



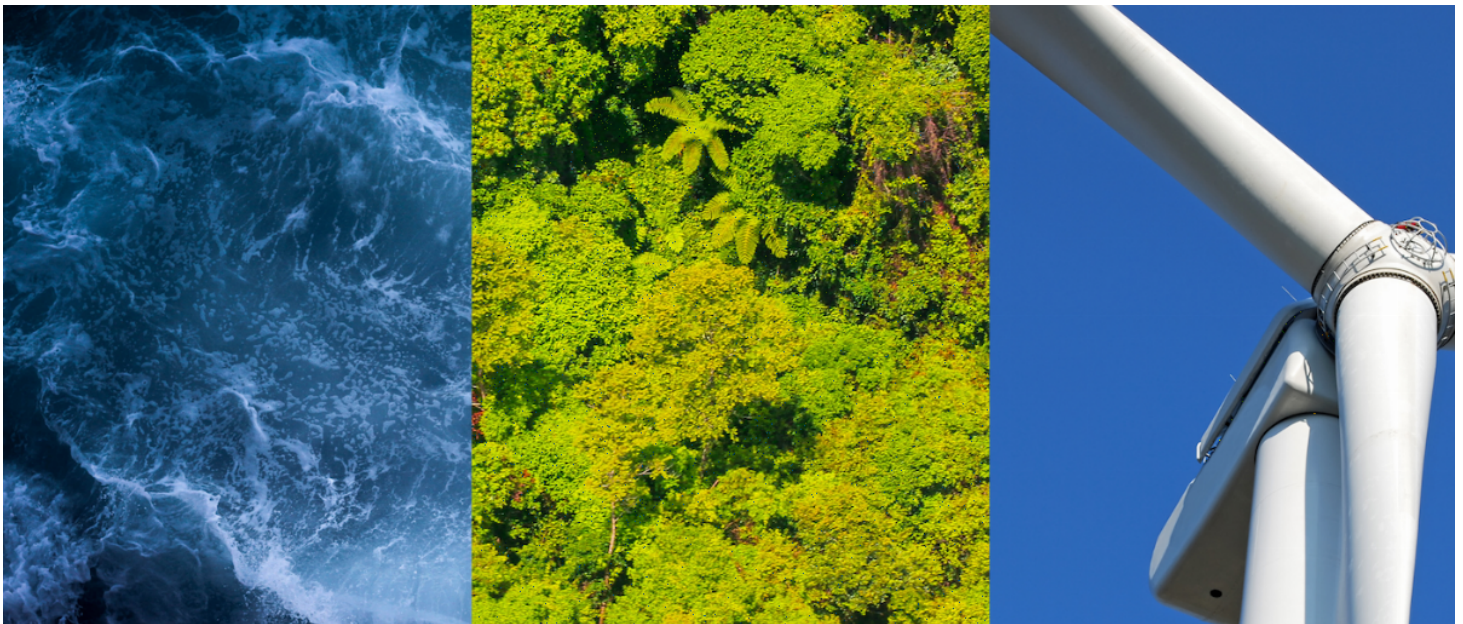
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Climate and biodiversity: coordinating ambitions and concrete strategies for transformation

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Just a few months away from COP15 on biodiversity and COP26 on climate, the gap between crucial short-term economic decisions and the medium- (2030) and long-term (2050) environmental objectives remains significant. This is especially evident in the current context of the massive stimulus spending to overcome the COVID-19 crisis, which will shape the economy for the decades to come. [Affirming a joint ambition for the transformations that are needed for both climate and biodiversity](#) is critical to preserving the integrity of the global ecosystem. It can also help open a strategic space to make the political and economic decisions capable of concretely initiating this transformation in key countries and sectors.

Reaffirming trust in carbon neutrality targets: credibility and environmental integrity

In fall 2020, major Asian economies such as China, Japan and South Korea pledged that they would enter the race towards carbon neutrality set in motion a year earlier by the European Union. Since these announcements, the economic decisions of these major players are being examined in detail, with two standards in mind.

The first of these is coherence with long-term ambitions: are the short-term public support instruments being deployed and investments being made aligned with the transformation trajectory towards carbon neutrality? If not, then we could be headed for decades of carbon-intensive development which would be detrimental to biodiversity. On this issue, [China's 14th Five-Year Plan has sent out signals which are ambiguous at best](#) and need urgent clarification, in particular with respect to the concept of “ecological civilisation”, both in terms of decarbonization as well as the reduction of stress on ecosystems. India is another country from which announcements on carbon neutrality and the revision of its 2030 Nationally Determined Contribution (NDC) targets are awaited. However, the current political debate in India seems to favour the adoption of decisive short-term policy actions over a more holistic long-term transformation, even though the two are indeed interlinked and would mutually reinforce each other.

To build confidence in carbon neutrality targets, the second benchmark is the full environmental integrity of the commitments. Carbon neutrality targets should aim for as near to net zero emissions for all sectors and all jurisdictions as possible. This is because the carbon sinks that would enable negative emissions are fragile, uncertain, and potentially non-permanent. They should therefore be reserved for offsetting the smallest possible level of residual emissions. Moreover, the impacts of large-scale offsetting strategies such as afforestation with monoculture plantations or bioenergy with carbon capture and storage (BECCS) on biodiversity and food security could potentially be extremely severe, and thereby undermine the very foundations of sustainable development. Finally, the emulation, cooperation, and competition momentum towards achieving carbon neutrality could quickly be stymied by a lack of confidence in these commitments. This is the key issue underpinning discussions around article 6 on carbon trading under the Paris Climate Agreement. The concern around environmental integrity is also more broadly speaking relevant for commitments made by countries and companies. The issue of financial compensation for avoided emissions is subject to strategic interpretation and has plagued negotiations right from the very outset. This can be seen in the disagreements surrounding forest carbon accounting using the REDD+ mechanism, and in the difficulties currently being encountered by the United States and the United Kingdom to enlist Brazil's involvement in global climate change efforts.¹ For both climate and biodiversity, making the respective [transparency mechanisms](#) work, and even work together at least partly, in the coming decade, will also be key to sustain trust.

Collaborative yet fragile leadership, shifting between cooperation and competition

In these circumstances, which require clear and ambitious international rules, international leadership is crucial, but it can only be collaborative when roles and functions are clearly defined. All the large countries can currently be criticised for insufficient short-term actions towards initiating the transformation. The United States is putting all its diplomatic energy into the Leaders' Climate Summit and encouraging leaders of major economies to put forth credible and ambitious climate change commitments, while continuing to insist on technological innovation as the key driver of decarbonization. The United Kingdom has put forth two priorities for COP26—“race to zero” and “nature”—highlighting the need to reduce absolute emissions as well as the links between biodiversity and climate

change, without sufficiently ensuring the integrity of its carbon and biodiversity offsetting mechanisms. On the other hand, China, which has committed to hosting COP15 in 2021, is signalling its intent to take on political leadership over biodiversity action. Lastly, the European Green Deal clearly outlines strong ambition on both the climate and biodiversity fronts. The policy decisions resulting from this Green Deal should progressively offer incentives to transform the economy across sectors and jurisdictions, encompassing everything from changes in modes of production to consumption patterns and lifestyles. In addition to setting a healthy example for collaborative leadership, it is hoped that the first mover's advantage could be a mobilising force of the transition, especially in Europe, where major decisions are needed to translate the vision of the Green Deal into a tangible transformation of the real economy. For the moment, negotiations on the Common Agricultural Policy leave enough room for uncertainty on any imminent paradigm shift. Other major sticking points have been around for a while, particularly on the continued use of wood for bioenergy by the United Kingdom and the European Union, especially from forests in the American South-West. Indeed, a letter signed by 500 scientists recently warned the President of the European Commission von der Leyen and U.S. President Biden of the major risk presented by shifting from burning fossil fuels to burning trees to generate energy, which would undermine the climate and biodiversity goals set for 2050, including carbon neutrality.

What concrete actions are required?

This political dynamic needs to enable, at the earliest, the adoption of public policies as part of a development pathway with positive outcomes for the climate, biodiversity, and resilience. At the same time, it must be backed by a concrete understanding of the changes that need to be made in the real economy in line with this shared ambition. The safe space for preserving both biodiversity and the climate is narrow. It is therefore even more important to explore development pathways that remain within this space, while upholding all the pledges made as part of the 2030 Agenda for Sustainable Development, particularly those pertaining to the just transition. Governments should clarify these possible development pathway(s), in keeping with the Paris Climate Agreement's call to formulate long-term low-carbon development strategies, which need to be extended to include notions of resilience, biodiversity and the reduction of inequalities. But they must also draw out the short-term implications of these strategies by deciding which short-term investments are compatible with their long-term ambitions and which would irretrievably jeopardise them. They should also anticipate the behavioural and lifestyle changes that will become necessary in the short or medium term. Energy and food sufficiency, for example, emerge as a “no-regret” option for biodiversity and climate action [across scenarios](#) and require enabling frameworks for household and economic actors to access alternatives. [The proposals put forth by the Citizens' Convention on Climate demonstrate this point](#) and have since been the subject of heated political debate.

The changes and investments needed do not generally fall under the purview of the Environment Minister, but of sector ministries such as Planning or Finance. As such, these ambitious decisions must not only consider arguments for the protection of climate and biodiversity but must also lay the groundwork for credible sectoral transformation projects within the real economy so as to ensure positive outcomes on climate and biodiversity as well as employment and the economy.

The real economy, territorial development, and democratic debate

A shared ambition for climate change and biodiversity would also be reflected concretely at territorial levels in zoning decisions and in spatial planning, which has a strong influence on biodiversity and climate. But above all, as the recovery and rebuilding from the current crisis presents a crucial opportunity to transition to new economic models, it is at the territorial level that industrial areas can be reinvented, with a view to restoring economic viability and

employment opportunities; the diversification of production could achieve this, while moving towards climate and biodiversity-friendly models of production.

This diversification of regional economies is not only a necessary condition for biodiversity preservation, but it can also help low-carbon economic sectors take off, make a compelling argument for the resilience of regions and jobs, and even help attract transnational actors after the crisis. However, such an emerging model would have to be translated into concrete strategies of transformation and resilience across all economic systems.

Lastly, the importance of democratic processes in the transformation of development models is a key takeaway. These enable the most vulnerable to express their political rights, as can be seen [in the key role played by local communities and indigenous peoples](#) in biodiversity preservation. For crucial economic choices shaping the coming months and years to be as aligned as possible with a shared ambition for climate change and biodiversity protection, citizens and civil society must not only be involved in formulating future visions for the regions, but they must also be empowered to question decisions that seek to maintain the status quo and are therefore lacking in their social and environmental ambitions. An open and organised political space, backed by the best available science, in which all citizens have access to information, justice and equal participation [is key to ensuring such feedback](#).

A cooperative approach and strong international leadership are crucial to reinforce the credibility of the economic narratives and political space needed for transforming the economy towards this shared ambition. In a context where the same economic powers that compete commercially are also looking to revive multilateralism, the importance of dialogue with all countries, whether in Latin America, Asia or Africa, cannot be overstated. This includes the informal negotiations which will replace physical conferences this year such as the Biden Climate Summit, the G20, the UN Food Systems Summit or the pre-COP summits. IDDRI is committed to facilitating informal exchanges through the organisation of workshops, with a special emphasis on supporting bilateral dialogue between the European Union and other big players.

¹ https://www.theguardian.com/environment/2021/apr/11/negotiating-with-your-worst-enemy-biden-in-risky-talks-to-pay-brazil-to-save-amazon?CMP=Share_AndroidApp_Other