-making. COP-16 ended with a bucket of half-done tasks. During the COP it became obvious that countries have made insufficient progress toward biodiversity targets adopted at the last COP (COP-15). Phasing out harmful subsidies and mobilizing funding remain formidable challenges.

The interdependencies between climate change and the biodiversity crisis demand a concerted policy effort to confront these problems. Climate change exacerbates human pressures on nature, biodiversity and well-being, and the combined pressures of land conversions and climate change drive species loss. In turn, biodiversity loss weakens ecosystems and leads to a loss in resilience, which impairs the delivery of ecosystem and climate mitigation services such as carbon sequestration. It is therefore not surprising that the climate community has woken up to integrating nature into climate strategies. The CBD COP-16 saw a record number of participants—including private sector and non-governmental organizations mostly concerned about climate change. The 2015 Paris Agreement and the 2022 Global Biodiversity Framework (GBF) are increasingly understood to be inextricably linked—the biodiversity and climate crises must be solved together.

Against this backdrop, this client brief summarizes the main outcomes of COP-16 with an emphasis on comparison to the Paris Agreement and relevant first conclusions for climate policy.²

Complementary Accords: The Paris Agreement and the Global Biodiversity Framework

- ➔ *In December 2022, COP-15 adopted the Kunming-Montreal Global Biodiversity Framework (GBF). The GBF replaced the largely unmet Aichi Biodiversity Targets (adopted by COP-10 in 2010) with a new set of more specific and measurable targets.*
- ➔ *The Paris Agreement and the GBF are complementary, yet different in nature and scope. While the GBF lacks the legal force of the Paris Agreement, it offers Parties clear implementation guidance through a framework of targets and indicators.*

Because of its ambition, the GBF is often referred to as the “Paris Agreement for nature.” The GBF, while not perfect, marks a big step toward an integrated and holistic framework in support of nature (see Box 1). Its four long-term goals with specific targets guide policy makers to take necessary action to ensure people live in harmony with nature by 2050. The GBF’s headline targets commit countries to restore at least 30% of degraded ecosystems (Target 2) and put at least 30% of terrestrial, marine and coastal lands under effective protection by 2030 (Target 3). This marks a

¹ Rule 30 of the Rules of Procedure for Meetings of the Conference of the Parties to the Convention on Biological Diversity (CBD) establishes that the quorum required to take decisions in the plenaries is at least two-thirds of the total Parties. Therefore, if during the session the number of Parties present drops below this threshold, the plenary cannot make valid decisions. For more information see: <https://www.cbd.int/doc/handbook/cbd-hb-03-en.pdf>.

² For a detailed summary of the different agenda points, check the Carbon Brief COP-16 summary: <https://www.carbonbrief.org/cop16-key-outcomes-agreed-at-the-un-biodiversity-conference-in-cali-colombia/>

significant increase in ambition compared to the corresponding Aichi Targets (17% ecosystem restoration x10% protection by 2020). The “enabling” goals, including financial targets, mandate countries to reduce harmful subsidies by at least USD500 billion (target 18) and mobilize at least USD200 billion (target 19) per year by 2030.

Box 1: The Kunming-Montreal Global Biodiversity Framework

The GBF sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050. Comprised of ten sections, including a 2050 Vision and a 2030 mission, four overarching goals, and 23 specific targets, the framework will guide biodiversity policy around the world in the coming years.

Targets 2 and 3 establish restoration and conservation objectives within the GBF. These Targets mandate the conservation of at least 30% of terrestrial, inland water, coastal, and marine areas through protected areas and other effective area-based conservation measures by 2030; and the effective restoration of at least 30% of degraded terrestrial, inland water, coastal, and marine ecosystems by 2030.

The GBF also includes targets that mandate reductions in threats to species (Targets 1 and 4-7), including from climate change (Target 8). Targets 9-13 mandate the sustainable use of wild species and management of areas that are used for agriculture, aquaculture, fisheries and forestry. Target 11 promotes nature’s contributions to people, including ecosystem functions and services and Target 13 mandates the fair and equitable sharing of the benefits arising from the use of genetic resources, associated digital sequence information and traditional knowledge.

The GBF further includes targets that show how to operationalize biodiversity goals. Target 15 mandates biodiversity mainstreaming and instructs governments to demand that private companies to monitor, assess and report on biodiversity dependencies and impacts. The GBF recognizes the need to transition to sustainable consumption (Target 16), phase out of harmful subsidies (Target 18), and mobilize finance from all sources and use market and non-market approaches in biodiversity finance (Target 19).

The GBF emphasizes cooperative and inclusive implementation of the targets, and highlights the need for adequate and accessible resources, capacity building and technology transfer to developing countries.

The GBF and Paris Agreement are both environmental agreements of unprecedented ambition, but their modes of action are distinct.³ The Paris Agreement is a treaty ratified by Parties. In contrast, the GBF is a mere decision of the CBD COP and, as such, legally much weaker. This allows the GBF to be much more specific: the framework contains clear instructions on what countries should do to meet its targets. The Paris Agreement relies on countries to define their own climate ambition. The Paris Agreement is constructed around the obligation of Parties to submit increasingly ambitious “nationally determined contributions” (NDCs) and does not formulate clear measures and

³ See for more detail on the comparison of the Paris Agreement and the Global Biodiversity Framework: Streck, C. (2023). Synergies between the Kunming-Montreal Global Biodiversity Framework and the Paris Agreement: the role of policy milestones, monitoring frameworks and safeguards. *Climate Policy*, 23(6), 800–811. <https://doi.org/10.1080/14693062.2023.2230940>, <https://www.tandfonline.com/doi/full/10.1080/14693062.2023.2230940>.

actions to meet its goal of limiting global warming to 2°C (or better: 1.5°C). See Table 1 for a comparison of the GBF and the Paris Agreement.

Nonetheless, the COP agendas of the CBD and the UNFCCC have a lot of overlap. Both COPs struggle with lacking Party ambition, and mobilizing sufficient finance to support developing country action. They also fail to design monitoring and reporting to ensure Parties' accountability, including at periodic reviews or stocktakes of progress. Finally, in both cases, the national initiative, private sector, other non-state actors, including Indigenous Peoples and local communities are essential to the success of the agreements.

Table 1. Comparison of the GBF and the Paris Agreement

	GBF	Paris Agreement
Progress on targets and goals	Insufficient	
Progress on finance		
Legal Nature	COP decision (not binding)	Treaty (binding)
Specificity of the demands	High, GBF formulates clear policy mandates	Low, content of NDCs is the prerogative of the countries
National targets	Come in the form of non-binding National Biodiversity Strategies and Action Plans (NBSAPs)	Come in the form of non-binding NDCs
Monitoring of progress	Global Review: the first Global Review is scheduled for 2026	Global Stocktake: the first Global Stocktake took place in 2023, with subsequent Stocktakes taking place every five
Monitoring framework	Notable progress with detailed and policy-related indicators in development; adoption expected at the next CBD intersessional meeting to be held in 2025 in Bangkok	Since Parties report on the content of the NDCs, Paris Agreement lacks a clear reporting framework linked to indicators.
Financial mechanism	Interim fund (2023-2030) administered by the Global Environment Facility (GEF); there is demand for a global fund	Green Climate Fund (GCF)
Inclusion of Indigenous Peoples and Local Communities	Stronger: Dedicated work program and subsidiary body	Weaker: The Local Communities and Indigenous Peoples Platform (LCIPP) facilitates increased engagement

National Targets

➔ *Translation of ambition into action is an ongoing challenge for both the GBF and the Paris Agreement.*

Like the Paris Agreement, the effectiveness of the GBF depends on translating global targets into national targets and policies. COP-15 mandated Parties to submit revised and updated National Biodiversity Strategies and Action Plans (NBSAPs) and national targets to the CBD Secretariat by COP-16. However, only a small portion of Parties to the CBD (44 out of 196) had submitted their NBSAPs by the end of the COP. Governments cited the lack of time or funds as reasons for why they have not yet prepared their NBSAPs. While they fell short of submitting full NBSAPs, by the end of the COP, 119 countries had submitted national targets – developed on the basis of the global GBF targets – to be developed into full NBSAPs.

Developing NBSAPs takes more money and time than developing NDCs. While NDCs can be fairly vague, NBSAPs demand fully formulated national policy plans. Possible additional reasons for delays in updating NBSAPs include:

1. Signing on to global targets is not subject to national policy making and does not require the cumbersome and complicated job of adopting concrete policies and laws. It is always easier to agree on global targets or goals than to break those goals down into nation-sized action items.
2. The adoption of national targets tests a government's commitment to a global goal. Some governments may hardly remember what they have signed on to, in particular if the agreement takes the form of a decision, rather than a target or policy. In the absence of a ratification process, the various branches of government may not even be aware of the commitment made.
3. The siloed structure of many governments means that ministries may not be collaborating to develop these plans and relevant insights are not being shared. For example, policy makers with knowledge of NDCs may not be contributing to NBSAPs.

Global Review

➔ *Global assessments are essential for transparency and accountability of international agreements, and consequently key to an agreement's credibility. The GBF Global Review should be based on strong science, national data, and a broad participation of stakeholders. It is not clear whether such a Review can take place in the next couple of years, in the absence of a COP decision.*

➔ *Stakeholder assessments such as the Forest Declaration Assessment can play an important role in informing multilateral global reviews.*

An expected outcome of COP-16 was a comprehensive monitoring framework for the GBF targets that would enable a Global Review of progress. Negotiators in Cali were called upon to define the details of the Review. Monitoring is an essential element of accountability, the latter being the Achilles's heel of many international environmental agreements. Two years ago at COP-15, CBD Parties adopted [decision 15/5](#), which recommended headline indicators for national, regional and global monitoring, as well as more detailed component and complementary indicators for tracking progress towards the GBF's goals and targets. An Ad-hoc Technical Expert Group on Indicators was

formed to advise negotiators on technical gaps of the monitoring framework (e.g., where indicators do not have an existing methodology or where indicators need to be aggregated or disaggregated, among others, per Annex II decision 15/5). The Expert Group developed a proposal on how to finalize the monitoring framework that was considered in Cali. While not all Parties were happy with these recommendations, negotiations seemed to progress well, and a final monitoring framework was in sight by the end of the COP. However, frustrated by the lack of progress on the negotiations on finance, the Democratic Republic of the Congo motioned to put the whole monitoring framework into brackets until a decision on resource mobilization was taken, and the COP ended without adopting the decision on the GBF monitoring framework.

The monitoring framework is not only an essential tool for countries, it is also a key enabler of the Global Review of the GBF. Parties are called to conduct a first Global Review of progress towards GBF goals at COP-17. The Global Review is expected to result in [a “global report” on the “collective progress”](#) of countries in meeting biodiversity goals and will be based on the GBF monitoring framework. Negotiators had prepared a draft decision on the Global Review process to be adopted by the final plenary at COP-16. However, in an absence of a quorum, the plenary did not adopt any decision on the Global Review. While it is expected that the Global Review decision will be adopted at the intersessional meeting of subsidiary bodies next year, the lack of a formal agreement on the review process – while it should already be under way – is throwing more than a bit of sand into the gears of the monitoring framework.

The Global Review functions in a similar way to the Paris Agreement’s Global Stocktake. Like the Stocktake, the Review can signal the need for action and provide governments and non-state actors with data on how to address action gaps. Both processes also help to evaluate the effectiveness of the international agreement as a whole, and inform Parties of additional multilateral action that may be necessary to achieve the established goals. [A lesson from the Global Stocktake is that it is essential to establish credibility of the process to ensure the acceptance of the results.](#) This involves expert reviews, forward-looking scenarios, and broad participation in the process. Considering that COP-16 ended without a formal decision on the Global Review, it may be wise to reconsider the nature of the Global Review report to be presented at COP-17. As it seems more important to produce a well-done, strong Global Review rather than a rushed, weak one, the delay in the adoption of the monitoring framework may well lead to a delay in producing the Global Review.

A robust technical assessment of progress is essential to enable stakeholders to hold their governments accountable towards agreed goals. Where governments fail to establish their own accountability mechanisms, civil society and the private sector have to step in to monitor progress. A strong example of external stakeholders informing multilateral global reviews is the Forest Declaration Assessment. Begun in 2015 to hold governments and companies accountable to the New York Declaration on Forests (2014) and then expanded to encompass commitments under the Glasgow Leaders Declaration on Forests and Land Use (2021), the annual Forest Declaration Assessment has enabled civil society to call out countries’ repeated failures to meet their stated goals of halting deforestation—and to highlight progress where it occurs.

No Progress on Funds

- ➔ *Climate or biodiversity, public pledges remain unfulfilled, and resources scarce.*
- ➔ *Developing countries put their hope in a new global fund, similar to the Green Climate Fund, that reports directly to the COP and is administered by the UN.*

The GBF's Target 19 aims for finance from all sources to total USD200 billion per year for NBSAP implementation by 2030. The Target includes at least USD20 billion per year for developing countries by 2025, increasing to at least USD30 billion per year by 2030. According to the think tank ODI Global, in 2022, developed country Parties provided only [USD10.95 billion or 55% of the target](#), and only [three developed countries](#) provided their "[fair share](#).". Even when the USD20 billion are met, this will be only a drop in the ocean-sized biodiversity financing gap of at least USD700 billion. It is therefore not surprising that financing was a major stumbling block in Cali. The conference collected a few additional pledges, but no overall agreement was reached on a path forward on resource mobilization, which leaves one of the most controversial points of the negotiations unresolved.

Developing countries also argued in favor of a new global fund that would replace the interim financial mechanism, the Global Biodiversity Framework Fund,⁴ which was established at COP-15 and is administered by the [Global Environment Facility](#) (GEF). Developing countries resent the GEF and its administrative links to the World Bank, and prefer UN-administered funds. In contrast, developed countries traditionally oppose the idea of new funds, to avoid a proliferation of funds and further fragmentation of the biodiversity finance landscape. While on the final Saturday morning of COP-16, the Colombian presidency introduced a [last-minute proposed decision on resource mobilization](#) which included reference to a new fund, this decision never came to the floor.

Even if Parties had come to a decision, it's doubtful that a new fund would solve the resource mobilization problem. Public coffers are empty and national discourses in developed countries are not conducive to large international pledges. However, a new fund may increase developing country ownership and, maybe, COP-17 will manage to cut the Gordian Knot and identify additional innovative mechanisms to mobilize funding (see the next section on the Cali Fund). Meanwhile, private and national financing initiatives move ahead, most notable of those Brazil's Tropical Forest Forever Facility (see Box 2).

No private financing mechanism will get governments off the hook for their USD20 billion commitment, but there is hope that private sources can close some of the financing gap. In the context of private finance, "[biocrediting](#)" continues to be a hot and extraordinarily controversial topic. The GBF invites Parties to stimulate innovative schemes, including market-based approaches such as biodiversity credits (Target 19 Section D). While several national biodiversity crediting schemes exist, there is fierce resistance to international crediting. Some people object to the mere notion of assigning economic value to nature, and others object to converting nature action into tradable certificates. While the idea of biocredits featured prominently in many COP-16 side events, the topic was not on the agenda of negotiators.

⁴ The capitalization of fund by the end of the COP was USD 396 million.

Whether and how nature markets will develop remains uncertain. In the absence of any international market mechanism, markets depend on a mix of voluntary action and national regulation. Biocredit markets may fund local projects and mobilize finance for national ecosystem conservation, but it is unlikely that they will fill the financing gap in any meaningful way.

Box 2: The Tropical Forest Forever Facility

Brazil's Tropical Forests Forever Facility aims to mobilize USD125 billion for the protection of tropical forests. The TFFF would rely on USD25 billion in long-term loans from rich countries and large philanthropies, which would be repaid with interest. That money would be used to attract an additional USD100 billion from private investors, and the fund would reinvest those funds in a portfolio of diverse projects. Investors would be paid a fixed rate of return, and the TFFF's excess returns (of an estimated USD4 billion annually), would be used to pay developing countries based on how much tropical forest they still have standing. While the TFFF also faces funding challenges, the Government of Brazil is determined to have the TFFF ready by the UNFCCC COP-30, which will be held in Belen, Brazil in 2025.

Genetic information, the private sector, and a truly groundbreaking fund

- ➔ *COP-16 delivered a ground-breaking decision on a global benefit-sharing fund: the Cali Fund makes companies pay for the plant and animal resources they depend on for their profits.*
- ➔ *The Cali Fund will be allocated to areas and communities from which genetic resources derive, that have so far not benefitted from their economic exploitation.*

Parties at COP-16 agreed on a groundbreaking funding mechanism for private companies to pay for the use of genetic information of plants and animals. For the first time, international negotiations result in a funding mechanism that is almost entirely backed by private funds. Parties adopted "modalities for operationalizing the multilateral mechanism for the fair and equitable sharing of benefits from the use of digital sequence information on genetic resources, including a global fund" ([para 1, draft decision on digital sequence information \[DSI\] on genetic resources](#)). The "Cali Fund for the fair and equitable benefit-sharing from the use of digital sequence information on genetic resources" (para 2) will be an international fund that receives funding from private companies directly or via countries. All major companies in sectors (e.g., pharmaceuticals, agribusinesses, cosmetics, food supplements) that commercially use DNA or DSI from wild organisms should contribute a proportion of their profits (1%) or revenues (0.1%, both indicative rates) to the Cali Fund. Governments have to take the relevant legal steps to incentivize (or demand) contributions from companies in their jurisdiction to the Cali Fund. The Fund will then allocate funds to national entities, such as national *biodiversity funds*. At least half of the funding "should support the self-identified needs of indigenous peoples and local communities, including women and youth within those communities" (para 21, Annex).

While the Cali Fund remains voluntary (signaled by words like "should" and "incentivize" in the draft decision), its establishment and funding mechanism are a momentous step toward equally sharing the benefits of nature. For the first time, companies have to participate in a global benefit

sharing mechanism and ensure that those whose resources they use benefit from the economic exploitation. The DSI decision may also set a precedent for establishing mechanisms that link private profits to global concerns.

Indigenous Peoples and Local Communities

→ *COP-16 anchored Indigenous concerns and rights in the CBD governance by adopting a new work program and establishing a new subsidiary body for Indigenous Peoples and local communities.*

The CBD recognizes the pivotal role that Indigenous Peoples and local communities play in conserving life on earth. This is embedded in both the Convention's preamble and its provisions, particularly Article 8(j) (see Box3). In this regard, COP-16 produced a breakthrough agreement on the participation of Indigenous Peoples and local communities in future COPs. Negotiators agreed to establish a new permanent subsidiary body for Indigenous Peoples and local communities, under Article 8(j) of the CBD. This unprecedented decision gives Indigenous Peoples and local communities the recognition they deserve as the true protagonists in biodiversity conservation worldwide and acknowledges the need for their full and effective participation to tackle biodiversity goals. The new subsidiary body is expected to elevate issues related to the implementation of Article 8(j) and enhance the engagement and participation of Indigenous Peoples and local communities in all CBD processes. It provides for a permanent space for these groups to participate in decision making in biodiversity-related matters.

Box 3: Article 8(j) of the CBD

"Each contracting Party shall, as far as possible and as appropriate:

Subject to national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge innovations and practices."

Parties also adopted a new work program on Indigenous Peoples and local communities. This program sets out specific tasks to ensure the meaningful contributions from Indigenous Peoples and local communities towards the three objectives of the CBD ((a) the conservation of biological diversity, b) the sustainable use of biological diversity, and c) the fair and equitable sharing of benefits), as well as the implementation of the GBF. The work program also includes Indigenous Peoples and local communities' direct access to funding for biodiversity conservation, restoration and sustainable use. Through this program, the rights, contributions and traditional knowledge of Indigenous Peoples and local communities are further embedded in the global agenda.

Both decisions showcase an intention of the Parties to integrate historically overlooked traditional and ancestral approaches into the existing biodiversity conservation framework.

Further engagement with and from Indigenous Peoples and local communities will also lead to more tailored solutions that address the unique needs of specific areas. Climate negotiators can learn a lot from the CBD's consideration of Indigenous Peoples and local communities' concerns.

Climate and Biodiversity

→ *The CBD issues another call for cooperation with the UNFCCC COP. This time there is a chance it may be heard.*

COP-16 recognized the interlinkages of the climate and biodiversity agendas when it adopted a [decision on Biodiversity and Climate Change](#). The decision officially recognizes the interdependencies between biodiversity loss, the climate change crisis, ocean acidification, desertification, land degradation, invasive alien species, and pollution.

The decision calls upon the President of the CBD COP-16 to engage the Presidents of the UNFCCC COP-29 and COP-30 to strengthen multilateral coordination on climate change and biodiversity loss. It also requests that the Executive Secretary “promote synergies and closer cooperation with the biodiversity-relevant multilateral environmental agreements, organizations and processes,” (para 14) as a way to foster integrated approaches and avoid the duplication of efforts. The Executive Secretary is expected to invite parties, observers and other stakeholders to submit their opinions and views for enhanced policy coherence by May 2025. This could potentially include a joint work program of the three Rio Conventions.

While the CBD always wanted to cooperate more closely with the UNFCCC, the UNFCCC has been less willing to accommodate biodiversity matters. [But in recent COPs its resistance has decreased](#). Concrete action is expected to be taken after COP-16, as a reaction from COP-29’s president is just around the corner. While ambition remains too low and actions too slow, the growing recognition by Parties, advocates, and observers that the GBF and Paris Agreement must be implemented together gives policy makers a clear mandate—and the world a glimmer of hope.

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