

# Roundtable on COP15

10 January 2023

## Introduction

In December 2022, 196 countries signed the Montreal-Kunming framework agreement at COP15. Under the deal, governments are expected to demonstrate progress towards meeting set goals through national biodiversity plans, similar to the nationally determined contributions used to track decarbonisation. The headline target, known as 30x30 is the effective conservation or management of 30% of the world's lands, inland waters, coastal areas and oceans by 2030.



On 10 of January, the APPG held a roundtable discussion on COP15 and the UK's biodiversity policies from an ESG perspective, attended by Trudy Harrison MP (Minister for Natural Environment and Land Use). The UK aims to encourage an increase in biodiversity through schemes such as the Environment Improvement Plan (EIP), at the roundtable Minister Harrison hoped that the UK continues to set the conditions to stimulate more private investment into nature recovery by developing a market framework and standards to ensure high-integrity nature markets.

## Key takeaways

- Financing has become the key concern when implementing the Global Biodiversity Framework. The private sector has an increasingly important role to play.
- A finance mechanism needs to be implemented by signatories of COP15's goals, as the agreement is non-binding. Philip Dunne MP highlighted a mechanism that values land from a biodiversity point of view, and in coordination with the Environment Bank compensates good practice per hectare.
- The [10-point plan](#) looks to unlock public and private sources of finance, the challenge is to create the right framework conditions for more private finance.

- The COP15 agreement sends signals to companies and financial institutions to consider how they report impacts on nature. In 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) will publish a framework to enable companies and financial institutions to do the appropriate reporting in a clear and comparable way.
- Creating market incentives: Carbon credits create a market to help meet net zero, this kind of market does not exist for biodiversity. More effective financial incentives will deliver results.
- Measuring biodiversity loss is challenging, land is both extremely diverse and intrinsically linked to location, carbon emissions are not.
- A board member of the ISSB highlighted that there were three different themes that need to be considered alongside one another in developing policy:
  - The selection of data and metrics - particularly challenging with biodiversity given the diversity of nature and threats to biodiversity. Without the application of the correct metrics, diversity loss will not be measured;
  - Disclosure;
  - Influencing behaviour to raise awareness of biodiversity.
- If the UK leads in deploying these three considerations alongside overarching principles such as banning any destruction of the natural environment it can occupy a global leadership position. Through the City of London's trusted financial markets, Britain has a real opportunity to lead.

## Issues raised

- Biodiversity degradation is more complex than climate change. "A tonne of carbon is a tonne of carbon anywhere in the world". Biodiversity is "place-based", local circumstances are pivotal. The challenge was recognised by Minister Harrison: "How do we take that forward and make good decisions?"
- Private finance needs to be more accessible in order to achieve COP15's targets.
- Biodiversity has significant social value. Local populations are a key consideration to incorporate into frameworks and strategies that relate to land and its use.
- Preserving nature is a key priority, any newly designated agricultural land will inevitably represent biodiversity loss.
- There needs to be a rigorous legal framework which delivers progress and doesn't simply "tick boxes", otherwise it is open to abuse. As with ESG in general, real-world impact should be foremost in mind.
- Baroness Boycott raised concerns about a lack of transparency with consumer products that do not highlight their biodiversity footprint.
- The power is in the consumer's hands, Andrew Selous MP explained that we need to consider restrictions on imports of products that are harmful to biodiversity.

# Recommendations

## **Coordinating efforts**

“A joint relationship is critical” between standards setters (e.g. ISSB) and disclosure frameworks (e.g. TNFD). Joining the two will yield greater benefits for the environment.

## **Increasing the private sector’s role**

There is a “finite” amount of money in the public sector. Options towards leveraging private finance need to be explored in order to reach COP15 targets and preserve nature.

## **Vision for Britain**

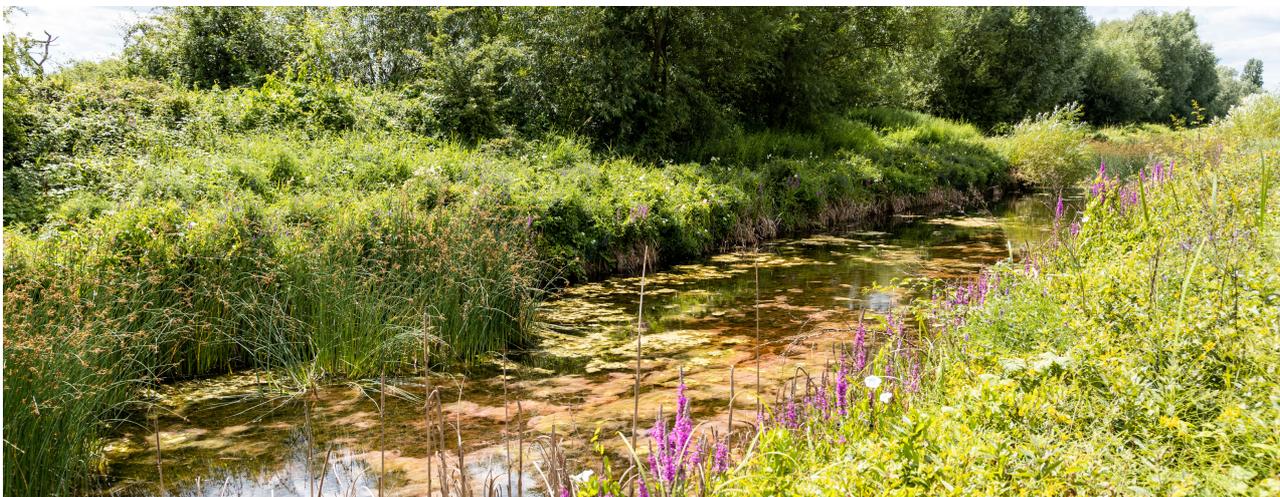
The UK Government needs to think carefully about how it can attain meaningful progress. Regenerating biodiversity requires an evidence-based vision developed in partnership with numerous and diverse stakeholders from across the UK. The APPG welcomes the March Nature Recovery [Green Paper](#) and the January Consultation on Biodiversity [Net Gain Regulations](#) and Implementation, but the scope needs to be widened to incorporate ESG along with wider investor and corporate considerations.

## **Data for farmers**

Mechanisms like the [Green Finance Institute's market-building Hive project](#), need to be developed further to orientate farmers towards regenerating ecosystems. The greater availability of data – among other things, Hive is composed of a knowledge-sharing hub – will help facilitate discounted loans. Ultimately, “There isn’t just one type of farm”, online platforms enabling farmers to submit information about their holdings and discover their options, both from a financial return and preservation/regeneration-of-nature perspective would be extremely useful.

## **Finance for farmers**

A nationwide incentivisation programme is needed to encourage farmers and landowners to regenerate ecosystems. Such a programme would accommodate and take into account the diversity of nature in the United Kingdom. The [Environment Bank](#) is currently providing these kinds of solutions at a local level, creating wildlife corridors throughout the UK.



## Red tractor-style labels for a much wider range of products

Andrew Selous MP noted the importance of recognising products which do not have negative effects on biodiversity. He used the example of the Red Tractor logo, which reassures consumers that a given agricultural product has been responsibly sourced. An expanded version of this scheme could encourage consumer confidence in “biodiversity-friendly” products and help tackle greenwashing. A participant in the discussion echoed similar views, insisting that stakeholders (i.e. consumers) must be included in the protection of biodiversity. The power is with the consumer, creating accountability for big industries responsible for damaging biodiversity.

## Next steps

The discussion highlighted the UK Treasury's important role in regenerating natural environments across the UK. The APPG will endeavour to involve HMT in future biodiversity discussions.

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