



# Addressing the conservation crisis: seven takeaways from COP 15

[allianzgi.com](https://allianzgi.com)

January 2023



**Mélissa Bourassi**  
Sustainability  
Analyst

**With a race against time to save many of the world's species from extinction, countries around the world agreed a plan at the recent COP 15 meeting to respond to the conservation crisis. But the agreement's success depends on strong collaboration by all stakeholders, with a focus on aligning financial flows with global biodiversity targets and tackling climate change and biodiversity loss as two parts of the same crisis.**

Global conservation efforts have received a momentous boost after the recent agreement of a major action plan to stop the decline in nature. But the success of the deal – dubbed the “Paris moment for nature” – hinges on securing funding to reverse biodiversity loss in the coming decades.

After four years of negotiation and a fortnight of intense debate, the UN COP 15 Biodiversity Conference in Montreal ended in December 2022 with the adoption by 196 countries of the Post-2020 Global Biodiversity Framework (GBF)<sup>1</sup>, setting out a variety of conservation targets. The pledges are ambitious, but they need to be. More than one million animal and plant species are threatened with extinction – many within a period of decades, according to the UN.<sup>2</sup> Climate change has attracted much government and investor focus in recent years. The latest agreement provides biodiversity with the springboard for an equal billing to climate in 2023. Here are our seven observations about the deal:

## Key takeaways

- Four years of negotiation leading up to COP 15 in December 2022 – and a fortnight of intense debate – culminated in a deal equivalent to the 1.5 degrees Celsius agreement for climate achieved in Paris in 2015<sup>3</sup>.
- The highest-profile target seeks to ensure the effective conservation and management of at least 30% of terrestrial, inland water, and coastal and marine areas by 2030<sup>1</sup>.
- But the pledge to triple the current international aid for biodiversity by 2030<sup>4</sup> may be insufficient to fight biodiversity loss.
- In the future, we think there needs to be a stronger link between biodiversity protection and climate transition.



### 1. The 30 by 30 agreement: a Paris moment for nature

The highest-profile target of the final agreement is the “30 by 30” deal, which seeks to ensure the effective conservation and management of at least 30% of terrestrial, inland water, and coastal and marine areas by 2030. It also targets the restoration of at least 30% of degraded ecosystems – the current protected status extends to only 17% and 10% of lands and oceans, respectively<sup>5</sup>. But the deal does not explicitly exclude harmful activities in these protected areas. Still, the magnitude of the pledge is equivalent to the 2015 Paris Agreement to try to limit temperature rises this century to 1.5 degrees Celsius.



### 2. Protecting the planetary protectors is critical

Given that protecting the natural world requires safeguarding the communities acting as its steward, the agreement extends to social protection. A defining aspect was the protection of the rights of indigenous communities and a recognition of their stewardship role in conservation. Indigenous communities represent only 5% of the global population. But their activities and understanding help protect 80% of the planet’s biodiversity<sup>6</sup>. The agreement highlights that indigenous-led conservation models should become standard and communities’ participation in decision-making is critical<sup>1</sup>.



### 3. A bigger budget but we don’t think it’s sufficient

Many of the world’s richest and most delicate habitats are within developing countries – and preserving them requires funding. The conference pledged to increase the annual flow of capital to developing countries to USD 20 billion by 2025 and to at least USD 30 billion by 2030<sup>1</sup>. The amounts are equivalent to doubling and tripling the current international aid for biodiversity. But, as has been the case with climate, the issue of finance has yet to be satisfactorily addressed. The funding announced is a start but falls significantly short of the estimated annual financing gap of USD 700 billion to reverse biodiversity loss by 2030.



### 4. Important pledges to reduce harmful subsidies and cut waste

Environmentally harmful subsidies have been cited as a major failure of the last decade’s biodiversity targets. In response, governments at the conference agreed to reduce subsidies aligned to biodiversity harm by USD 500 billion a year<sup>1</sup> – in sectors including forestry, agriculture and water. Also agreed were targets to halve global food waste and reduce nutrient waste by at least 50%. Other targets included cutting the use of pesticides and hazardous chemicals

by at least half and working towards eliminating plastic pollution by 2030<sup>1</sup>.



### 5. Scene set for companies to disclose their impact on nature

For now, companies are still not required to disclose the full impact of their operations on nature to the same degree many must for the environment. The framework did not introduce mandatory natural capital disclosures. Few nations currently have such detailed disclosure requirements in place. But the agreement did require governments to ensure that large companies and financial institutions disclose their “risks, dependencies and impacts on biodiversity<sup>1</sup>”. The move is an important scene-setter, even if it will be a challenge to reach a consensus on the numerous metrics to assess biodiversity impacts.



### 6. Harnessing the financial sector’s force in the conservation fight

Reversing the conservation crisis requires the help of stakeholders beyond governments. And two important initiatives announced alongside the conference suggested a coordinated approach may be possible. First, 150 financial institutions, managing more than USD 24 trillion in assets, issued a statement calling on governments to adopt the GBF<sup>7</sup>. Second, Nature Action 100 was launched, a global investor engagement initiative focused on driving greater corporate ambition and action to reduce nature and biodiversity loss.<sup>8</sup> The body aims to engage with companies in key sectors deemed systematically important in reversing biodiversity loss to encourage commitments, actions and public policies.



### 7. What next? Time to strengthen the link between biodiversity and climate

Focus now shifts to the next biodiversity conference, COP 16, taking place in Turkey in 2024. All 196 countries pledging to support the GBF will have to update their biodiversity strategies and action plans alongside their strategies for bridging the biodiversity finance gap. Such actions will help raise awareness of the risks posed by not addressing biodiversity loss, while focusing political and fiscal support on the topic. Hopefully, the efforts will help to generate debate about how to fill the USD 700 billion financing gap we highlighted earlier. We believe there is a strong interplay and interdependence between biodiversity protection and climate transition. The lack of formal recognition of the connection remains an impediment to directing sufficient capital. Formalising this connection, together with more explicit guidance on the contributions of the private sector and highest-impacting sectors, would boost efforts to stem the conservation crisis by focusing attention on the necessary mitigation and adaptation steps.

**Allianz Global Investors** is a leading active asset manager with over 600 investment professionals in over 20 offices worldwide and managing EUR 521 billion in assets. We invest for the long term and seek to generate value for clients every step of the way. We do this by being active – in how we partner with clients and anticipate their changing needs, and build solutions based on capabilities across public and private markets. Our focus on protecting and enhancing our clients' assets leads naturally to a commitment to sustainability to drive positive change. Our goal is to elevate the investment experience for clients, whatever their location or objectives.

### Active is: Allianz Global Investors

Data as at 30 September 2022. Total assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies are responsible vis-à-vis clients for providing discretionary investment management decisions and portfolio management, either directly or via a sub-advisor. This excludes assets for which Allianz Asset Management companies are primarily responsible for administrative services only. Assets under management are managed on behalf of third parties as well as on behalf of the Allianz Group.

1. Convention on Biological Diversity, Nations Adopt Four Goals, 23 Targets for 2030 in Landmark UN Biodiversity Agreement, 2022 <https://prod.drupal.www.infra.cbd.int/sites/default/files/2022-12/221219-PressRelease-Final.pdf>
2. United Nations Environment Programme [Nature's Dangerous Decline 'Unprecedented' Species Extinction Rates 'Accelerating'](#), 6 May 2019
3. United Nations, Paris Agreement 2015 [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)
4. Paulson Institute; Nature Conservancy; and the Cornell Atkinson Center for Sustainability, [Financing Nature: Closing the Global Biodiversity Financing Gap](#), 2020
5. Protected Planet Report, 2020 <https://livereport.protectedplanet.net/>
6. WWF, [Recognizing Indigenous Peoples' Land Interests is Critical for People and Nature](#), 2020
7. Principles for Responsible Investment [150 financial institutions, managing more than \\$24 trillion, call on world leaders to adopt ambitious Global Biodiversity Framework at COP 15](#), 13 December 2022
8. Nature Action 100, <https://www.natureaction100.org/>

**Investing involves risk.** The value of an investment and the income from it will fluctuate and investors may not get back the principal invested.[\*] Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

This material has not been reviewed by any regulatory authorities. In mainland China, it is for Qualified Domestic Institutional Investors scheme pursuant to applicable rules and regulations and is for information purpose only. This document does not constitute a public offer by virtue of Act Number 26.831 of the Argentine Republic and General Resolution No. 622/2013 of the NSC. This communication's sole purpose is to inform and does not under any circumstance constitute promotion or publicity of Allianz Global Investors products and/or services in Colombia or to Colombian residents pursuant to part 4 of Decree 2555 of 2010. This communication does not in any way aim to directly or indirectly initiate the purchase of a product or the provision of a service offered by Allianz Global Investors. Via reception of his document, each resident in Colombia acknowledges and accepts to have contacted Allianz Global Investors via their own initiative and that the communication under no circumstances does not arise from any promotional or marketing activities carried out by Allianz Global Investors. Colombian residents accept that accessing any type of social network page of Allianz Global Investors is done under their own responsibility and initiative and are aware that they may access specific information on the products and services of Allianz Global Investors. This communication is strictly private and confidential and may not be reproduced. This communication does not constitute a public offer of securities in Colombia pursuant to the public offer regulation set forth in Decree 2555 of 2010. This communication and the information provided herein should not be considered a solicitation or an offer by Allianz Global Investors or its affiliates to provide any financial products in Brazil, Panama, Peru, and Uruguay. In Australia, this material is presented by Allianz Global Investors Asia Pacific Limited ("AllianzGI AP") and is intended for the use of investment consultants and other institutional/professional investors only, and is not directed to the public or individual retail investors. AllianzGI AP is not licensed to provide financial services to retail clients in Australia. AllianzGI AP is exempt from the requirement to hold an Australian Foreign Financial Service License under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order (CO 03/1103) with respect to the provision of financial services to wholesale clients only. AllianzGI AP is licensed and regulated by Hong Kong Securities and Futures Commission under Hong Kong laws, which differ from Australian laws.

This document is being distributed by the following Allianz Global Investors companies: Allianz Global Investors GmbH, an investment company in Germany, authorized by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); Allianz Global Investors (Schweiz) AG; in HK, by Allianz Global Investors Asia Pacific Ltd., licensed by the Hong Kong Securities and Futures Commission; ; in Singapore, by Allianz Global Investors Singapore Ltd., regulated by the Monetary Authority of Singapore [Company Registration No. 199907169Z]; in Japan, by Allianz Global Investors Japan Co., Ltd., registered in Japan as a Financial Instruments Business Operator [Registered No. The Director of Kanto Local Finance Bureau (Financial Instruments Business Operator), No. 424], Member of Japan Investment Advisers Association, the Investment Trust Association, Japan and Type II Financial Instruments Firms Association; in Taiwan, by Allianz Global Investors Taiwan Ltd., licensed by Financial Supervisory Commission in Taiwan; and in Indonesia, by PT. Allianz Global Investors Asset Management Indonesia licensed by Indonesia Financial Services Authority (OJK).