POSITION ON THE DRAFT POST-2020 GLOBAL BIODIVERSITY FRAMEWORK CONSOLIDATED STREAMLINED TEXT DEVELOPED BY THE INFORMAL GROUP IN MONTREAL IN SEPTEMBER 2022

UPDATED IN NOVEMBER 2022

About Business for Nature – *Business for Nature is a global coalition that brings together business and conservation organizations and forward-thinking companies. Together, we demonstrate credible business leadership on nature and amplify a powerful leading business voice calling for governments to adopt policies now to reverse nature loss this decade. We work with more than 70 international and national partners and a diverse group of businesses from all sectors, sizes and geographies. We encourage companies to commit and act to reverse nature loss, and advocate for greater policy ambition.*

Contents

Executive summary

The Post-2020 Global Biodiversity Framework must aim at accelerating the transformation of our economic and financial system towards an equitable, nature-positive, net-zero world. It has the potential to scale and speed up action and investment to create sustainable growth, generate 395 million new clean jobs, and create $US 10.1 trillion in business opportunities[1].

We remain concerned the overall ambition and sense of urgency is not strong enough to reverse nature loss by 2030 and secure a nature-positive future. The Framework must reflect the strong political signals given by the G7 Nature Compact, the Leaders Pledge for Nature signed by 94 Heads of State and the COP26 Glasgow climate pact emphasizing the importance of nature loss to address climate change.

We welcome the recognition of the role of business and financial institutions in co-leading the transformation and the need to value and embed nature in all decision-making by mainstreaming nature in all sectors. However, key elements still need to be strengthened, improved and refined.

We are calling on governments to make the Post-2020 Global Biodiversity Framework transformative, implementable and enforceable. This will require global political will, a strong and measurable set of enforceable targets, clarity on the duties of different actors to embed the value of nature in decision-making, alignment of all financial flows to the goals, supported by a comprehensive monitoring framework, backed by a robust and transparent implementation system with a ratchet mechanism.

At the OEWG-5 and COP15 negotiations, Parties must:

- **Adopt a Target 15 that requires business and financial institutions to act**. Only a target that includes effective mandatory and regulatory requirements will accelerate business action at the scale that science requires.

  Target 15 must apply to**:**
  - All large business and financial institutions
  - All impacts and dependencies along operations, value chains and portfolios

  Target 15 must include:
  - Mandatory requirements to assess and disclose impacts and dependencies on biodiversity
  - An aim to reduce negative impacts by half and increase positive impacts

- **Raise the ambition in Target 18**, in consideration of the latest research estimating environmentally harmful subsidies to be at least US$1.8 trillion per year.

  Target 18 must commit to:
  - reform, redirect or eliminate environmentally harmful subsidies.
  - reform ALL environmentally harmful subsidies, including indirect and direct incentives, subsidies and tax exemptions.
  - reduce environmentally harmful subsidies by at least USD 500 billion per year
  - scale-up positive incentives to align all financial flows to a nature-positive economy

- **Adopt a clear, simple and rallying mission to halt and reverse biodiversity loss by 2030** to achieve a nature-positive world, based on the strong consensus expressed by Parties and Observers on this proposed mission at the OEWG4. Businesses need governments to provide direction at the highest political level and commit to a nature-positive world by 2030 to accelerate business actions on nature.

---

[1] https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf

Below is our full position on the draft produced at the September 2022 Informal Group, document “CBD/POST2020/OM/2022/1/2 - 5 October 2022”. This position builds on our previous suggestions on the various GBF drafts and on three rounds of business consultations.

We would like to encourage Parties to work further on simplifying the text and targets as much as possible, while keeping the ambition high, so it can be communicated outside of the nature conservation community, to adopt clear definitions of the key concepts and terminology, and to adopt a clear and comprehensive monitoring framework to ensure that the way forward is clear and all actors understand the role they must play.

Business for Nature priorities

Target 15 – Beyond voluntary actions

Target 15 is the best opportunity to engage the broad business and finance community in the implementation of the GBF. For this to happen, Target 15 must send a strong signal that governments will start requiring businesses and financial institutions to act now to halt and reverse nature loss by 2030. It will demonstrate that business as usual is economically short-sighted and will destroy value over the long term. Target 15 is also an opportunity to level the economic playing field and create fair competition where positive actions on nature are rewarded by regulatory, financial and economic systems. Voluntary actions are needed but are not enough and this should be reflected in Target 15.

Adopt a Target 15 that requires businesses and financial institutions to act. Only a target that includes effective mandatory and regulatory requirements will accelerate business action at the scale that science requires.

Target 15 must apply to**:**
- All large business and financial institutions
- All impacts and dependencies along operations, value chains and portfolios

Target 15 must include:
- Mandatory requirements to assess and disclose impacts and dependencies on biodiversity
- An aim to reduce negative impacts by half and increase positive impacts

Our recommendations on Target 15

- **Essential elements to keep**
    - “all large and transnational companies, business and financial institutions”: clarifying the scope by targeting all large companies. This is essential to create fair competition.
    - “along their operations, value chains and portfolios”: as most impacts occur along value chains, the scope of the target should clearly address this.
    - “and companies with significant impacts on biodiversity”: we support the inclusion in the scope of the target companies with high impacts on biodiversity, given a clear definition is proposed
    - “through mandatory requirements”: sending the signal that all large business and financial institutions will be required to assess and disclose dependencies and impacts, to create a sound basis for commitments and transformative action. This would also clearly indicate that business as usual is over and all businesses need to act now.

- "regularly assess and disclose their dependencies and impacts on biodiversity": essential to understand both impacts as well as dependencies, to track progress and transparently disclose to inform governments, investors, consumers and other stakeholders. This is the unavoidable first step to any effective action.
- "reduce by half negative impacts on biodiversity, increase positive impacts": once a business has assessed and disclosed, they need to commit and transform. This section is essential to ensure businesses are incentivized to not stop at assessment but also have a clear target to act.

- **Elements that must be deleted**
  - "significantly increase the number or percentage of": this is not a SMART[2] objective, and gives the impression that not all business and financial institutions will be required to act. It would favor free-riders and create unfair competition.
  - "particularly": all business and financial institutions must act. This reduces the ambition by giving the impression that only some sectors will be addressed. Sectors with high impacts must be prioritized in the implementation and in NBSAPs but the target must cover all sectors.
  - "In order to significantly": this is not SMART and is vague.

Business for Nature calls on Parties to adopt an ambitious Target 15 that requires business and financial institutions to transform their business practices. Only a target that 1/includes effective mandatory requirements for large business and financial organisations to assess and disclose dependencies and impacts on biodiversity and 2/ commits to incentivize them to accelerated business action to reduce negative impacts by half would generate transformation at the scale that science requires and in line with a mission to halt and reverse nature loss by 2030.

Below are Business for Nature's recommendations to achieve this in Target 15, based on the text adopted at OEWG-4 in Nairobi.

I - Structure of the target

For a comprehensive, simple and implementable target, we suggest the following structure:

A "chapeau", as currently proposed in Target 15, that clarifies:

1. the action that Parties will take to ensure the implementation of this target (i.e. "take legal, administrative or policy measures"). We support the current text.
2. the scope of the Target:
   - Which business: all business and financial institutions versus a specific subset of all business and financial institutions? We support clarifying that the target applies to all large and transnational business and financial institutions and those with high-impacts on biodiversity and should be coupled with mandatory disclosure and a clear target to reduce negative impacts (see detailed explanation below).
   - Where: at operational level only versus along operations, supply and value chains and portfolios? We support the second option as this is where most impacts occur (see detailed explanation below).

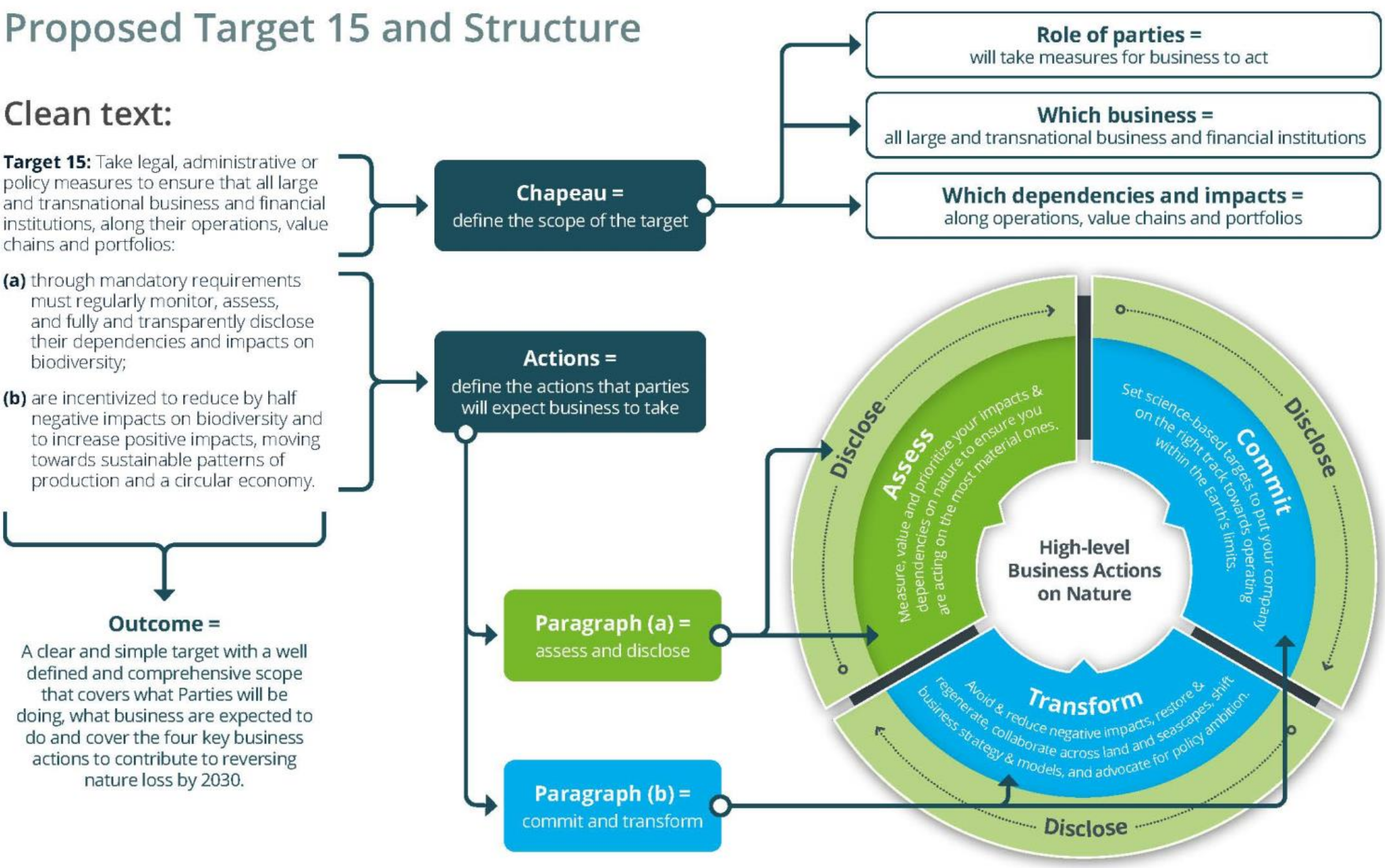
Followed by at least two essential elements stating what governments will do to ensure businesses take the actions needed:

1- ensuring through mandatory requirements that business and financial institutions assess and disclose their dependencies and impacts on nature. It is essential to make this requirement mandatory to ensure fair competition and a level playing field (see detailed explanation below).

[2] SMART means "specific, measurable, assignable, realistic and time-related"

2- incentivizing business and financial institutions to reduce by at least half their negative impacts and increase positive impacts. It is essential to elevate this section into a bullet point as this is an action for governments, not an outcome (see detailed explanation below).
Other elements (i.e. points (b), (c), (d), (e)) could also be added here.

It is essential to keep the reference to at least these two elements (1/assess and disclose and 2/reduce negative impacts and increase positive impacts). This represents the full scale of business action needed as reflected in the figure below of high-level business actions on nature developed and supported by Business for Nature, Capitals Coalition, the Taskforce on Nature-related Financial Disclosure (TNFD), the Science Based Target Network (SBTN), the World Business Council for Sustainable Development (WBCSD), the World Economic Forum, WWF and others.



Visual: High-level actions businesses must take to make meaningful contributions to help hault and reverse nature loss and contribute to an equitable, nature-positive world, where positive impacts outweigh negative ones. Find out more.

II- Proposed amendments in Target 15

Proposed clean text:
Target 15: Take legal, administrative or policy measures to ensure that all large and transnational business and financial institutions, along their operations, value chains and portfolios:

(a) through mandatory requirements must regularly monitor, assess, and fully and transparently disclose their dependencies and impacts on biodiversity;

(b) are incentivized to reduce by half negative impacts on biodiversity and to increase positive impacts, moving towards sustainable patterns of production and a circular economy.

(Note that Business for nature does not have specific positions or objections on the proposed elements b-e in the Nairobi text)

<u>Suggested amendment on the Nairobi text:</u>
Take legal, administrative or policy measures to ensure that ~~[~~all~~]~~ [~~significantly increase the number or percentage of~~] large and transnational business and financial institutions~~[, particularly those]~~ [,] ~~[and companies~~ **and companies** with significant impacts on biodiversity, **along their operations, supply and value chains and portfolios**~~]~~ ~~[, that]~~:

(a) ~~[~~Through mandatory requirements~~]~~ **must** regularly monitor, assess, and fully and transparently disclose their ~~[~~dependencies and~~]~~ impacts on biodiversity ~~[~~along their operations, supply and value chains and portfolios~~]~~;
(b) [Provide information needed to consumers to enable the public to make responsible consumption choices];
(c) [Comply and report on access and benefit-sharing;]
(d) [Take legal responsibility for infractions] [, including through penalties, and liability and redress for damage and addressing conflicts of interest;]
(e) [Follow a rights-based approach] [, including human rights and the rights of Mother Earth.]

(f) ~~In order to [significantly]~~ **are incentivized** to reduce ~~[~~by half~~]~~ negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions, and [moving towards sustainable patterns of production] [foster a circular economy] [, consistent and in harmony with the Convention and other international obligations, together with Government regulations.]

III – Detailed rational for the proposed amendments

Nairobi text	Proposed amendment	Comments	How to implement?
CHAPEAU = clarify the scope of the target The chapeau must clarify: 1/ that Parties will be taking measures to ensure business action; 2/business scope: which business?; 3/action scope: which impacts?			
Take legal, administrative or policy measures to ensure that	Take legal, administrative or policy measures to ensure that	<u>Purpose of the section</u>: Clarify that Parties will be taking measures <u>Our suggestion</u>: Keep the text as is <u>Justification</u>: The GBF will be implemented by Parties. We therefore welcome this text to clarify the measures Parties will take to engage business and ensure the implementation of this target. Governments have the responsibility to create an enabling environment that incentivizes positive action. Target 15 must change the rules of the economic game by demonstrating that governments will expect and require businesses to act.	
[all] [significantly increase the number or percentage of] business and financial institutions [, particularly those] [with significant impacts on biodiversity,] [and large and transnational companies] [, that]:	~~[all]~~ ~~[significantly increase the number or percentage of]~~ business and financial institutions ~~[, particularly those]~~	<u>Purpose of this section</u>: Sets the scope of the target: which businesses is Target 15 aimed at? <u>Our suggestion</u>: 1- define a clear scope and keep "<u>all</u> large and transnational business and financial institutions and companies with significant impacts" 2- delete the rest as it reduces the ambition.	The concept of "Large and transnational business and financial institutions" will need to be defined, probably at national level. Indeed, while this could be done at the CBD level in the glossary, given the specific national circumstances it could make more sense for the definition to be adopted at national or regional level. Below are some existing definitions to help with the discussion.

	~~[~~**and companies** with significant impacts on biodiversity,~~]~~ ~~[~~and large and transnational companies~~]~~ ~~[, that]:~~ **see clean text suggestion above for a text that can be easily read*	<u>Justification</u>: Parties are currently exploring three options on the scope: • Option 1: A large scope targeting all business and financial institutions • Option 2: A narrower scope focusing on <u>all</u> large and transnational business and financial institutions • Option 3: an undefined scope looking at "a number / % of business/particularly those". We support option 2 (i.e. to remove the brackets to "<u>**all**</u> large and transnational business and financial institutions"). But this narrower scope must then be coupled with an ambitious target that includes mandatory requirements to assess and disclose and a set target to reduce negative impacts. Indeed, this would have a greater impact than a large scope covering all business but with less ambitious objectives in the rest of the target. We therefore do NOT support wording leading to ambiguity on the ambition and scale of the change required and ask Parties to delete the following text: • "*significantly increase the number or percentage of*": this is not a SMART objective and does not reflect the level of action needed.	Existing definition of large and transnational: - SDG Goal 12.6 proposed indicators for 'large and trans- national companies' mentions "<u>*companies valued at more than $1 billion that publish integrated monitoring*</u>". - <u>UN department of Economic and Social Affairs'</u> definition of multinational companies: *"multinational corporation" covers all enterprises which control assets (i.e. factories,. mines, sales offices and the like) in two or more countries."* - <u>Global policy forum's definition:</u> "Transnational corporation" means a for-profit enterprise marked by two basic characteristics: 1) it engages in enough business activities -- including sales, distribution, extraction, manufacturing, and research and development -- outside the country of origin so that it is dependent financially on operations in two or more countries; 2) and its management decisions are made based on regional or global alternatives. - the **UK Companies Act** on climate disclosure understand large companies as companies that have more than 500 employees and are either*: Listed on the main market of the LSE; Traded on AIM; Banks or insurers; or Have more than £500m turnover.* - <u>**EU** & OECD's definition</u>: *Large enterprises employ 250 people or more and have an annual turnover of more than €50 million* - In **Brazil**, the <u>National Development Bank</u> defines a large company as the *ones that have a gross income larger than R$ 300 million*

		• "*particularly those with significant impacts on biodiversity*": limiting the target to only businesses with significant impacts would limit the ambition and does not reflect the level of action and urgency needed. All large and economically significant business and financial institutions must assess, disclose and address their impacts. Debates around how to define "significant" would lead to slower implementation.	*(roughly USD 60 million) or more than 250 employees.* - **Japan** has a legal definition for Small and Medium-sized Enterprise adopted in the SMEs Basic Act and any company not under this definition is regarded as a large business. In general, listed companies and/or companies with a workforce exceeding 300 people are large businesses. - In **Malaysia,** the Securities Commission considers large companies as *companies on the FTSE Bursa Malaysia Top 100 Index; or Companies with market capitalisation of RM 2 billion and above at the start of the companies' financial year* and Multinational Companies (MNC) refers to "*a company or group that owns or control production of goods and services in multiple companies besides its home country*" and Financial Institutions are defined by the Central Bank of Malaysia Act 2009 as "*A person carrying on a financial business regulated under the laws enforced by the Bank and in addition includes any- (a) person who operates any payment system or issues any payment instrument; and (b) person carrying on any other financial business as the Minister may prescribe."* - In **China**, the National Bureau of Statistics issued a regulation to classify large, medium, small and micro enterprises in 2017. Different sectors have different classification standards. made by revenue, number of employees and total assets. The classification is applicable to enterprises of all types of ownership.

			- In **Mexico**, the Ministry of Economy defines large companies as businesses dedicated to services and that have from 101 to 251 workers and have sales of more than 250 million pesos.
	Add **"along their operations, supply and value chains and portfolios:"**	Purpose of this section: Set the scope of action: which level of impacts is Target 15 addressing? Our suggestion: Elevating this section to the "chapeau" Justification: This defines the scope of the target and should apply to the whole target, not only to point (a). Parties must be clear that this target addresses business impacts at operations level AND across value chains where most of the impacts occur. This would also require large companies to provide support and capacity to SMEs in their value chain to also address their impacts.	Companies already report full value chain impacts for GHG emissions, and a similar system can be applied for biodiversity. In GHG reporting, full value chains and portfolio emissions are categorized in Scope 1, 2 or 3 depending on where in the value-chain the activity occurs. Scope 1: covers the Green House Gas (GHG) emissions a company makes directly, the equivalent to 'operations'. Scope 2: indirect emissions from purchased energy. Scope 3 - all emissions the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.
PARAGRAPHS = Actions that Parties will expect business to take The bullets must cover at least: 1/ obligation to assess and disclose dependencies and impacts, 2/ a defined target to reduce negative impacts and increase positive impacts			
(a) [Through mandatory requirements]	(a) ~~[~~Through mandatory requirements~~]~~ **must**	Purpose of this section: going beyond voluntary actions, create fair competition and accelerate action Our suggestions: remove the bracket Justification: Voluntary business actions are important but not enough. Mandatory requirements to assess and disclose are	Countries will have to decide how best to implement these requirements at national level based on existing regulations. Mandatory disclosure on nature would be implemented in the same way that mandatory disclosure on climate is currently being implemented.

		essential to demonstrate the urgency, create fair competition, accelerate standardization, engage investors and empower consumers, facilitate access to data and accelerate action beyond business as usual. This would also ensure that companies that do not disclose their negative impacts do not benefit from potential competitive advantage over those that do. In a recent business survey, 91% of respondents agreed that such mandatory requirements are needed[3]. Over 330 companies and financial institutions from 52 countries and combined revenues of over USD 1.5 trillion publicly support this.	Since April 2022, the United Kingdom made climate-related financial disclosure mandatory for large companies, providing a roadmap for how rules could be developed for mandatory disclosure of nature-related risks. The EU and US have followed by developing rules for mandatory climate disclosure, further demonstrating how disclosure guidelines can be integrated into national-level regulations by relevant authorities. The International Sustainability Standards Board (ISSB) is part of the IFRS Foundation - and sets IFRS Sustainability Disclosure Standards. Once the ISSB finalizes its first two proposed standards on general sustainability-related disclosures and climate, it would be helpful if it could broaden its focus to include nature, as an immediate follow-up. Strong guidance is already available to build on from the industry based Sustainability Accounting Standards Board Standards and the Climate Disclosure Standards Board for water and biodiversity. Initiatives such as the Taskforce on Nature-related Financial Disclosures (below) will help inform ISSB's work. The Taskforce on Nature-related Financial Disclosures (TNFD) can provide governments with a clear framework to adopt mandatory disclosure requirements. TNFD is developing a disclosure framework for business and financial

[3] Full business consultation report from May 2022 available here: https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report_Target+15_GBF.pdf

			institutions to disclose nature-related risks. Once adopted, the Framework will equip them with the tools needed to disclose their dependencies and impacts. TNFD is not creating a new disclosure standard but aggregates the best standards, data and tools for the business and finance sector to use. It builds on the Taskforce on Climate-related Disclosures (TCFD). A beta version 3 of the framework was released in November 2022 and is under pilot testing. The full framework will be available in 2023.
Regularly monitor, assess,	Regularly monitor, assess,	Purpose of this section: Ensure business and financial institutions understand their most material impacts to prioritise action. Our suggestions: Keep. To shorten the text, "monitor" could be deleted as this is addressed by "regularly". Justification: Assessing impacts is the essential first step for all business wanting to address their impacts. Assess means measuring, valuing and prioritizing dependencies and impacts on nature to ensure actions on the most material ones.	Substantive tools and methodologies exist to guide business and financial institutions to assess their dependencies and impacts. This should be done by conducting an initial materiality assessment across the production and consumption value chain, for instance by using guidance from the Science-Based Target Network (SBTN), following the Natural Capital Protocol[4] to measure and value dependencies and impacts and the TNFD LEAP approach to assess impacts and dependencies on nature, and evaluate nature-related risks and opportunities.
and fully and transparently disclose	and fully and transparently disclose	Purpose of this section: Ensure the result of the assessment is transparently and publicly published. Our suggestions: Keep. To shorten the text, "fully and transparently" could be deleted as	Frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) provide a risk management and disclosure framework with detailed guidance for business, financial institutions and governments to disclose and act on nature-related risks. The version 3 of the

[4] For further information about integrating natural, social and human capitals into business decision-making, you can follow an introductory course for free. The course provides a comprehensive introduction to the capitals approach and to undertaking a natural capital assessment.

		any credible disclosure framework would require transparency. Justification: Disclosure is essential to ensure accountability, provide transparency and track progress for governments, investors and consumers and enable easy access to information to accelerate transformative action.	TNFD beta framework is available and under pilot testing. The final framework will be published in June 2023. Existing reporting standards, such as the Global Reporting Initiative (GRI), SASB, IFC Sustainability Framework, and the EU Corporate Sustainability Reporting, as well as environmental data aggregators like CDP, can also be used.
their dependencies and impacts on biodiversity	their ~~[dependencies and]~~ impacts on biodiversity	Purpose of this section: Clarify what business and financial institutions are required to assess and disclose. Our suggestions: Keep and remove the brackets on "dependencies". Justification: It is essential to understand both impacts as well as dependencies. Business must also to look at their dependencies to create awareness and a feel of urgency as dependencies are closely linked to risks and the loss of this biodiversity or ecosystem service would affect business overall performance, therefore creating an incentive to protect or regenerate it. *Definition of impacts: a* negative or positive effect of business activity on biodiversity. For instance, a negative impact on a watershed or a positive impact gain through restoration.	The Natural Capital Protocol provides detailed definitions and methodologies to help businesses measure and value their impacts and dependencies.

		Definition of dependencies: a business reliance on or use of biodiversity or ecosystem services. For instance, a business reliance on pollinators in agriculture.	
[along their operations, supply and value chains and portfolios]	~~[~~along their operations, supply and value chains and portfolios~~]~~	<u>Purpose of this section</u>: Set the scope of action: which level of impacts is Target 15 addressing? <u>Our suggestion</u>: Remove the brackets and elevate this section to the "chapeau". To simplify, "supply and value chains" can be replaced by "value chains" only as this also encompasses the supply element. See definition below. <u>Justification:</u> Parties must be clear this target addresses business impacts at operations level AND across value chains where most of the impacts occur. This would also require large companies to provide support and capacity to SMEs in their value chain to also address their impacts. Definition of the different terms: Operations: used to describe a broad range of activities that a company does day-to-day to keep running. For example, the electricity usage of a supermarket would be considered a direct operation. Supply chains: refers to the system and resources required to move a product or	This is already applied in the climate agenda and could be replicated for biodiversity. Across operations, supply and value chains and portfolios is the equivalent of scope 1-2-3 as a <u>way of categorising the different kinds of carbon emissions</u> a company creates. Scope 1: covers the Greenhouse Gas (GHG) emissions a company makes directly, the equivalent to 'operations'. Scope 2: indirect emissions from purchased energy. Scope 3 - all emissions that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

		service from supplier to customer[5]. It represents the steps it takes between a company and its suppliers to produce and distribute a specific product to the final buyer. Value chains: the concept builds on supply chains to also consider the manner in which value is added along the chain, both to the product / service and the actors involved. From a sustainability perspective, 'value chain' has more appeal, since it explicitly references internal and external stakeholders in the value-creation process[6]. It also encourages a full-lifecycle perspective and not just a focus on upstream. Portfolio: A collection of finance activities or investments	
b) [Provide information needed to consumers to enable the public to make responsible consumption choices]; c) [Comply and report on access and benefit-sharing;] d) [Take legal responsibility for infractions] [, including	No position	We have no specific position or objections on these different elements. (b) could be covered in Target 16 (c) could be covered in Goal C and Target 13	

[5] https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs
[6] https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs

through penalties, and liability and redress for damage and addressing conflicts of interest;] e) [Follow a rights-based approach] [, including human rights and the rights of Mother Earth.]			
In order to [significantly] reduce [by half] negative impacts on biodiversity, increase positive impacts,	(**f** new) **are incentivized to** ~~In order to [significantly]~~ reduce ~~[~~by half~~]~~ negative impacts on biodiversity, increase positive impacts,	Purpose of this section: Ensure that once businesses have assessed and disclosed, they act to reduce negative impacts and increase positive impacts. This reflects the 'commit' and 'transform' sections of the high-level business actions. Our suggestions: 1- elevate to a bullet point and start with "are incentivized to", 2- remove significantly, 3- keep "by half". Justification: We strongly support this section of the target, and it must be elevated to a specific point (i.e. (b) or (f) as this requires an action. To have the impact expected, business must not only assess and disclose their dependencies and impacts but also commit and transform. These last two points are essential, and this is what this section of the target is addressing. Deleting this section would mean not addressing it. We strongly support removing the brackets to keep the numerical target and delete "significantly" which is not SMART and	Implementation by government: To implement the 50% global target, national government will need to define and prioritize the categories of impacts to be addressed, including specific sector contributions and priority geographies. For this, governments can use the interim targets proposed by the Science-Based Target Network aligned with the IPBES drivers of biodiversity loss. A general 2020 baseline could be adopted, however, each business will need to identify and set specific baselines for each type of impact they want to reduce/increase. To track progress on the 50% reduction target, governments can adopt a system for business to report progress and to compile at national level. Implementation would be facilitated if disclosure is already mandatory. Governments can assist by aligning biodiversity accounting done by business (for example using the Natural Capital Protocol) with governments accounting via the SEEA-Ecosystem Accounting framework. Implementation by business: To implement this target, businesses will first have to set transparent, time-bound, specific, science-

		has no meaning. In a recent business survey, 74% of respondents agreed that a 50% reduction target is needed[1] as businesses need and expect governments to set a shared clear, measurable and time-bound objective. Deleting this numerical target would send the wrong signal to the business community and will delay action. The numerical target provides long-term certainty and a sense of urgency to business which is vital to encourage the uptake of nature-positive business models and to orient investments and business decision-making processes around the protection, restoration and sustainable use of nature and natural resources.	based targets. They can use Business for Nature's commitment list, Science-Based Targets for Nature (SBTN) initial guidance, the Accountability Framework Initiative and follow best practice with the ESG (Environment Social and Governance) metrics. They must then transform their practices by avoiding and reducing impacts, including by eliminate the impact entirely in priority areas and minimize impacts when elimination is not possible. To regenerate and restore, they can use the NBS benefits explorer and follow the IUCN Global Standard for Nature-based Solutions to ensures a holistic approach. To embed nature at the core of all business decisions, they can invest in circular business models, engage in landscape-level and jurisdictional approaches, and divest from assets that degrade and over-exploit nature. The World Economic Forum identifies 15 nature-positive transitions that could generate up to US$10.1 trillion in annual business value and create 395 million jobs by 2030. (see more details in the FAQ below)
reduce biodiversity-related risks to business and financial institutions, and [moving towards sustainable patterns of production] [foster a circular economy] [, consistent and in harmony with the Convention and other international	No position	We have no specific position or objection on this section	

obligations, together with Government regulations.]			

FAQ - WHY AND HOW THIS IS DOABLE

What tools are in place to assist business to implement the target?

Leading business are already acting now to assess and disclose impacts and dependencies on biodiversity, to reduce negative impacts and increase positive impacts to contribute to a nature-positive world.

Tools and guidelines are already available for businesses and financial institutions to start acting and more standardization is in process to accelerate action. Therefore, regulatory measures requiring the assessment and disclosure are feasible by 2030 and leading businesses support the 50% reduction of negative impacts.

The following high-level business actions show how businesses can make meaningful contributions to help reverse nature loss and contribute to a nature-positive world by 2030, where positive impacts outweigh negative ones in the same eco-regions or in similar types of ecosystems.

Infographic: High-level business actions on nature. These actions have been developed and are supported by Business for Nature, Capitals Coalition, TNFD, SBTN, WBCSD, World Economic Forum, WWF and others.

Assess – Business must measure, value and prioritize their impacts and dependencies on biodiversity to ensure they are acting on the most material ones. This includes:

1. **Conduct an initial materiality assessment** to prioritize efforts using guidance from SBTN.
2. **Measure and value** impacts and dependencies on biodiversity following the Natural Capital Protocol. The Natural Capital Toolkit help business finding the right tool and where relevant they can use supplementary guidance on finance, biodiversity and food systems. We Value Nature assists business build capacity in this process.
3. **Evaluate business risks** and opportunities with the guidance provided by the Taskforce on Nature-related Financial Disclosures (TNFD). The Integrated Biodiversity Assessment Tool (IBAT) for Business and the WWF Water Risk Filter will help business identify priority locations for target setting and dig deeper into particular risks.
4. **Expand the assessment to include nature, climate, and people** through an integrated assessment, including natural, social, and human and produced capital and through the GHG Protocol.

Commit – Business must set transparent, time-bound, specific, science-based targets towards operating within the Earth's limits. This includes:

1. **Make commitments** through credible platforms to reduce most significant and material business impacts and dependencies. Use Business for Nature's commitment list to locate relevant commitments and follow best practice with the ESG (Environment Social and Governance) metrics.
2. **Set targets** by measuring baseline impacts and setting measurable targets across priority locations to reduce impact and contribute positively by restoring ecosystems, including land, freshwater, and oceans. Business can use Science-Based Targets for Nature (SBTN) initial guidance and their suggested interim targets, and prepare to set targets in line with the final guidance to be released in 2023. Depending on company's material impacts, they can use the Accountability Framework Initiative and this guide to setting water targets.

Transform – Business must contribute to systems transformation. This includes:

1. **Avoid and reduce.** Prevent impacts from happening or eliminate the impact entirely and stop any damage in priority areas to have "zero harm" on biodiversity and nature. Minimize impacts across value chain when elimination is not possible.
2. **Regenerate and restore.** The NBS benefits explorer can assist companies to invest in nature-based solutions following the IUCN Global Standard for Nature-based Solutions to ensures a holistic approach for biodiversity, water, climate and people.
3. **Shift business strategy and models.** Embed nature at the core of all business decisions, invest in circular business models, engage in landscape-level and jurisdictional approaches, divest from assets that degrade and over-exploit nature. The World Economic Forum's identify 15 nature-positive transitions that can generate up to US$10.1 trillion in annual business value and create 395 million jobs by 2030.
4. **Collaborate with your value chains at the landscape-level** and apply the mitigation hierarchy beyond operations.
5. **Advocate** for ambitious Government policies that will accelerate positive business action.

Disclose – Business must track performance and prepare to publicly disclose material nature-related information by:

1. **Monitor progress** regularly
2. **Disclose progress** following guidance from the Taskforce on Nature-related Financial Disclosures (TNFD) that recommends business leaders to communicate on their 1/ governance; 2/ Strategy; 3/ Risk management; 4/ Metrics and targets.
3. **Seek out independent validation** of processes and verification to enhance credibility
4. **Align reporting** with major reporting standards such as GRI, IFC, ISSB and the EU Corporate Sustainability Reporting Directive, and environmental data aggregators like CDP.

About mandatory requirements to assess and disclose

Read our new report, 'Make It Mandatory: the case for mandatory corporate assessment and disclosure on nature' that outlines how mandatory assessment and disclosure on nature would help create fairer competition for business, increase accountability, engage investors and consumers, support SMEs to minimise their nature dependencies through supply chains and help ensure the rights of Indigenous Peoples' and local communities.

Why should businesses and financial organizations assess and disclose their impacts and dependencies on biodiversity?

It's a fundamental risk to business, and society in general, for companies to not be aware of and disclose their impacts and dependencies on biodiversity. Assessment is an essential first step to help businesses understand their impacts to nature (and its consequences for society) as well as their dependencies on the ecosystem services that support their activities. Greater insight will help business to understand why they need to take action on nature. It will also help them prioritize relevant actions based on the most material issues in their operations and supply chains. This applies to all businesses regardless of their size, sector or geography. Indeed, if businesses do not understand their impacts and dependencies, they won't be able to manage them. If they disclose, they can track progress and demonstrate positive impacts on nature.

How can business benefits from assessing and disclosing impacts and dependencies?

Disclosure also brings business the following advantages:

- **Market access:** Disclosure is a key element in maintaining the competitiveness of companies within global markets. Several markets, such as the EU and the UK are in the process of adopting and implementing regulations requiring due diligence on the imports of forest risk commodities, which will require companies to be able to identify and manage environmental impacts and~~,~~ dependencies, if they want to operate within those markets. Exporters will-face higher expectations for environmental disclosure from customers and authorities in these and other markets.
- **Better access to capital***:* As the number of investors committing to nature positive assets grows, companies that do not report nature and biodiversity-related data will face constraints on access to capital. Companies that report TCFD-aligned data through CDP already have 19% greater access to capital compared to non-reporting firms. This advantage is likely to grow as nature and biodiversity metrics feature more in investment decisions.
- **Superior performance, increased accountability and improved business governance:** Mandatory disclosure will make biodiversity issues a material and financial issue thereby elevating it to board level. It will therefore help with mainstreaming and embedding biodiversity in core business governance. Indeed, disclosure ensure improved risk management, better financial performance, and greater engagement with employees and customers. These companies generally post higher returns, and enjoy better performance overall. For example, data from STOXX indicates that companies on CDP's A List have outperformed competitors by 5.3% over a seven-year period.

Why are businesses supporting mandatory assessment and disclosure?

In a recent business survey, 91% of respondents agreed that such mandatory requirements are needed[7]. Over 330 companies and financial institutions from 52 countries and combined revenues of over USD 1.5 trillion publicly support this. This is because mandatory assessment and disclosure requirements are needed to accelerate action and improve international competitiveness.

The benefits for business of mandatory assessment and disclosure include[8]:

- **Level the global playing field and ensure fair competition:** It will create a level playing field by allowing comparison of companies within sectors which in turn leads to the re-direction of financial flows in a way that rewards strong performers and penalizes poor performers. It will ensure businesses disclosing impacts and dependencies are not put at a competitive disadvantage and help identify companies currently showing leadership and stimulate companies to begin the transition toward nature positive business models.
- **Ensure large-scale action and collaboration:** Reversing nature loss requires joint action from all stakeholders including business through collective work based on trust. This requires transparency from all actors. Relying on voluntary actions will be unsuccessful in order to transform the system, we need the wider business community to act. Mandatory disclosure will mean the private sector

[7] Full business consultation report from May 2022 available here: https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report_Target+15_GBF.pdf

[8] https://www.businessfornature.org/news/business-call-for-mandatory-nature-assessment-and-disclosure-at-cop15

moves forward together, will collaborate in finding and implementing solutions, create synergies to scale-up impacts and provide a true representation of where we are collectively.

- **Demonstrate the urgency**: The time to rely on ad-hoc and voluntary action is over. Most of the Aichi 2020 targets have been missed, creating a greater need for immediate large-scale action. Mandatory requirements will create this sense of urgency, accelerating the creation of solutions and pushing businesses to be proactive, not only reactive.
- **Accelerate standardization:** Mandatory disclosure will improve data accuracy, create uniform standards and alignment in terms of terminology and acceptable methods across the economy. As well as providing baselines to calibrate and measure impacts, it will set a benchmark for companies to compare their performance with competitors and therefore encourage improvements.
- **Facilitate access to data**: Mandatory disclosure will improve data access from public and private sources and enable businesses to reallocate resources - currently dedicated to data collection and analysis - towards concrete actions to reducing their environmental footprint. Although today there is no lack of public databases from satellite remote sensing, there are significant gaps in both public and private data. Businesses are not willing to share such commercially sensitive data, unless there is a mandatory requirement, accompanied with good data exchange infrastructure which guarantees data security and confidentiality.
- **Involve and activate SMEs through their value chains:** Mandatory assessment and disclosure for large companies would drive impact-related support and capacity for Small and Medium-sized Enterprises (SMEs) in their value chain. This would enable SMEs to address their nature impacts while playing a pivotal role for larger companies working to achieve their own nature targets.

What are the benefits of mandatory disclosure for society?

As is the case on climate change, mandatory requirements to assess and disclose impacts and dependencies on nature are needed to:

- **Accelerate action and create a business case to invest in nature:** Business requires long-term clarity and certainty, including a financial future perspective for the choices they make in their business strategies. It is currently difficult to fully value the positive results of biodiversity recovery on the market since there is no level playing field with a uniform framework for monitoring biodiversity impacts. Anchoring this in policy is inevitable and necessary to make biodiversity part of business strategies. Without a mandatory requirement on business, a voluntary market simply doesn’t give the clarity and certainty needed for all business to act.
- **Engage investors**: Mandatory disclosure will increase interest and create greater awareness of nature-based financial risks among investors and financial institutions who would be more active and able to influence and increase pressure on clients. This would create incentives for the financial sector to invest more in nature-positive projects and reward high performers, therefore increasing the value of investment in nature.
- **Empower consumers**: Mandatory disclosure will empower civil and public society to take informed decisions, therefore increasing external pressure on business and by doing so contributing to Target 16. It would set a level playing field for benchmarking and comparing the performance of companies and addressing greenwashing/ marketing techniques as a way to improve public perception.
- **Ensure the rights of Indigenous People and Local Communities**: Businesses are responsible for securing and respecting the rights of communities in places they operate. This include implementing effective Free and Prior Informed Consent processes. If business and finance are required to disclose their impacts and dependencies on nature, this transparency of information would empower local communities to require payment for the ecosystem services they protect and compensation for any negative impacts.

What is the experience from climate disclosure?

While some jurisdictions[1] are already requiring certain companies to disclose information on the way they operate and manage social and environmental issues, most have encouraged rather than mandated business to disclose biodiversity information[2]. This lack of a mandatory requirement leads to highly variable disclosure, both in terms of quantity and quality of information.

Experience from the climate agenda tells us that voluntary action is not enough. This is why countries are starting to adopt mandatory requirements for companies to disclose climate-related financial information based on the guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). Countries such as the UK, Canada and New Zealand are introducing new legislation and setting out a roadmap requiring firms to report climate impacts and investment decisions. This initiative follows the agreements made by G7 finance ministers in June 2021 to make TCFD mandatory[3] and the US Securities and Exchange Commission proposed rules to require public companies to disclose extensive climate-related information[4].

In 2016, France was one of the first countries in the world to pass legislation to require some financial institutions to report each year on their exposure to the risks posed by climate change and what they planned to do about it. Five years on, there is tangible evidence of this ground-breaking law's impact. Banque de France reported that holdings of fossil fuel stocks decreased by 40% among French institutional investors compared to those which weren't subject to the new rules. This is proof that mandatory disclosure works and can have immediate results.

How can mandatory requirements to assess and disclose be implemented by national governments?

While Target 15 of the Global Biodiversity Framework is a global target, mandatory assessment and disclosure requirements will be implemented nationally. Methodologies must be standardized as much as possible and supported by scientifically based indicators. Several frameworks are under development or already established to assist businesses to assess and disclose their impacts and dependencies on nature. These frameworks can also help governments:

- The Natural Capital Protocol was published in 2016, harmonizing the different approaches to measure and value impacts and dependencies. It sets out four stages and nine logical steps to complete an assessment and has been adopted all over the world. Governments can use this to support businesses in the application of assessment requirements.
- The Science Based Target Network (SBTN) proposes a 'five-step process' to enable companies to move from assessing their impacts to setting targets and then tracking their progress. Once science-based targets for nature v1.0 are published in early 2023, it could be referenced by governments to set requirements on mandatory assessment and disclosure of impacts by companies. This guidance could be a basis for building a harmonized approach to these mandatory requirements to avoid fragmentation amongst countries, and confusion and barriers to implementation for companies.
- The Taskforce on Nature-related Financial Disclosures (TNFD) is developing a risk management and disclosure framework on nature-related dependencies, impacts, risks and opportunities. Once the final v1 TNFD framework is published in September 2023 it could be used by governments to set mandatory disclosure of nature-related dependencies, impacts, risks and opportunities. Governments can already use the LEAP approach in the TNFD beta framework that outlines an accessible process to assess impacts and dependencies on nature and evaluate risks and opportunities to help companies and financial institutions. Governments can also use the TNFD draft disclosure recommendations in the beta framework and the related supplementary guidance.
- CDP runs a voluntary and independent global environmental disclosure system for companies and in 2021, 13,000 companies worth over 64% of global market capitalization used this system to disclose environmental information. The CDP Biodiversity module, within its climate change questionnaire,

while too high-level for governments to use as part of mandatory assessment and disclosure requirements, can still provide useful information to governments together with data and insights generated from 20 years of disclosure.

- The International Sustainability Standards Board (ISSB) is part of the IFRS Foundation - and sets IFRS Sustainability Disclosure Standards. Once the ISSB finalizes its first two proposed standards on general sustainability-related disclosures and climate, it would be helpful if it could broaden its focus to include nature, as an immediate follow-up. Strong guidance is already available to build on from the industry-based Sustainability Accounting Standards Board Standards and the Climate Disclosure Standards Board for water and biodiversity
- Other existing reporting standards such as the Global Reporting Initiative (GRI), International Finance Corporation (IFC) Sustainability Framework.

What does high-quality mandatory disclosure look like?

To be efficient, limit bureaucracy and create fair competition at a global level, mandatory disclosure regulations should be high-quality and focused on a set of principles that ensure consistency in regulation, together with the quality of the information provided. This would help companies better manage their risks and impacts, financial institutions access better information on their potential investments, and policymakers design better policies. To make this happen, a set of main principles should be applied to mandatory disclosure regimes:

1. Address nature-related financial disclosures as well as impact
2. Ensure compatibility and standardization: Align with, or incorporate, existing high-quality disclosure standards.
3. Provide an enforcement mechanism where implementation can be monitored and measures taken for non-compliance
4. Allow space for innovation and more mature disclosure. The regulation should not form a ceiling and create a tick box exercise but serve as a floor/minimum requirement that stimulates even more ambitious, broader, and deeper disclosure and action.

Does disclosure from companies lead to action?

Evidence over 20 years has shown that disclosure generates action by business to reduce impacts. It is the bedrock of environmental action. Experience on climate disclosure shows that 38% of suppliers disclosing climate date through CDP for the first time have emission reduction targets in place. By their third year of disclosure, 69% have set a target. Over 80% of companies agree that disclosing through CDP helps them "track and benchmark progress" on their environmental targets and helps them "uncover risks and opportunities".

About reducing negative impacts by at least 50% and increasing positive impacts

What science is supporting this target?

Science shows that in order to reverse biodiversity loss and achieve a nature-positive world by 2030, we need both improved conservation action and ambitious and transformative action addressing unsustainable production and consumption[9]. No matter what footprint concept and methodology is used, science shows that we are living well beyond safe environmental limits. In 2021, Earth Overshoot Day happened on July 29. This is the day when humanity has used all the biological resources that Earth

[9] *Leclère, D., Obersteiner, M., Barrett, M., Butchart, S. H. M., Chaudhary, A., et al. (2020). Bending the curve of terrestrial biodiversity needs an integrated strategy, Nature):* https://www.nature.com/articles/s41586-020-2705-y

regenerates during the entire year. Humanity currently uses 74% more than what the planet's ecosystems can regenerate. This means each year we are using the equivalents of 1.7 Earths[10].

To return to within safe limits, key scientific footprint metrics show that production footprints must be reduced by at least half: the global material footprint reduction required is 46% (2017 data), the global Ecological Footprint reduction required (2021) is 44.4% and reductions required for nitrogen and phosphorus (2020) are 54% and 57% respectively[11].

Reducing negative impacts from business and financial institutions across operations and value chains by at least half is therefore required by science but won't be enough to reverse nature loss. Based on the mitigation hierarchy all negative impacts that can be totally avoided must be eliminated before moving onto other mitigation measures. Increasing positive impacts is also important, for example through conservation, restoration and regeneration activities but cannot be used as off-set or to justify negative impacts.

This ambition is in line with SDG 12, that focuses on delivering sustainable consumption and production patterns by 2030 (e.g. by halving food waste), and the ambition of UNFCCC that aims to reduce GHG emissions by 50% by 2030.

Why is a numerical figure necessary for business?

Businesses need clear, measurable and time-bound goals. A numeric target provides businesses with a collective understanding for setting their own roadmaps and tracking progress on a regular basis. Leading business are calling on the CBD to adopt this reduction numerical target for three main reasons:

- **Clarity:** A numerical target is SMART. It allows companies to define their needed contributions to reaching this common goal and trace the path to achieve them in a tangible and focused way, including by developing supporting sub-targets (i.e. zero-deforestation target, 60% water use reduction…) to reach the overall objective.
- **Sense of urgency:** An ambitious numerical target gives a sense of urgency and the scale of the effort needed. This will galvanise the private sector to find solutions, transform business models and drive collaboration. A clear and ambitious target would also help sustainability departments elevate the issue at strategic, board and management level, with value chain partners, competitors and investors.
- **Benchmarking:** Investors are requiring businesses to report back on their impacts. A clear target would help align companies across industries towards a common goal and to better evaluate and compare performance against a fair barometer. This will only help if companies are obliged to transparently report their impacts on biodiversity (see need for mandatory requirements to assess and disclose impacts and dependencies).

Can such a target be compatible with economic development?

Reducing negative impacts on the environment shouldn't be seen as a trade-off or conflicting goal with economic development. Quite the opposite, safeguarding nature is key to ensuring long-term prosperity and resilience of our economy. According to the World Economic Forum's Nature Risk Rising report, more than 50% of global GDP is highly or moderately dependent on nature and thus faces risks due to nature loss. Reducing the negative impacts of economic activities on nature not only mitigates risks, but also creates sustainable business opportunities and resilient jobs. By adopting 15 nature-positive transitions, ranging from recycled clothing to "smart" building construction and healthier diets, we could create $US 10.1 trillion in business opportunities and 395 million new jobs.[12]

[10] https://www.overshootday.org/newsroom/press-release-june-2021-english/
[11] https://wwfint.awsassets.panda.org/downloads/halvingfootprint_report_wwf_metabolic.pdf
[12] https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf

What does a target to reduce negative impacts by at least 50% mean?

Target 15 is a global target, currently aiming at reducing the negative impacts from business by at least 50% by 2030. This needs to be broken down at national level to prioritize the categories of impacts to be addressed according to priority, the specific contribution that each sector and/or each company should make and determine the priority geographies where impacts on biodiversity are the most significant (see next question for details).

Concretely, reducing impacts means addressing the five drivers of biodiversity loss identified by IPBES: land and sea use change; direct exploitation of organisms; climate change; pollution; invasion of alien species. That would in practice mean developing sub-targets for all environmental impacts fuelling these drivers (i.e. GHG, water, pollution, waste, land use, ecosystem conversion, species exploitation …).

Governments, when developing national targets and action plans, can use the interim targets proposed by the Science-Based Target Network:

1. Zero deforestation and conversion of all natural habitats from 2020 in all corporate supply chains
2. At least X% natural or semi-natural habitat in working lands is retained and/or regenerated, per km2, from 2020
3. By 2030, reduce water withdrawals in high water impact parts of value chain(s) by X% in line with environmental flow needs.
4. By 2030, reduce water quality pressures in high impact parts of value chain by X% to align with good ambient water quality.
5. By 2030, reduce value chain GHG emissions by 50%, and by 90-95% further by 2050, in accordance with sectoral ambitions.
6. By 2030, for forestry-related companies, increase carbon removals to a level that exceeds their emissions
7. By 2030, for all other AFOLU-related companies, Increase carbon removals in line with the global carbon removal goal of 4.7 GtCO2e
8. Restoration area increased by xx% in all ecosystems (land, freshwater, marine)

Visit the Science-Based Target Network to see proposed indicators and guidance for each of these proposed sub-targets.

What will governments need to do to ensure such a target is implemented and achieved?

The adoption of Target 15 is only the start of the journey and governments will have to work with stakeholders nationally to develop a supporting Framework. Indeed, while the 50% reduction target is a global target, the implementation needs to be broken down at regional or national level and will only be achieved if it is successfully implemented by all businesses and financial institutions. They will have an individual responsibility to contribute to national targets. This numerical target will help define the contribution of each sector and country and to position / measure the efforts of individual companies against these global targets.

To ensure the implementation and achievement of the target, governments will have to develop business chapters in NBSAPs, supported by roadmaps and action plans to guide, encourage, support and require all business to act.

These chapters and roadmaps will need to break down this reduction target by:

- Categories of impacts (water use, land-use, pollution...): includes sub-targets at national level clarifying what aspects of biodiversity should be covered (see proposed sub-targets in FAQ above).
- Sectors: roadmaps will also need to identify sectors and companies with higher impacts where the reduction needed is likely to be higher than 50%. Companies with lower direct impact may

focus on avoiding and reducing negative impacts in their value-chain, as well as on increasing positive impacts.

- Geographies, landscape or ecosystems: national assessments are needed to identify and prioritize ecosystems for action, taking a materiality approach to ensure we tackle the areas and practices that pose the biggest problems. This will ensure positive impacts sooner and avoid providing loopholes where companies could claim a large reduction in areas that are less material. This is aligned with the location requirements within SBTN and TNFD.

It is important to highlight that increasing positive impacts is as important as reducing negative impacts, for example through conservation, restoration and regeneration activities, so the reference should also be kept in the target. National targets will be needed to measure both negative and positive impacts.

NBSAPs should also ensure that business is made accountable for the responsibility in the implementation. And their contribution should be made in a transparent way. NBSAPs should require businesses to:

- Align their internal commitments, targets and strategies to national targets set in the NBSAPs. These contributions must be made public, for example through the national platforms of the Global Partnership for Business and Biodiversity (GPBB)[13]
- Report publicly and regularly on progress made
- Assess by 2030 the achievement of their results.

Is it an achievable target?

Leading businesses are already acting on nature. In a recent consultation conducted by Business for Nature[14] with 137 businesses and business organisations, including 73 SMEs and 63 large companies, 40% responded that these targets were already aligned with the ambition to reduce negative impacts by at least 50% by 2030. This demonstrates that an ambitious Target 15 is realistic. Leading businesses are paving the way, and methodologies and tools are available and under development. What is missing now is political leadership which raises the bar, so this level of ambition becomes a reality for all economic sectors, not only for progressive businesses.

To demonstrate the level ambition in Target 15 is achievable, here are examples of commitments made by businesses. *Note that these are examples only and do not represent the totality of these companies' commitments*[15] :

- Bridgestone Corporation (Consumer products, Japan): committed to no deforestation in sourcing and production activities. Read the 2021 Global Sustainable Procurement Policy
- Dangdai Group (Pharmaceutical, China): committed to have a positive impact on biodiversity in 100% of corporate activities, production, R&D and operations.
- De Beers (Consumer products, UK): committed to reduce freshwater use by 50% by 2030
- H&M Group (Apparel, Sweden): committed to source 100% recycled or sustainably-sourced materials by 2030 and 30% recycled materials by 2025
- Holcim (Built Environment, Switzerland): committed to deliver a measurable positive impact on biodiversity by 2030 based on the Biodiversity Indicator Reporting System (BIRS) by 2030
- Iberdrola (Energy & Utilities, Spain): committed to net positive impact on biodiversity by 2030
- L'Occitane (Retail, France): committed to 100% key raw ingredients produced in line with sustainable agriculture principles by 2025

---

[13] *See the list of national platforms here:* https://www.cbd.int/business/National_Regional_BB_Initiatives.shtml *In France the platform managed by OREE https://entreprises-biodiversite.fr/*

[14] *Full business consultation report from May 2022 available here:* https://static1.squarespace.com/static/5d777de8109c315fd22faf3a/t/6290c909f89c5a71fe33a917/1653655818323/Business+Consultation+Report_Target+15_GBF.pdf

[15] *For more examples of business actions and commitments visit:* https://www.businessfornature.org/act

- Nestlé (Agribusiness, Switzerland): switch to 50% regenerative agriculture by 2030. By 2025 help advance the regeneration of local water cycles by implementing more than 100 projects around 48 global waters sites.
- Sogrape (Agribusiness, Portugal): committed to zero residues sent to landfill and 100% farmland under sustainable farming certification by 2027
- Suzano (Paper & Forest Products, Brazil): committed to connect half a million hectares of priority areas for biodiversity by 2030
- Toyota Motor (Transportation & Mobility, North America): committed to enhance 26,000 acres of pollinator habitat by 2027
- Unilever (Consumer products, UK): Committed to deforestation-free supply chain in key commodities by 2023 and has committed to cutting virgin plastic packaging by 50% by 2025.

What does "across operations, supply and value chains and portfolio" mean?

Adding "across supply, value chains and portfolio" to the target would require companies to report on their direct and indirect nature-related impacts from both upstream and downstream activities. Companies already report on full value-chain activities for Greenhouse Gas emissions, where emissions are classified as Scope 1, 2, 3 depending on where they fall in the value chain[16]. A similar taxonomy can be adapted for reporting on nature impacts.

Indeed, as is the case for Greenhouse Gas emissions, most business impacts on biodiversity occur through indirect activities in the value chain (equivalent to 'Scope 3' in GHG reporting) and not through direct operations. If Target 15 focused only on dependencies and impacts at operational level, it would strongly reduce the ambition and effectiveness of the target by allowing companies to omit disclosing the activities that have the most significant nature-related impact in their value chain.

Definitions:

- Operations: used to describe a broad range of activities a company does day-to-day to keep running. For example, the electricity usage of a supermarket would be considered as direct operation.
- Supply chains: refers to the system and resources required to move a product or service from supplier to customer[17]. It represents the steps it takes between a company and its suppliers to produce and distribute a specific product to the final buyer.
- Value chains: the concept builds on supply chains to also consider the manner in which value is added along the chain, both to the product / service and the actors involved. From a sustainability perspective, 'value chain' has more appeal, since it explicitly references internal and external stakeholders in the value-creation process[18]. It also encourages a full-lifecycle perspective and not just a focus on the upstream).
- Portfolio: A collection of finance activities or investments

Avoiding negative impacts, based on the mitigation hierarchy, means that all direct negative impacts that can be totally avoided must be eliminated before moving onto other mitigation measures. To reduce, by at least half, impacts across value-chains, the target would also need to be unpacked into the different drivers of biodiversity loss with specific indicators. This would ensure there is no tradeoff made between the different drivers (for example, reducing GHG emissions while increasing pollution or freshwater use)

[16] Scope 1, 2 and 3 is a way of categorising the different kinds of carbon emissions a company creates in its own operations, and in its wider value chain. Scope 1: covers the Green House Gas (GHG) emissions that a company makes directly. Scope 2: emissions it makes indirectly. Scope 3 - all emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them.

[17] https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs

[18] https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs

and pressures that have the most impacts on biodiversity loss are the ones addressed. Business could refer to guidance and indicators provided by SBTN[19].

What baseline should be used?

A general baseline for Parties to assess progress should be adopted for the overall 50% reduction target in this target. We suggest using 2020 as the general baseline, depending on the baseline agreed in other targets. However, each business will need to identify and set specific baselines for each type of impact they want to reduce/increase, for instance: "By 2030 reduce by 70% solid industrial waste sent to landfill compared to a 2025 baseline" or "By 2030, reduce freshwater use in the industrial segment by 15% compared to a 2015 baseline". (see SBTN methodology step 3 above). Collectively these targets will contribute to the global 50% reduction target.

How can business measure the achievement of the target?

To measure and value their impacts and dependencies on biodiversity, business can follow the Natural Capital Protocol. The Natural Capital Toolkit helps business find the right tool and where relevant use supplementary guidance on finance, biodiversity and food systems. We Value Nature assists business build capacity in the process. SBTN is also working on a detailed method for business to monitor and review progress made on targets and guidance will be available in 2023.

How can governments measure the achievement of the target?

To track progress on the 50% reduction target, the measurement of impacts by business and governments needs to be consistent. Governments need to adopt a system for business to report progress and to compile at national level the contribution of individual businesses. Implementation would be facilitated if disclosure is already mandatory. Governments can assist by aligning biodiversity accounting done by business (for example by using the Natural Capital Protocol) with governments accounting via the SEEA-Ecosystem Accounting framework: the standardized statistical framework governments use for organizing data about habitats and landscapes, measuring ecosystem health and services. The SEEA-Ecosystem Accounting framework links ecological data with economic and other human activities in a spatially explicit way (i.e. through maps). By implementing this framework, governments can provide necessary support for business to assess and disclose their impacts and dependencies on biodiversity[20]. Governments should align this with business applications to ensure accessible national biodiversity data are contextually and spatially relevant for business.

Target 18 – Reform or eliminate all subsidies and incentives harmful for biodiversity

Business for Nature strongly supports a strong and ambitious Target 18. Environmentally Harmful Subsidies (EHS) distort prices, resource allocation and investment decisions, altering the patterns of production and consumption in the economy. They also exacerbate negative externalities and raise costs for society to reverse nature-loss and clean up pollution.

A systemic approach to reforming Environmentally Harmful Subsidies and incentives is required to stop financial support to activities that have unintended negative impacts on biodiversity. These harmful supports should be reformed to incentivize and support actions by businesses that deliver positive long-term outcomes for people, nature and climate through innovative, circular, regenerative and profitable

[19] https://sciencebasedtargetsnetwork.org/take-action-now/take-action-as-a-company/what-you-can-do-now/interim-targets/
[20] UNSD, 2022, *S*EEA Ecosystem Accounting for Business A quick introduction

business models. We also need to internalize the negative externalities associated with the use of biodiversity by scaling up the positive incentives for biodiversity conservation and sustainable use, including via economic instruments, so it reflects the true value of biodiversity in all decision-making.

Only then can we create a level playing field for businesses, which further encourages rapid transformation of business models. This is an essential step in changing the rules of the economic game and addressing the market distortions created by our current economic and financial systems.

We are proposing the following amendment to the Montreal Informal Group text:

TARGET 18 - Identify ~~[~~by 2025~~]~~ and **reform by redirecting or** ~~[~~eliminate,~~]~~ phase out, **redirect** [or reform] **all direct and indirect** incentives ~~including~~ **and** subsidies harmful for biodiversity, [taking into account national socioeconomic conditions,] in a [~~proportionate,~~] just, effective and equitable way, while ~~substantially and progressively~~ reducing them ~~[~~by at least 500 billion United States dollars per year,~~]~~ [starting with the most harmful subsidies,] ~~[in particular fisheries and agricultural subsidies]~~ [and, ~~as appropriate~~, redirect and repurpose to domestic and international nature-positive activities] and [ensure that positive incentives are scaled up], consistent and in harmony with relevant international obligations.

Clean text: TARGET 18 – Identify by 2025 and reform by redirecting or eliminating all direct and indirect incentives and subsidies harmful for biodiversity in a just, effective and equitable way, while reducing them by at least 500 billion United States dollars per year, and, redirect and repurpose to domestic and international nature-positive activities and ensure that positive incentives are scaled up, consistent and in harmony with relevant international obligations.

ESSENTIAL ELEMENTS TO BE KEPT IN THE TARGET

We call on Parties to:

- **Keep the ambition to reform incentives, including subsidies, harmful to biodiversity by redirecting or eliminating:** to keep the target simple, clear yet still ambitious, we ask Parties to adopt "Reform by redirecting or eliminating all subsidies and incentives" at the start of the target. Indeed, subsidy reform can take the form of eliminating or redirecting all types of support that have a negative impacts on the environment through reforms that integrate social and environmental considerations at its heart (see graph and definitions below). When redirecting the savings made through a reform, the objective should be to incentivize sustainable practices like sustainable use, resilience, restoration, circularity and social goals. Social and environmental criteria must be at the center of any reform to ensure the initial intention and purpose of the subsidies can be fulfilled (i.e. ensuring food security or energy access) while supporting the transition towards a nature-positive economy. While the elimination of some subsidies or incentives will be necessary, focusing only on "eliminating" might not be achievable as many subsidies have been created to serve a social purpose that is still valid. The redirection of financial savings towards positive incentives would be more effective and ambitious to transform the economic and financial systems and incentivize positive transitions.

- **Keep the numerical figure**: having a numerical target, even if too conservative, is better than no target at all. The Aichi Targets did not include a numerical target and it wasn't achieved. The numerical target would provide a clear initial and strict minimum objective and basis for the radical collaboration necessary to start the transition. Without a number, progress on the target won't be measured. Regardless of the numeric target chosen, it is vital the words "at least" or "an absolute minimum" are attached to the figure to ensure any numerical target is seen as the lowest limit of ambition rather than an end goal. A new study estimates Environmentally Harmful Subsidies to be at least US$1.8 trillion per year, and this is still recognized as an underestimation due to date gaps and availability of up-to-date figures.

- **Keep the reference on the need to scale-up positive incentives**: Reforming (including by eliminating or redirecting) subsidies and incentives might still not be enough to achieve a nature-positive economy as supported by the OECD[21]. We need more than "neutral" subsidies and incentives to reach the objectives of the Framework as the true value of biodiversity would not be reflected in policy-making if the incentives were neutral. Reform of subsidies and incentives raises the question of how to redirect the savings, whether in the form of cash flows, increased tax revenues and reduce costs to national budgets. Governments should explore and adopt positive subsidies and incentives, as well as other financial and market mechanisms to direct economic activities towards those which are positive, rather than negative, for nature. Business should be incentivized to use natural resources they depend on more sustainably, for example through pricing of resources by applying the "user-pays principle" so that the user of a natural resources bears the cost of running down this resource or through payments for ecosystem services. Therefore, while the reform of EHS is a vital prerequisite for sustainable development, it is insufficient to achieve a nature positive world by 2030 and must be coupled with an increase in positive incentives, including economic instruments for biodiversity conservation and sustainable use[22].

- **Include "all direct and indirect subsidies and incentives"** at the start of the target. That would clarify that it aims to address all environmentally harmful types of government support, including incentives, subsidies, tax and public procurement policies. The scope should indeed include all government actions that, by design or effect, accelerate the production or consumption of natural resources or undermine broader ecosystems supporting planetary health. While subsidies and incentives can take the form of cash payments, they also include government provision of credit, liability caps, special tax breaks or regulatory exemptions, or below-market provision of publicly-owned goods or services. The OECD is proposing a definition of direct and indirect subsidies[23]. The CBD should adopt a clear taxonomy of subsidies and incentives based on the OECD definitions[24].

ELEMENTS THAT SHOULD BE REMOVED FROM THE TARGET

Wording that we do NOT support:

- **Any wording that does NOT reflect the urgency needed** or could be used to slow down the implementation. We therefore do not support the inclusion of words like "substantially and progressively", "reduce", "phase-out", "in a proportionate", "as appropriate". Any reform of EHS will be based on how quickly a country decides to move from the status quo to the future end-point, which is where "reduce" and "phase-out" terms are sometimes proposed. There will be a

[21] In its Submission on Target 18, the OECD Secretariat notes that," The post-2020 Global Biodiversity Framework should address both the need to reform the harmful incentives that are exacerbating biodiversity loss and the need to scale up the positive incentives so as to promote biodiversity conservation and sustainable use. These two elements, together, are critical to help to ensure that incentives are aligned to protect biodiversity. Addressing only the former is necessary but not sufficient to halt and reverse biodiversity loss."

[22] OECD (2021), Tracking Economic Instruments and Finance for Biodiversity.

[23] "Direct subsidies are generally those provided through targeted (cash-based) payments, loans or tax preferences (Bruce 1990; EIA, 1999b). Indirect subsidies are those that reach producers through market transactions, namely through higher prices for products or lower prices charged for input goods or services purchased from an upstream industry that is able to discount its prices because of the subsidies itself receives. An example of the latter would be a reduction in the cost of diesel fuel sold to fishing vessels as a result of subsidies to oil refiners." Report available here.

[24] https://www.oecd-ilibrary.org/agriculture-and-food/environmentally-harmful-subsidies_9789264012059-en

transition plan whether they are eliminated or reformed, so language for "phase-out" is not needed and only provides the wrong signal.

- **"in particular fisheries and agricultural subsidies"**: all direct and indirect environmentally harmful subsidies and incentives must be reformed, tax and public procurement policies, not limiting these reforms to those in the fisheries and agricultural sector. A recent study estimates environmentally harmful subsidies to be at least US$1.8 trillion per year[25]with the following breakdown by sector for 2021: Fossil fuels – US$640 billion[26]; Agriculture – US$520 billion[27]; Water – US$350 billion[28]; Forestry – US$155 billion[29]; Construction over US$90 billion[30]; Transport – greater than US$85 billion[31]; Marine capture fisheries – US$50 billion[32] and hard rock mining – no estimate. So while the agriculture sector should indeed be a priority given the scale of relevant subsidies, other sectors must also be addressed urgently.

ELEMENTS THAT ARE GOOD TO HAVE IN THE TARGET

- **"identify"**: this is an essential first step and the lack of transparency and disclosure of subsidies was one of the reasons for the failure of the Aichi Targets. We therefore welcome the new action verb "identify". However, this cannot wait for 2030 and should be started as soon as possible as it is a pre-requisite to ensure the next actions of reforming and eliminating. We therefore support the proposal to include "identify by 2025".

FAQ - WHY AND HOW THIS IS DOABLE

What is the definition of Environmentally Harmful Subsidies?

Environmentally harmful subsidies (EHS) are government programs that encourage unsustainable production or consumption, and in doing so harm nature by exhausting natural resources, degrading global ecosystems, and damaging planetary health. For the definition, see the OECD report "Environmentally Harmful Subsidies – Policy issues and challenges"

[25] The estimates in this new study are drawn from various sources, as well as quality & coverage of data. Sources include OECD, IEA, FAO, World Bank amongst others.
[26] Based on most recent estimates for consumer subsidies from IEA (2021) and the OECD's total support estimates (2019), adjusted to remove overlaps. Data from 2020 are not representative of long-term trends due to severe covid-related dislocations, so were not used.
[27] From FAO/UNDP/UNEP (2021), representing the 87% share of total supports that the authors assessed "price distorting or harmful to nature and health". Much of the data used in this report are based on total support estimates also developed by the OECD. OECD (2021), Biodiversity, Natural Capital and the Economy: A Policy Guide for Finance, Economic and Environment Ministers, also provides data on government support to agriculture that is potentially environmentally harmful (and market distorting).
[28] Midpoint of range in World Bank analysis (Andres et al. 2019). Does not include subsidized water through direct withdrawal by industrial, power, and agricultural users.
[29] Value of illegally harvested wood; based on Interpol (2020) and the World Bank (2021). No global data on other subsidies to forestry.
[30] Estimate is from two US tax breaks for single-family homes alone. Federal debt insurance for single family homes exceeded multi-family 10:1.
[31] Some potential overlap between OECD producer subsidy inventory for fuel tax reductions. Because this estimate reflects a narrow set of available studies, the actual level of subsidies to expanded transport infrastructure and subsidizing bulk commodity movements is anticipated to be much larger.
[32] Estimate is roughly half from subsidies to excess capacity and overfishing (Skeritt and Sumailla, University of British Columbia and Oceana 2021) and half from illegal fishing (mid-point of World Bank 2021 estimate).

How much are we talking about?

A new study published in February 2022 estimates Environmentally Harmful Subsidies (EHS) to be at least **US$1.8 trillion per year**. This is roughly 2% of global GDP. Continuing to subsidize practices that harm nature and biodiversity cannot be an acceptable use of public money and fails to tackle global inequalities, which are exacerbated by the effects of climate change. The unaccounted-for cost of associated environmental damages to society of these subsidized activities can be equal to or much higher than the subsidies themselves. See the breakdown of the annual amounts of EHS in 2021[33].

What are the specific meanings of the verbs identify, eliminate, reform, redirect and repurpose?

Definition of the proposed verbs:

- Reform: A system transformation to ensure that all direct and indirect subsidies and incentives achieve their original policy purpose while also meeting environmental and social criteria that may not have been fully considered when the policy was originally put in place. Reforming subsidies includes a mix of strategies for example redirecting or eliminating.

- Identify: A mapping of all existing types of support, including direct and indirect incentives, subsidies, tax and public procurement policies to provide an enhanced understanding on the effects and scale of EHS. They may flow from multiple levels of government and utilize a variety of policy instruments.

- Eliminate: Removal of an environmentally harmful subsidy as a whole. Financial savings arising from subsidy elimination may flow to the government, or to the market participants benefitting from the removal of price supports or trade barriers.

- Redirect: Removal of an environmentally harmful subsidy or where the savings are redirected towards activities that better protect nature and/or social goals associated with the original policy. For example, fuel subsidies to airlines could be removed and redirected to lower carbon forms of transport such as rail. Agriculture subsidies could be redirected away from large-scale monoculture or highly-intensive farming towards soil recovery techniques, farm diversity and climate resilience, agroforestry, organic and regenerative agriculture. It could take the form of payment for economic services to remunerate actions for the conservation and restoration of nature, tax savings for businesses upgrading their business processes to reduce impact including through remunerative conservation contracts, support for ozone and environment friendly and pollution free products.

- Repurpose: A removal of a subsidy where the savings are redirected towards another type of support while also changing the original aim of the subsidy. As repurposing is one option when redirecting a subsidy, a specific reference might not be needed and the word "repurpose" can be removed from Target 18 to help simplify.

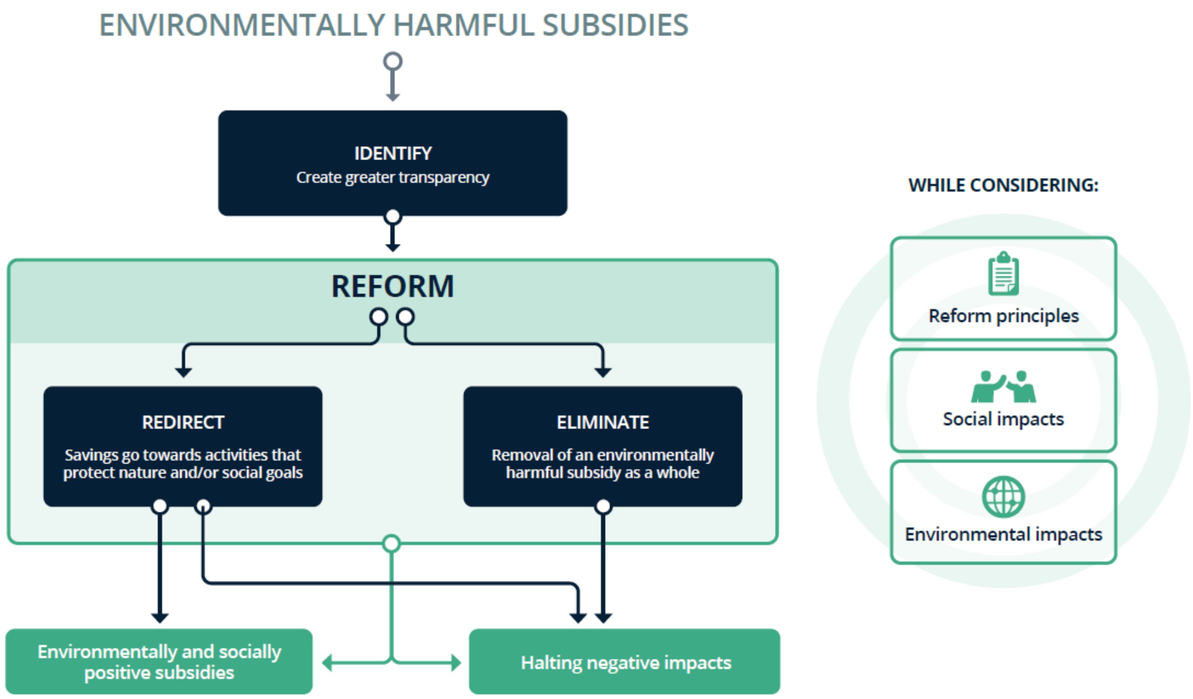
Why is keeping only "eliminate" or only "redirect" not enough?

A systematic reform of EHS must start with the identification of all environmentally harmful subsidies and incentives. They should then be reformed either by being redirected or eliminated. It is therefore essential that the target identify through clear action verbs this process and different options by at least keeping "reform by redirecting or eliminating". Elimination will be justified and needed in some cases (e.g. as coal is the most carbon-intensive and most polluting fossil fuel, the need to eliminate any support

[33] See the breakdown of the annual amounts of EHS in 2021: Fossil fuels – US$640 billion[33]; Agriculture – US$520 billion[33]; Water – US$350 billion[33]; Forestry – US$155 billion[33]; Construction (including housing) greater than US$90 billion[33]; Transport – greater than US$85 billion[33]; Marine capture fisheries – US$50 billion[33]; Hard-rock mining – no estimate

is urgent. There are no "efficient" subsidies to coal that should be exempt from such a commitment). However: 1/ subsidies are often multi-purpose and addressing their environmental impacts by eliminating those having a negative impact on the environment can have trade-offs with other social objectives and 2/ elimination only will not help achieve a nature-positive economy and the savings must be redirected to create positive incentives.

Graph: What does EHS reform looks like?



What are good principles of subsidy reform?

A systematic reform of all subsidies is a complex challenge, but one that presents a wealth of opportunities. It needs to be handled carefully and intelligently to account for the full potential impacts. Complexity cannot justify inaction. Social considerations must therefore be central to any reform, aiming to ensure a just transition. Positive social benefits must be retained or improved during reform, such as expanding energy access for poorer communities, helping regions develop, supporting farmers and smallholders, providing employment, and improving energy or food security.

It is therefore essential to get a clear appreciation of the potential impacts of reform to make informed trade-offs, including between different types of subsidies. This would ensure the initial objective of the subsidy (i.e. food security, energy access…) is kept.

Any reform of subsidies must be treated sensitively as some of this support could be addressing a social need. To avoid potential adverse consequences, EHS reform should be done in an appropriate manner, following these principles[34]:

34 Rentschler, J and Bazilian, M; Principles for Designing Effective Fossil Fuel Subsidy Reforms; Review of Environmental Economics and Policy, volume 11, issue 1, Winter 2017, pp. 138–155 - https://www.journals.uchicago.edu/doi/pdf/10.1093/reep/rew016

- Communication and compensation are key to managing the political economy
- Offer an opportunity to use and strengthen social protection systems
- Establish transparent systems for reinvestment and redistribution of reform revenues
- Manage commodity price volatility through smoothing measures and smart timing
- Adopt complementary policies to support the reform as price deregulation is not enough

What are examples of countries having reformed or redirected environmentally harmful subsidies?

- Fossil fuels: Mexico and India both recently raised prices for transport fuels in order to reduce fuel consumption and promote more fuel-efficient vehicles. As of 16 May 2022, the average price of gasoline around the world is 1.36 U.S. dollar per litre. While India's are still high, Mexico's are lower than the USA's, but still well above wholesale spot prices. All countries have access to the same petroleum prices of international markets but then decide to impose different taxes. As a general rule, richer countries have higher prices while poorer countries and the countries that produce and export oil have significantly lower prices. One notable exception is the U.S. which is an economically advanced country but has low gas prices.

- Agriculture: New Zealand's 1980s subsidy reforms are held out as the shining example, and have endured. In 1984, the newly elected Labour Party of New Zealand, led by Prime Minister David Lange, enacted a series a series of free market reforms designed to reenergize the country's staggering economy. Key amongst the reforms was the removal of subsidies to farmers. The need for action was growing due to the spiraling cost and increased ineffectiveness of the subsidies. In the 1960s, the grants and subsidies received by the agriculture industry made up only 3% of farm income. By 1983, nearly 40% of sheep and beef farmers' gross income came from subsidies and grants from the government. Once the dust of the reforms had settled, the industry proved to have weathered the storm with the promise of a brighter future ahead. The greatest reason why the reforms succeeded is because of the time given to allow them to succeed. The agriculture industry was given space and time to adapt to the new model.
- Fisheries: Iceland's reforms in the 1980s and 1990s have endured, and been positive for fish stocks. The article states that, "introduction of the individually transferrable quota (ITQ) management system in the Icelandic fisheries was driven by a looming crisis. It became apparent that the status quo would most likely lead to fisheries collapse and major economic hardships for the country as a whole. With the Fisheries Act in 1990, the ITQ system became comprehensive and thus, the cornerstone of the fisheries management system. Evidence suggests that the Icelandic ITQ system has been very successful in increasing efficiency in the fisheries and created the correct incentives for fishers when it comes to safeguarding and rebuilding fish stocks. The case study shows how a crisis threatening an economically vital industry can provide the political drive for reform. It also illustrates that despite the overall economic gains of the reform, it still produced winners and losers, which spurred later reforms to the system."
- Water: This IMF blog from March 2016 suggests that Burkina Faso "introduced a progressive tariff grid for drinking water based on the volume of use, with the higher-tier users subsidizing the lowest tier as well as sanitation activities. The public water utility boasts recovery rates of 97 percent, has low debt ratios, and reaps annual profits. Thanks to water pricing reform, access to drinking water has doubled over the past two decades - a remarkable achievement in a country where water is scarce and rainfall highly variable".

Why is EHS reform central to a successful Post-2020 Framework?

If we are to collectively reverse nature loss by 2030, all direct and indirect subsidies, incentives and tax policies that are environmentally harmful must be completely reformed. Harmful practices must not be incentivized in any direct or indirect way. Instead, these subsidies, incentives and tax exemptions should be redirected to reward positive outcomes for nature, climate and people. A systemic change in subsidies and incentives to ensure all financial flows are aligned with nature-positive objectives has the potential to deliver significant financial contributions . For that it must be redirected to support positive actions and encourage businesses to design innovative, circular, regenerative and profitable business models that deliver positive long-term outcomes for nature. Only then can we create a level playing field for businesses, which encourages rapid transformation of business models. This is an essential step in changing the rules of the economic game and addressing the market distortions created by this system.

How is this linked to the resource mobilization strategy?

Systematic subsidy reform would free up substantial government resources. In turn these resources could be used to support biodiversity protection, social needs and improve local livelihoods, for example if subsidies are redirected or repurposed towards ecological restoration or nature-based solutions. It would also send accurate signals to public and private investors and producers on where to direct R&D efforts and future investments, and contribute to the alignment of private financial flows towards a nature-positive economy.

Why are leading businesses calling for systematic reform of EHS?

In October 2021, [11 CEOs of multi-national companies][35] called on governments to eliminate and redirect all environmentally harmful subsidies and more recently, leaders including Mary Robinson, Former President of Ireland; Chair of the Elders, Sharan Burrow, General Secretary of the International Trade Union Confederation, Christiana Figueres, former Executive Secretary, UNFCCC (2010-2016), Elizabeth Mrema, Executive Secretary, Convention on Biological Diversity supported the call for more ambition on subsides in the Global Biodiversity Framework.

Currently, much of the economic support from public finances is potentially environmentally harmful. EHS distort prices and resource allocation and investment decisions, altering the patterns of production and consumption in the economy, increasing externalities and costs for society to reverse nature-loss and clean-up pollution. EHS create unfair competition and prevent companies in achieving their own sustainability goals and means they are currently operating in a distorted market that unintentionally rewards and encourages environmentally harmful activities.

Target 18 has the potential to transform the economic and financial systems and ensure the creation of a level playing field for businesses globally where business models are respectful of planetary boundaries and gain competitive advantage. This would unlock new business opportunities, incentivize companies to pursue trajectories that are positive for biodiversity, and help create a stable operating environment for business globally.

What is the role of businesses to support this transformation?

While business is not the only recipient of EHS, it is a large beneficiary. Only a radical collaboration between business, government and finance can transform the system and ensure subsidies and incentive mechanisms are fit for the future. Businesses therefore have a major role to play, by advocating for governments to reform subsidies towards an equitable, net-zero and nature positive world. They must

[35] *Alan Pullinger, CEO, FirstRand Group ; Helena Helmersson, CEO, H&M Group; Jan Jenisch, CEO, Holcim ; Kavinder Singh, Managing Director and CEO, Mahindra Holiday & Resorts; Roberto Marques, Executive Chairman and CEO, Natura &Co; Wiebe Draijer, Chairman of the Managing Board, Rabobank; Shinta Kamdani, CEO, Sintesa Group; Walter Schalka, CEO, Suzano; Alan Jope, CEO, Unilever; Thierry Delaporte, CEO and Managing Director, Wipro; Svein Tore Holsether, President and CEO, Yara International and Paul Polman, Business leader and campaigner*

engage on this agenda and collaborate across all sectors of society to raise awareness of the competitive, reputational and investor advantages from subsidies disclosure and champion actions for subsidy reform. Many businesses have already engaged to improve the scope and consistency of ESG reporting with initiatives such as the Task Force on Climate-Related Financial Disclosures (TCFD), Task Force on Nature-Related Financial Disclosures (TCFD) and UN Principles for Responsible Investment (UN PRI). A similar approach to transparency and disclosure is necessary for EHS and businesses should assess internally all direct and indirect subsidies received and to disclose them.

Mission – Halt and reverse biodiversity loss for a nature-positive world in 2030

We strongly welcome the growing consensus around a mission to **"halt and reverse biodiversity loss and achieve a nature-positive world"** and call on Parties to confirm this mission in Nairobi. This is aligned with the growing momentum supported by #TheRaceIsOn campaign, the Leaders Pledge for Nature and the G7. It is supported by over 1100 businesses that have signed the Call to Action "Nature is Everyone's Business", 300+ non-state actors and by leaders of 18 organizations.

Businesses need and expect governments to provide direction and urgency at the highest political level to set the direction for positive business actions on nature. Long-term certainty is vital to encourage the uptake of nature-positive business models and to orient investments and business decision-making processes around the protection, restoration and sustainable use of nature and natural resources.

Indeed, a clear and simple mission that reflects the ambition level needed to achieve the 2050 vision is an essential element of the Framework and would simplify the nature agenda, guide investment decisions and ultimately provide direction for all.

Reversing biodiversity loss for a nature-positive world would mean that by 2030, we must have halted and reversed nature loss to be net-positive measured from a baseline of 2020. That means that by 2030, we have more nature than we had in 2020 and this should be measured through improvements in the health, abundance, diversity and resilience of species, populations and ecosystems so that by 2050 we can achieve the CBD vision of living in harmony with nature. For more information about the measurability of such a mission, read "Measuring Nature Positive".

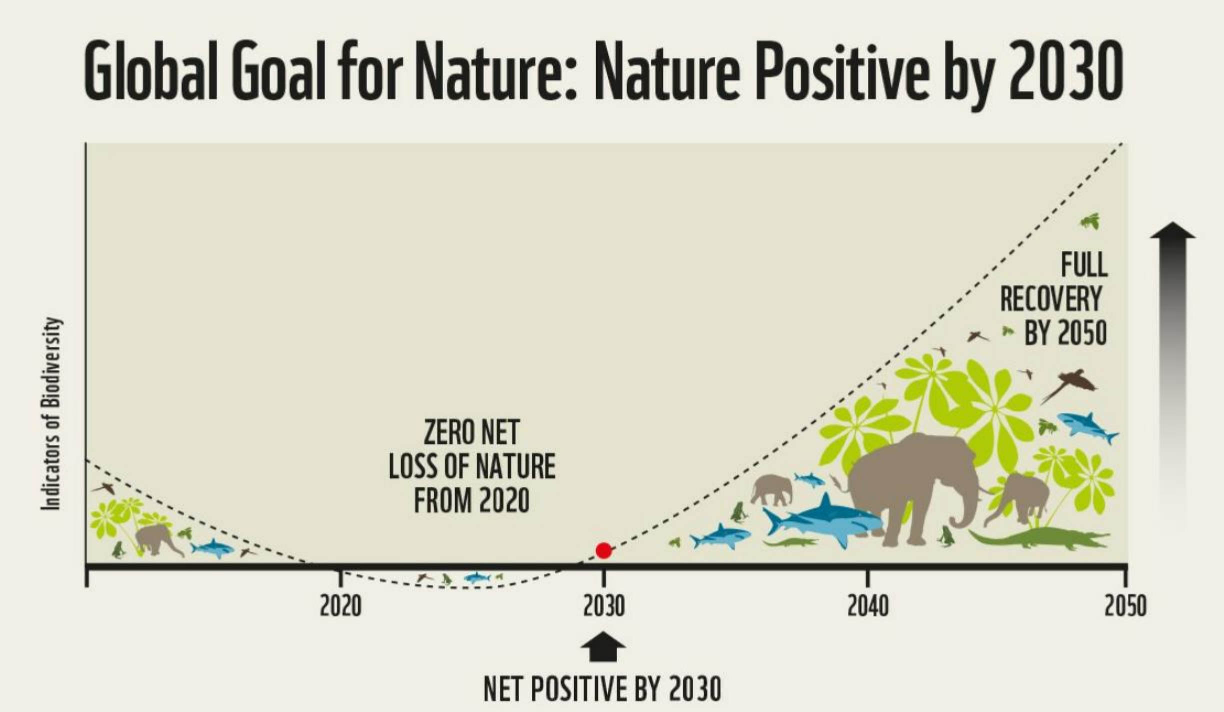


Fig 1: the meaning of Nature positive and "half and reverse biodiversity loss" - *more info here*

Business for Nature's position on other key elements

Resource mobilization: align all public and private financial flows to a nature positive world

Transformative changes cannot be achieved without proper incentive mechanisms and financial resources. This has been identified as a key element of the failure of the Aichi Biodiversity Targets. According to the Paulson Institute report "Financing Nature", we need to invest $700 billion per year to reverse the global biodiversity crisis.

It is therefore essential that the Framework identifies and promotes all sources available from both the public and private sectors.

Increasing green finance and Official Development Assistance (ODAs) is essential and must be increased. But this alone will not trigger the transformation needed. The resource mobilization strategy should therefore not only focus on increasing resources for nature, but as recommended by the panel of experts on resource mobilization, ensure all financial flows from public and private actors are aligned with the objectives of the Convention and with the mission to halt and reverse nature loss by 2030.

This must include:

- Goal C to ensure a fair and equitable monetary and non-monetary benefit sharing arising from the use of genetics resources.
- Goal D to commit to align all public and private financial flows to a nature-positive world (see our position on Goal D).
- Target 18 to reform subsidies and incentives that are harmful for biodiversity (see our position on Target 18).
- Target 19 to increase Official Development Assistance and its efficiency.

Position on Goals C and D

Goal C - Ensure a fair and equitable monetary and non-monetary benefit sharing arising from the use of genetics resources

We welcome the proposed Goal C as we support a framework that ensures a fair and equitable monetary and non-monetary benefit sharing arising from the use of genetics resources. Biodiversity and its benefits currently have, in many cases, been shared inequitably, being excluded from IPLCs, including holders of traditional knowledge associated with genetic resources. Businesses have a key role to play to take that into account. This Goal should also be complemented by a comprehensive set of SMART indicators, which also allow the tracking of monetary and non-monetary benefits shared. While monetary benefits obtained through access and benefit sharing mechanisms can support nature conservation, these benefits should not be seen as the principal source of funding for nature conservation (see our position on resource mobilization).

Goal D – aligning all financial flows

We ask Parties to adopt a Goal D that clearly defines the 2050 goal to align public and private financial flows with the goals and targets.

Proposal on Goal D: " Building on past investments, the gap between available financial and other means of implementation, and those necessary to achieve the 2050 Vision, is closed **by aligning public and private financial flows with the goals and targets** and **increasing** resources".

The objectives of the Framework will only be met if mainstream finance is greened so that all financial flows of public institutions, financial institutions and businesses are aligned to a nature-positive world by 2030. Thinking about resource mobilization only in terms of new financial resources from the public sector as presented in Target 19 is limiting. There are significant opportunities to reshape and redirect existing global financial flows[36] that also come from the private sector.

Article 2.1.c of the Paris Agreement was an important milestone for the financial sector by giving a loud and clear signal to financial institutions that they need to align business models with the goals of the Paris Agreement. This is also needed in the GBF.

The Finance for Biodiversity pledge is proposing a detailed definition of public and private financial flows that builds from the CBD secretariat definition proposed as part of COP15 Part 1 in October 2021.

This would initiate the transformation of financial and economic systems to go beyond short-term profit and embed and value nature in decision-making at all levels. This can be achieved by promoting regulatory measures requiring financial institutions and businesses to align financial flows to a nature-positive world. Financial institutions should be required to consider biodiversity impacts, including through internal exclusion policies, thematic funds, and active engagement.

However, increasing green finance is also essential and the Framework must promote the rapid development and implementation of innovative financial solutions such as green financing, large public funds and blended finance schemes to finance nature, including small and large-scale nature-based solutions. Blended finance is an important cross-cutting vehicle as it enables governments to use limited

[36] The proposed definition of public and private financial flows by the Finance for Biodiversity Pledge: https://www.financeforbiodiversity.org/position-paper-aligning-financial-flows/

public money to crowd in a much larger scale of private finance. On the other hand, for corporates and financiers, blended finance offers the opportunity to have some costs and risks partly covered by public finance that simply cannot be covered by the market at present.

2030 Action Targets: Design SMART targets, actionable by business, to address drivers

The Framework must include SMART[37] targets, informed by science, that are 1/ relevant and actionable by businesses and explicitly foresee their role, 2/ address the key drivers of biodiversity loss and 3/ support policymakers in the development and implementation of public policies to address nature loss. The Aichi targets have failed in part because they have been formulated in complicated and ambiguous language and have been inherently non-SMART.

The current targets do not yet address sufficiently the indirect drivers of biodiversity loss, embody the correct level of ambition or focus on the key levers necessary for transformation. As a result, businesses might not engage adequately and focus actions to contribute to the transformation of business practices, as they are doing in other conventions.

<u>Target 3 – Ensure efficient and rights-based approach conservation</u>

We welcome the inclusion on Target 3 of the protection of at least 30% of all land and sea. Effective conservation, protection and management of key areas for biodiversity, which must also be conditional to a rights-based approach, is an essential element of achieving a nature-positive future. Business has a key role to play in respecting and contributing to this protection[38]. We support a strong ambition and note the concerns from the conservation community around the proposed level of ambition in Goal A, that would be insufficient to halt and reverse nature loss by 2030, secure a nature-positive future that will ensure people can live in harmony with nature. We therefore call on Parties to address these issues.

We welcome the targets recognizing the necessity to ensure a rights-based Framework. The Framework must recognize, respect and protect the land and water rights of indigenous peoples and local communities (IPLCs), and ensure that their right to free, prior, and informed consent is respected. Full and effective participation of IPLCs and women and girls is critical. The Framework must recognize the unique importance of these stakeholders and the right to a healthy environment for all. Business, as duty-holders, has a key role to play.

<u>Target 8 – Keep the reference to Nature-based Solutions to align the CBD and UNFCCC</u>

We support convergence with the UNFCCC process to ensure co-benefits for climate mitigation and adaptation as well as nature. There is a growing momentum among businesses in recognizing the opportunity to mitigate both their climate and nature impacts together[39], work to restore what has been lost and invest in nature-based solutions through a consistent and interconnected approach. Well implemented Nature-based Solutions (NbS) can generate significant social-economic benefits for indigenous peoples and local communities and contribute broadly to the Sustainable Development Goals. A coherent policy framework is therefore essential in incentivizing this work, and standards of best practice and other mechanisms to incentive the uptake and expansion of Nature-based Solutions should

[37] Specific, Measurable, Attainable, Realistic, and Time-bound

[38] To avoid impacts on biodiversity business needs clear guidance and tools that help them identify important sites for biodiversity conservation. These sites need to be clearly mapped and identified using a common set of criteria that are recognized globally. The Key Biodiversity Area (KBA) criteria provide such a tool that business can use. Businesses should be encouraged to access the KBA data (together with data on species and protected areas) through the Integrated Biodiversity Assessment Tool (IBAT).

[39] Read business case studies of integrated actions on nature and climate: https://www.businessfornature.org/business-action-on-climate-and-nature

be designed to ensure that NbS projects deliver for climate, nature and people in a holistic, complementary manner. Consequently, these impacts beyond nature should be considered ‘core-benefits’.

We welcome the new text produced in Montreal as it bring convergence with the UNFCCC by recognizing Nature-based Solutions and common goal of 10 Gt of avoided emissions, ensuring the climate and nature crisis can be tackled in an integrated way.

Proposed amendment to Montreal Informal group text

TARGET 8 - Minimize the impact of climate change ~~[~~and ocean acidification~~]~~ on biodiversity and increase its resilience through mitigation, adaptation, and disaster risk reduction actions, including through ~~[~~nature-based solutions~~]~~ [and other ecosystem-based approaches], [based on common but differentiated responsibilities and respective capabilities], ~~[~~contributing [by 2030] to at least 10 Gt CO_2 equivalent per year to global mitigation efforts~~]~~.

More specifically on Target 8:

- **We strongly welcome the addition of nature-based solutions** in Target 8 to bring this coherence and alignment as a key solution to tackling climate and nature in an integrated way[40]. This helps making the CBD process relevant beyond the CBD. Nature-based Solutions, as formally defined by the United Nations Environment Assembly (UNEA) that respect the key principles of sustainability and global standards so they do not cause harm to biodiversity or people, must be referenced in the Framework as a tool for convergence and complementarity. At COP26, we witnessed growing momentum around NbS and not bridging the two world of climate action and nature action by making a clear reference to NBS, while ensuring that they provide co-benefits for biodiversity and livelihood, would be a missed opportunity.

- **We strongly welcome the reference to get between 10 Gt** of combined avoided emissions and removals by 2030 from NbS and ecosystem-based approaches. This was essential to bring convergence with the UNFCCC process and to ensure co-benefits and was well aligned in its ambition with the science.

UNFCCC COP26 demonstrated clear and global recognition that climate change, nature loss and social inequality need to be tackled together to achieve a just and effective transition. There was an unprecedented number of announcements from world leaders, financial institutions and companies, who united on a whole range of issues including deforestation, oceans and nature-based solutions. Now, policy coherence is vital to break silos and support the achievement of the Sustainable Development Goals (SDGs). We must pursue an integrated approach to National Biodiversity Strategies and Action Plans (NBSAPs) and Nationally Determined Contributions (NDCs) that recognizes their synergies, co-benefits, and trade-offs. Nature-based solutions with an ecosystem-based approach represent an opportunity to address the nature and climate crises together and to build an equitable, nature-positive and net-zero future. In addition, the same approach can be taken with the National Action Programs (NAPs) of the UN Convention to Combat Desertification (UNCCD).

Target 10 – Promoting sustainable land, sea and freshwater-use management

We welcome the focus of this target on land and sea use as one of the main drivers of biodiversity loss (as identified by IPBES). The transformation of the food, land and ocean systems, across the value chain, is essential to reduce environmental footprints within planetary boundaries. Milestones and clear

[40] For more proposal of how to develop an integrated policy framework, please read our publication “Building Integrated Policy for the planet”: https://www.businessfornature.org/news/building-integrated-policies

indicators will need to be adopted in the monitoring framework to ensure progress and clarity of the actions needed and ensure we stay on track.

Proposed amendment to Montreal Informal group text
TARGET 10 - Ensure that ~~[~~all~~]~~ areas under agriculture, aquaculture, [fisheries], forestry, ~~[~~and other productive uses~~]~~ are managed sustainably, in particular through the sustainable use of biodiversity, contributing to [the long-term] ~~efficiency, productivity and~~ resilience of these production systems, conserving and restoring biodiversity and maintaining [its ecosystem services]/[nature's contribution to people] **and ensure all supply chains are deforestation and conversion free.**

Proposed Headline Indicator: "Extent of natural vegetation in terrestrial ecosystems converted due to soft commodity production - ha per year"

We support the deletion of "efficiency, productivity" as the focus of the target should be on sustainable management, not increased productivity or efficiency. Indeed, while increased productivity is a desirable outcome of sustainable management, there is a need to ensure that productivity is not the automatically proposed measure, given the ability to increase productivity through unsustainable practices that are harmful to biodiversity.

We support the addition of a reference to deforestation and conversion free supply chains. Ensuring that all supply chains are Deforestation and Conversion Free (DCF) as soon as possible, using the Accountability Framework principles, definitions and guidance as reference is essential to achieve the objective of the Framework by 2030. Existing voluntary initiatives, like the Brazil's Amazon Soy Moratorium (ASM), are proven to be successful.[41] Voluntary actions are essential, but not sufficient to reach this greater objective. Parties must also collectively commit to DCF supply chains and to create a global level-playing field for all business through binding regulatory measures. This is strongly supported by leading businesses as reflected by the Cerrado Manifesto signed by 163 companies and institutional investors committing to halt forest and ecosystem loss associated with agricultural commodity production in the Cerrado the New York Declaration on Forests committing 50 global companies to halting natural forest loss by 2030 and many other initiatives. COP26 has also shown significant political momentum on DCF pledges.[42]

Businesses have a central role to play and a clear target with supportive indicators would send a strong signal to business and investors. As the role of business is also foreseen in Target 15, reference to binding regulatory measures for DCF supply chains can also be referred to in Target 15 and its indicators as a necessary condition for businesses to have sustainable supply chains and align activities with a nature-positive economy.

[41] Brazil's Amazon Soy Moratorium (ASM): sectoral agreement under which commodities traders agreed to avoid the purchase of soybeans from areas that were deforested after 2008. As a result the Amazon deforestation and conversion related to soy dropped from 25% to less than 1% in a few years, and less than 2% of the total soy area in the 2018/19 crop year was non-compliant with the ASM.

[42] COP26 DCF pledges range from 140+ countries (Glasgow Deforestation and Land Use Declaration) to private investment (Leaf Coalition, Natural Capital Investment Alliance, Forest Investor Club, CGF's Forest Positive Coalition) financial sector commitments (Finance sector commitment letter, Forest Finance Risk Consortium, Finance sector roadmap, Chairs Joint COP 26 Statement from Finance ministers recognizing the importance of AFOLU risks), public & philanthropic fundings (Global Forest Finance Pledge, COP26 Congo Basin Joint Donor Statement, COP26 IPLC Forest Joint Donor Statement) and private sector funding/commitments for DCF supply chains (Traders Statement, Innovative Finance for the Amazon, Cerrado and Chaco, Retailers' Commitment on Nature, UK Soy Manifesto).

Target 14 - Value and embed nature: Integrating nature into all decision-making

A key element of transformation is to value and embed nature into all actors' decision-making, including in governments, business and financial institutions and consumers as identified by the CBD Long Term Approach on Mainstreaming. We welcome the mutually reinforcing Targets 14-15-16 that respectively should focus on mainstreaming in government (Target 14), business and finance (Target 15) and civil society/consumers (Target 16).

Environment ministries alone cannot address the planetary emergency. Biodiversity must be integrated into the mandates of all policies, ministries, and finance regulators if we are to address the major drivers of biodiversity loss. The recommendations of the CBD Long-Term Approach on Mainstreaming must be strengthened in the GBF.

Proposed amendment to Montreal Informal group text

TARGET 14 - Ensure the [full] integration of biodiversity and its multiple values into policies, regulations, planning and development processes, poverty eradication strategies, ~~[~~national accounts,~~]~~ and strategic environmental and environmental impact assessments within and across all levels of government and across all sectors, [in particular agriculture, forestry, fisheries, aquaculture, finance, tourism, health, manufacturing, infrastructure, energy and mining, and deep-sea mining with safeguards,] ~~progressively~~ aligning all relevant public and private activities, ~~[~~fiscal~~]~~ and financial flows with the goals and targets of this framework.

The following elements are essential in the target and should be kept:

- "**accounts**": Governments can lead by example by implementing the agreed statistical framework for natural capital accounting i.e., the updated System of Environmental Economic Accounting – Ecosystem Accounting (SEEA-EA). They can also further promote this approach to private actors by enabling them to use the improved statistical data on nature in relation to economic activities, and through this provide context for decision-useful information.

- "**aligning all public and private activities, fiscal and financial flows"**: This is an essential element of mainstreaming biodiversity in business decision making, in the financial sector, as well as in the incentives, including fiscal incentives, developed by governments. We will be more effective in mainstreaming biodiversity into strategies, plans and actions if the value of nature for people and the economy is visible and considered by all key actors. Governments, companies and financial organizations would take better decisions if they used information "beyond short-term profit and GDP" that includes impacts and dependencies on nature, as well as synergies and trade-offs informed by science that respects planetary boundaries. Such valuations may be qualitative, quantitative or monetary, to reflect the importance, value, and utility of natural capital, while recognizing that nature's intrinsic value cannot be fully captured in economic terms. Therefore, the achievement of mainstreaming, valuing and embedding nature into all decision-making should be at the core of the theory of change of the Framework.

We ask Parties to delete the following text:

- "**Progressively**" should be removed as it does not add anything to the target, does not reflect the level of urgency and therefore sends the wrong message to stakeholders about the transformation needed now.

Target 16 – Enable sustainable consumption including through a supportive policy framework

We welcome Target 16 focusing on mainstreaming by consumers. We particularly welcome two key elements in this target:

1. We welcome Parties' suggestions to frame the target on the need for **sustainable consumption** and enabling and motivating consumers to make informed and sustainable choices, instead of only mentioning the vague "responsible choices" as this target should aim at reducing the overall footprint of consumption, beyond only waste and over-consumption.

2. We welcome the addition of "**establishing supportive policy, legislative or regulatory frameworks**". Part of this regulatory framework should be the adoption of "mandatory disclosure requirements" as proposed in Target 15. This is essential to enable informed choices by consumers as aimed in this target. By ensuring transparency on the impacts and dependencies of products and services on nature, and by designing appropriate incentives, the public sector can create a level playing field and thus make the needed transformation affordable and accessible for all stakeholders. To ensure change happens at the scale and speed needed, incentives, such as public procurement, are key to accelerate the transition.. Building understanding and appreciation for the value of biodiversity through knowledge and education will not be enough. The incentives could be used to support SMEs, smallholder farmers, indigenous peoples and local communities etc., and to create an enabling environment for consumers.

Monitoring and implementation Framework

<u>Enable businesses to contribute to the implementation of the Framework</u>

We welcome Target 15 on the role of business and financial institutions. To enable their meaningful and constructive contributions to the implementation of the Framework, this role must be formalized as part of the implementation process of the GBF.

In addition to clear targets as proposed in the suggestions above, the Framework must make businesses and financial institutions co-responsible and accountable for implementation of the goals and targets, alongside Parties and other non-state actors. This can be done by:

- Ensuring that Parties facilitate the engagement of business in the implementation of the Framework and adopt a strategic approach to mobilizing business input at a national level through business and finance chapters in the updated NBSAPs. Parties should translate national targets into explicit sectoral plans to set expectations regarding business contributions.

- Adopting business-relevant indicators as part of the Monitoring Framework. The uptake of the Sustainable Development Goals and the Paris Agreement targets by the business community is partly because they have been able to identify business-relevant indicators they can use to track their contributions towards the goals and targets within these global agendas.

  We welcome the discussions at SBSTTA-24 to establish an Ad-hoc Technical Expert Group to review the monitoring framework and create additional indicators, including relevant indicators for non-state actors and business. A monitoring framework designed for Parties only, without indicators that would enable business and finance to meaningfully act and report their contributions would be a huge missed opportunity as targets would become more achievable and less onerous for Parties should businesses actively contribute.

The proposed text amendments for this suggestion are:

4.1	Current text	Suggested amendment
15. It will require a participatory and inclusive whole-of-society approach that engages actors beyond national Governments, including subnational governments, cities and other local authorities (including through the Edinburgh Declaration), intergovernmental organizations, non-governmental organizations, indigenous peoples and local communities, women's groups, youth groups, the business and finance community, the scientific community, academia, faith-based organizations, representatives of sectors related to or dependent on biodiversity, citizens at large, and other stakeholders.		15. It will require a participatory and inclusive whole-of-society approach that engages actors beyond national Governments, including subnational governments, cities and other local authorities (including through the Edinburgh Declaration), intergovernmental organizations, non-governmental organizations, indigenous peoples and local communities, women's groups, youth groups, the business and finance community the scientific community, academia, faith-based organizations, representatives of sectors related to or dependent on biodiversity, citizens at large, and other stakeholders, **including by integrating non-state actors plans and commitments in national commitments.**
Justification: Transformative change requires all public, private and civil society actors to work together to deliver on commitments for nature and to implement solutions. To empower businesses to act at the necessary scale and urgency, the Framework should promote multi-stakeholder and multi-sectoral platforms and joint action plans. For that, national strategies and commitments should include business plans and commitments as part of a joint public-private approach to reverse nature loss.		

4.2	Current text	Suggested amendment
J. Responsibility and transparency NEW		J. Responsibility and transparency **(new) Developing and implementing national, regional and global targets and action plans for non-state actors, including all productive sectors and their national and trans-national supply chains.**
Justification: Addressing productive sectors is essential to engage them in the implementation of the Framework. These plans should be developed in a collaborative way through multi-stakeholder engagement led by governments and implemented collectively by all actors. They should be supported by the wider system of finance and incentives. While priority should be given to avoiding and reducing pressures on nature, this alone will not be enough to reverse the loss of nature by 2030 and reach full recovery by 2050. Complementary actions to increase positive impacts including protecting, restoring and regenerating nature are also needed.		

<u>Adopt a robust monitoring, reporting and reviewing mechanism</u>

The success of the Framework and the achievement of its goals and targets will depend on its effective and immediate implementation. If we learn from the Aichi Biodiversity Targets, a robust monitoring, reporting and reviewing mechanism, including a ratchet mechanism is essential. But for a success, it is equally important to ensure that the Framework resonates with a large community of actors, way beyond the CBD community. The Framework should therefore recognize and align with other elements of our planetary crisis, including the climate, health and social equality crises and build synergies and co-benefits. An isolated Framework will not generate the collective work needed.

Closing the implementation gap must be a key priority of the Framework. We are strongly concerned that key elements related to the implementation mechanism have been removed from the first draft as this should be a central element, undissociated from the whole Framework. By including the mechanism in a separate decision, there is a risk that the decision would not be adopted at COP15, therefore putting at risk the essence of the Framework and its immediate implementation right after COP15.

Ambitious goals and targets will only be effective if this ambition is implemented by governments at national and local levels and also by other actors, including business, that are co-responsible in leading the change. We must learn from the experience of the Aichi Biodiversity Targets. Implementation under the CBD continues to face challenges as the Global Biodiversity Outlook 5 stressed that none of the Aichi Targets have been met, in part due to implementation difficulties.

For that, a robust monitoring, reporting and reviewing mechanism, coupled with a ratchet mechanism is required to ensure that actions are adapted to the change needed. A strong implementation mechanism is essential for businesses as we can only ensure a level playing field globally if the Framework is consistently implemented. Indeed, while leading businesses are already adopting voluntary actions, many businesses might only act if confident that the goals and targets adopted in the Framework will be effectively and unanimously implemented.

The proposed text amendments for this suggestion are:

7.1	Current text	Suggested amendment
J. Responsibility and transparency NEW		J. Responsibility and transparency **xx. Mechanisms for planning, monitoring, reporting and review must be effective, comprehensive and cyclical and include the three following components:** **(a) by xx, translate this framework and its targets into relevant national and regional planning processes, including strengthened NBSAPs;** **(b) by xx, review the progress made in implementing this framework;** **(c) by xx, ramp up the delivery of plans and actions at the national and regional level.** **This cycle will repeat itself, with another review of progress by xx and another ramping up of plans and actions by xx**
Justification: Such an iterative process in the implementation of the Framework is essential to ensure that once Parties have collectively reviewed and assessed how much progress they have made towards achieving the targets, they have the opportunity to ramp up the delivery of their biodiversity plans and commitments and to strengthen national targets. This should be an opportunity for Parties to request additional technical and financial support to achieve their plans and commitments. Such a cycle would demonstrate to business leaders that policies to protect biodiversity will continue to increase and thereby incentivize companies to incorporate ever more stringent nature protection policies into their long-term strategies.		

7.2	Current text	Suggested amendment
J. Responsibility and transparency NEW		J. Responsibility and transparency **Mechanisms for planning, monitoring, report and review should include a ratchet process informed by science to ensure that the 2050 vision and 2030 mission are achieved.**
Justification: an action-oriented ratcheting process should be introduced, so that Parties ramp up the delivery of their biodiversity plans and commitments and strengthen their national targets if needed. Including a ratcheting process in the framework would demonstrate to business leaders that policies to protect biodiversity will continue to be strengthened and thereby incentivize companies to incorporate ever more stringent nature protection policies into their long-term strategies and activities.		

7.3	Current text	Suggested amendment
NEW		[NEW] Target xx: **Ensure the adoption and effective enforcement of environmental laws and standards, including by requiring national and/or regional implementation plans and providing capacity development to countries and relevant stakeholders worldwide.**
Justification: It is essential that CBD's goals are translated into national laws and regulations that are enforced, to ensure a global level playing field for business and therefore encourage business action for nature.		

- **END OF THE POSITION** -