

Latest Developments in Governance, Stewardship and Sustainability

October 11, 2022

These past few weeks had both good and bad omens for the long-awaited biodiversity summit (COP-15) that will be held in Canada this December

The post-2020 Global Biodiversity Framework will be reviewed at the resumed session of COP-15 in Canada this December [CBD]. The first draft can be read in the following languages: [Arabic] [Chinese] [English] [French] [Russian] [Spanish].

There are differing opinions on likelihood of the Framework achieving its intended objectives. The following table summarizes the reasons for the divergent expectations of the Framework's ultimate outcomes:

Reasons for pessimism

- The targets in the draft are disputed and in brackets, reflecting the many and varying suggestions of countries [[The Guardian](#)].
- Lack of attention and potential absence of world leaders since they were not invited [[Climate Home News](#)].
- The Brazil's President, currently campaigning for reelection, Jair Bolsonaro could negatively affect the stand of Brazil, "the home to the largest chunk of the Amazon" [[The Guardian](#)].
- Lack of sufficient financing, as estimates suggest an additional annual amount of USD700 billion is needed to protect the environment [[Nature](#) and [The Europe Sting](#)].

Reasons for optimism

The new commitments announced in the September 20 meeting in New York City, including:

- 870 million euros of new funding from the German government [[English News](#)].
- A 10-point plan for financing biodiversity, endorsed by 16 countries. The list of the countries that signed up can be accessed [here](#).
- Costa Rica's announcement of the next phase of the High Ambition Coalition for Nature and People (HAC for Nature and People 2.0), advocating for the protection of at least 30% of the world's land and ocean ([WWF](#) and [Nature](#)).

Divergent reactions of asset managers to the draft ISSB climate and sustainability standards

On September 26, 2022, Morningstar published a report analyzing 20 comment letters from asset managers on the draft ISSB climate and sustainability standards [ESG Reporting: Asset Managers Express Divergent Views]. One salient example of divergence: 25% (all U.S. based) call for a more flexible approach than indicated in the drafts, 30% encourage the adoption of a single materiality approach, while 40% (mostly European based) call for a double materiality approach. Such divergence in views foreshadows, according to the report, great difficulty in reaching consensus on a 'global' baseline [ESG Clarity].

Vietnam's transition to low-carbon rice would bring greater methane emission reductions, helping the country reach its 2030 target commitment

The World Bank produced in the last days of September 2022 a report that promotes low-carbon rice production systems in Vietnam [[Spearheading Vietnam's Green Agricultural Transformation: Moving to Low-Carbon Rice Report](#)]. Rice is Vietnam's most important crop, accounting for approximately 50% of the agriculture sector's GHG emissions and over 75% of methane emissions. Moving to low-carbon rice production would allow Vietnam to potentially meet its commitment to the United Nations Framework Convention on Climate Change (UNFCCC) of cutting methane emissions by 30 percent by 2030 [[Modern Diplomacy](#)].