



## COP15: A LANDMARK AGREEMENT REACHED, BUT WHAT WILL IT MEAN FOR LAND AND PROPERTY OWNERS?

The UN biodiversity conference COP15 amplified calls for binding targets to protect biodiversity and build momentum for greater disclosure and regulation. Here we explore the big themes impacting land and the built environment.

COP15 ended reaching a landmark agreement on halting the degradation of the world's ecosystems on 19 December 2022. After two weeks of intense negotiation, nearly 200 countries (with the absence of the United States) agreed a new set of goals and targets to 'halt and reverse' biodiversity and nature loss by 2030.

Nature is vital in meeting the 17 UN Sustainable Development Goals and limiting global warming to 1.5 degrees. The main objective of COP 15 was to reach policy agreement on the 2020-2030 stabilisation of trends which have exacerbated biodiversity loss, and start the recovery of natural ecosystems from 2030-50, leading ultimately to Net Zero. Post 2050, countries agreed to begin net improving biodiversity and live increasingly in harmony with nature.

### AT A GLANCE:

- The COP15 outcome echoes the global shift towards increased, privatised environmental protection, with a landmark agreement reached to halt and reverse nature and biodiversity loss by 2030.
- Corporates will likely see an increase in regulatory frameworks forcing them to become more transparent regarding their impact on nature. Developers could face mandatory nature reporting on construction and retrofitting buildings in addition to current frameworks.
- Agri-environmental policy is here to stay, with pressure increasing on land in agriculture to use less inputs and adapt farming methods.

## THE GLOBAL BIODIVERSITY FRAMEWORK

The negotiations resulted in the creation of a Global Biodiversity Framework (GBF) which aims to end biodiversity loss, restore global ecosystems which have been degraded and protect indigenous rights.

**The GBF has four long-term global goals:**

- 1) Halting human-induced extinction of threatened species and reducing the extinction rate of species tenfold by 2050
- 2) Ensuring that people value ecosystem services through sustainable use and management of biodiversity and nature
- 3) Ensuring that the utilisation of genetic resources is fairly shared across the globe
- 4) Implementation of GBF measures are equally accessible to all Parties, in particular those who are Small Island Developing States and Least Developed Countries.

**The GBF included twenty-three specific targets to achieve by 2030, of which the overarching aim was to protect the natural world, including the below highlights:**

- Restore 30% of degraded land and sea ecosystems globally by 2030
- Conserve and manage 30% of global land by 2030, including terrestrial, inland water and coastal and marine areas.
- Halving global waste by 2030
- Deploying \$200 billion from public and private sectors to fund biodiversity enhancing and restoring initiatives
- To end or reform \$500 billion of environmentally harmful or damaging subsidies across the globe
- Stop the extinction of known species and reduce the extinction rate of species tenfold by 2050
- Reduce to almost zero the degradation and loss of high biodiversity and ecologically significant habitats
- Reduce risks from pesticides by at least 50% by 2030
- Increase regulation for transnational companies and financial institutions to disclose, monitor and assess risks and the biodiversity impact of their value chains, operations and portfolios, whilst increasing transparency for stakeholders

## FINANCIAL MATTERS

Provisions were made to finance nature and support the re-alignment of global financial flows with nature, to shift away environmentally harmful investments and encourage sustainable finance. A key sticking point during the two week period was the amount of money developed countries would send developing countries to tackle biodiversity and nature loss. In the final negotiations between countries a Global Environmental Facility (GEF) fund was agreed on, which sits within the UN's current biodiversity financing framework. The fund provides grants, blended financing, and policy support to aid developing countries face their environmental issues and comply with international environmental conventions. Developed countries have agreed to provide at least \$30 billion worth of biodiversity related financial help per year to developing countries, a marked increase from current financial commitments.

There is an expectation that private sector organisations will be instrumental in achieving financial targets set at COP15. Private sector interest in nature and protecting biodiversity has increased rapidly over the past five years, however, the market is still in its infancy and there is a great deal of uncertainty which could stall investment.

## IMPLEMENTATION

The agreement is seen as a positive step, however, its impact, as for all such agreements, depends on its implementation, which starts now with each country revising their National Biodiversity Strategies and Action Plans (NBSAPs). Prior to COP16 in 2024, all countries are required to have updated NBSAPs and National Biodiversity Finance Strategies.

There are worries that due to the war in Ukraine and current inflation crises, there will not be sufficient will by those in power, combined with private sector demand to action these aims. If the agreement and the financial commitments decided at COP15 are fully implemented, it could signal monumental changes to farming and business supply chains across the globe.



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**The Net Zero agenda has changed regulatory frameworks, the way investors think and the construction and occupation of real estate. COP15 has only added momentum for more disclosure and regulations around 'nature' as an ecosystem service.**

**DONNA ROURKE** HEAD OF ESG AND SUSTAINABILITY

## IMPLICATIONS FOR LAND AND PROPERTY OWNERS

The nature-focused agenda following COP15 is likely to mirror the Net Zero discourse and its supporting regulatory framework. Over the past decade there have been considerable advances and introduction of new legislation, accreditations and frameworks for reaching Net Zero. It is likely the reach of these initiatives will either be extended to account for nature, in addition to carbon, or there will be additional frameworks established, specific to the protection and reverse of nature decline. This could require companies and organisations to start calculating their impact on nature as well as their carbon footprint. They may need to begin considering the ecological impact of construction and retrofitting buildings more thoroughly, in preparation for potential mandatory nature reporting on assets in the future.

This could involve a form of compulsory nature positive reporting from companies, such as the proposed Taskforce on Nature-related Financial Disclosures (TNFD). TNFD is a disclosure and risk management framework which allows companies to report on and be pro-active when it comes to nature-related threats and opportunities. Although TNFD is currently a voluntary framework, it is similar to the Taskforce on Climate-related Financial Disclosures (TCFD). TCFD originally started as a voluntary framework however it is now compulsory for some UK companies to adhere to.

The targets to reduce pesticides by 50% ahead of 2030 and to sustainably manage areas under agriculture will likely increase existing pressure on UK farmers to use less inputs and adapt farming methods, although it is unclear how the government proposes to do this. Additionally, the target of tackling climate change through “nature-based solutions” echoes that of the recent Biodiversity Net Gain (BNG) and Nutrient Neutrality government initiatives, signalling that the agri-environmental policy discourse is here to stay. BNG regulations provide a direct, tangible and quantitative means for the sector to aid the reverse of nature decline and positively contribute to its restoration, if done well. Although currently used as a mandatory reporting system for development, it could easily be used voluntarily to assess the extent of nature and biodiversity of any property.

The real estate and land sector has an opportunity to future-proof itself whilst increasing the value of its property. By ensuring decisions are aligned with the emerging environmental discourse and relevant disclosure frameworks, resilience will build against future regulation changes, while attracting new revenue streams as investors are increasingly focused on assets with ESG credentials.

## FURTHER INFORMATION LINKS

[COP15: UN Biodiversity Conference main website](#)

[COP15: Global Biodiversity Framework goals and targets](#)

[UN report on how to restore nature](#)

[Nature Action is the UN's portal for restoring nature](#)

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