

Environment and Climate Change Committee and Environmental Audit Committee

Corrected oral evidence: COP 15: the international biodiversity conference

Monday 20 June 2022

3.30 pm

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Members present: Baroness Parminter (The Chair); Baroness Boycott; Lord Browne of Ladyton; Lord Colgrain; Philip Dunne MP; Caroline Lucas MP; Cherilyn Mackrory MP; Jerome Mayhew MP; Baroness Northover; Duke of Wellington; Lord Whitty.

Evidence Session No. 7

Virtual Proceeding

Questions 63 - 73

Witnesses

I: George Eustice MP, Secretary of State, Department for Environment, Food and Rural Affairs; Lord Goldsmith of Richmond Park, Minister for the Pacific and the International Environment, Department for Environment, Food and Rural Affairs; Andrea Ledward, International Biodiversity and Climate Director, Department for Environment, Food and Rural Affairs.

Examination of Witnesses

George Eustice MP, Lord Goldsmith of Richmond Park and Andrea Ledward.

Q63 **The Chair:** Good afternoon and welcome to this concurrent meeting of the House of Lords Environment and Climate Change Committee and the House of Commons Environmental Audit Committee as part of both our committees' ongoing scrutiny of the Government's work on the CBD—the global biodiversity framework. We are very pleased to have the Secretary of State George Eustice and Lord Goldsmith before us this afternoon, and they will be supported by Andrea Ledward, who is the director of international biodiversity and climate in Defra. Welcome to our witnesses.

As a couple of quick points of housekeeping, as ever, a transcript will be taken and circulated to the witnesses before it is published. This is

webcast live and then goes out on Parliament TV. Can I remind members, if they have relevant interests, to please declare them before they ask any questions?

Without any further ado, perhaps I could ask the first question. It has been reported that glacial progress has been made in Geneva at the subsidiary body meetings, for perhaps a variety of reasons. First, it would be important for us to hear directly from the team at Defra what they saw as the main outcomes from the subsidiary meetings in Geneva.

George Eustice: I will start by giving some overviews and then I might ask Zac to come in with a bit more detail. My understanding is that they have made some quite good progress on a range of issues, including resource mobilisation, which is going to be one of the big factors in this—making sure that we have the finance to underpin the work that we want to take forward—and reporting and evaluation.

There are some contentious issues regarding digitally sequenced information around genetic resources that will be very important in particular for some of the African countries. That needs more work. Generally speaking, they have made some good progress. There are lots of recommendations there already. The fact that CBD 15 has been delayed on several occasions has affected momentum towards some of these things; there is no getting away from that. That said, some quite good progress has been made. There is a British chair of one of those subsidiary groups who reports some quite good progress.

Lord Goldsmith of Richmond Park: The truth is that the progress was slightly more than was reported at the time, but fell short considerably of where we would want to be if we are to, as people are saying, turn this CBD into the equivalent of a Paris moment for nature. There is a big gap between where we are now and where we will need to be.

George has already gone through some of the details there, but it is worth acknowledging that the language makes reference to most of the key things that we are going to need—halting and reversing biodiversity loss by the end of the decade, and the 30 by 30 target, which has always been a key part of what we have been pushing for in the UK. We have about 112 countries signed up to that.

It is very clear from the discussions that there is going to need to be progress on finance. The UK has a particular role to play, given the networks and relationships that we built in the run-up to COP 26, and given that what we delivered in terms of finance for nature at COP 26 was in a different cosmos to anything that had been secured before. We intend to use and are using those networks to try to plug at least that part of the gap. We know that, if nature-rich countries are going to sign up to the kind of ambition that we want, there needs to be a proper finance offer on the table.

There is plenty of reason to believe that we will get to where we need to get to, but there is an enormous amount of work to be done. The second

round of negotiations began yesterday in Nairobi, so we will know more about where those blocks are.

Most of the discussions that have been happening so far have been at an official level. Our view is that, as with all these things, there are political issues that need to be resolved as well. It cannot all be done at official level; otherwise you do not get beyond the red lines that countries have already set out.

We are at the centre of an informal coalition of ambitious countries with a view to trying to put oxygen into the high-ambition vision that the UK stands for, and to get as many of those other countries to push in the same direction as possible. There are signs that that is already having an impact.

The Chair: Thank you for that. I know that colleagues will want to drill down into the detail of some of those particular issues around finance, digital sequencing and other areas. If I could just pick up on that last point on the political impetus and the work that the Government are already doing, I know that the date has not been set yet for the final CBD in Kunming, but clearly, as we saw at COP 26, having the Heads of State there with officials ensures that there is that visible commitment and enables those tricky issues to be resolved. At this stage, is it your expectation that the Prime Minister will attend the CBD?

Lord Goldsmith of Richmond Park: I cannot answer that directly because, as you know, the whole thing is in flux at the moment. We are hoping for an announcement very soon about when and where this thing will happen. Our view has always been that it needs to happen this year, and every country that we have spoken to shares that view. I hope that that will be made clear in the next few days.

Until we have the spot in the grid and we know when and where it is, it is hard to say who will be there, but I can say that the UK has put international biodiversity at the top of our international priorities. It is in the IDS and was in the integrated review before that, so we are playing and will continue to play as big a role as we can. We will have to see what that means in terms of delegations but this is certainly a key priority that will be reflected in how we approach the event.

George Eustice: Zac was head of the delegation in the part one preparations for this last year. I know that the Prince of Wales also contributed to it virtually. Zac will be very involved in this next part, but it is likely that either I or the Prime Minister will also play a role. It is a bit too early to make commitments on those diary points at the moment, not least because we do not have a precise time and so forth. However, it is an agenda that the Prime Minister has always been very passionate about. It is why the UK was the first country to make quite a substantial commitment in terms of its ICF funding, some of it going to nature-based solutions. We have always, as a Government, seen this as a really important opportunity to replace those Aichi targets that were set over a

decade ago with something that is more meaningful and has more impact.

Q64 Lord Colgrain: What progress has been made in advancing the forest, agriculture and commodity trade dialogue since COP 26, and what are the next steps? Following on from that, will a project plan and timeline be published for the FACT dialogue, with progress against the initial set of actions being monitored?

George Eustice: I will kick off and others might want to add. Andrea might be able to say a little bit about the groups. There are four key policy themes around the FACT dialogue. One is around trade in markets; a follow-up meeting was held on that on 9 June, as I understand it. There is one on traceability and transparency, which may happen at the end of this month, but it is still subject to some discussion with Ghana. There is then a smallholder support theme; further discussion on that happened earlier in May. There is also one planned on research and innovation.

The answer is that there have been a whole series of follow-up meetings on all but one of those key themes. In terms of what we might publish, I might ask Andrea or Zac whether they have anything further to say on that point.

Andrea Ledward: A number of countries have come forward and expressed interest in participating in the four action groups. The view is that there is a major proof point at COP 27 later in the year, in November, where we are expecting a formal progress report to be published and announced, which will set out all the actions on the FACT road map over the year since COP 26. We are also expecting interim reports, particularly on smallholder support and on traceability and transparency, which will be published over the course of this year in the lead-up to COP 27. We co-chair the FACT dialogue with the Government of Indonesia, so we are also talking with them about their preferences and what would be suitable as an interim milestone to COP 27.

Lord Goldsmith of Richmond Park: Just to reiterate, at COP 26, a package of measures was secured around forests. You had countries committing to stop deforestation by the end of the decade. You had a \$20 billion package and the multilateral development banks committing to align their portfolios with those broad deforestation goals. You had financial institutions as well, with around \$8 trillion in assets. However, what had a massive impact in getting reluctant countries to sign the declaration was the signal by the 13 biggest commodity traders, including China's COFCO, Cargill and others, that they were going to align their buying practices with our deforestation and 1.5 degree goals.

FACT is a separate stream but it played a big role at COP 26. For FACT to bear fruit, we need to involve the traders. Officials and I have had many engagements with the key traders in Indonesia, Malaysia and elsewhere to press them to deliver that road map that they promised at COP 26. It is a process, although not, at this stage, a public one. I would love to be able to report in detail about the things that they are delivering as part of

that delivery of the road map, but I cannot do that. I can say that there are meetings of traders happening, which are unprecedented, and our expectation is that, by the time we hand the baton to Egypt at the end of the year, there will be something in which we would be able to invest real confidence when it comes to that traders' pledge.

That goes alongside what the Secretary of State and Andrea have just been talking about, which is a country-to-country dialogue, but they cannot do what they need to do without the traders as well. Those two streams of activity are happening very much in sync, and we will bring them together before COP 27 with a view to being able to present that pathway that we will need to follow.

Baroness Boycott: Is the world food security crisis, in which there is a much bigger push on just producing food regardless, having an impact on your attempts to embed FACT and make it work, and to make companies—you mentioned Cargill—agree to environmental principles, possibly over just pure production.

Lord Goldsmith of Richmond Park: I suspect that the Secretary of State and I will be looking at this from a different angle, in the sense that his responsibility is domestic. There is no doubt that the conversation has changed since COP 26, because big things have happened around the world. Ukraine has more than 10% of the world's grain; it is a major world breadbasket.

That has caused not just anxiety. This is playing out in real people's lives, particularly in the poorest parts of the world and particularly in countries in Africa. At times, though, that anxiety has looked like a reason that might be cited by some players to delay the commitments that have been made around breaking that link between commodities and deforestation, which was at the heart of what we tried to get to at COP 26.

Having said that, all the countries we are dealing with continue to engage in good faith. We have not seen any rowing back, it is fair to say, even from some of the more difficult countries, in the FACT dialogue. We have not seen any rowing back at all from the commodity traders I mentioned earlier. On the contrary, they were nervous about making the commitments that they made, but then, having looked at what it is going to involve in terms of step-by-step progress, their confidence is building. I feel that we are in a better position now than we were even before Russia's invasion of Ukraine. It remains to be seen, but, at the moment, we are still talking about promises, which have to be delivered.

George Eustice: What was very interesting through the FACT dialogue in the run-up to COP 26 was a growing appreciation, to a lesser or greater extent, among all the major agricultural producers of the importance of soil health and that the things you do that are right for biodiversity often come back to principles of good soil husbandry and farm management. That was appreciated even by countries such as the US and Brazil, which have a slightly different approach to us on some of these matters. All of them were starting to think about soil and its importance.

If we want to reverse trends in biodiversity, a lot of it starts with the soil, because, if you get your soil health and soil management right, you get a real flourishing of biodiversity. It is probably the first part of the ecosystem to respond to a more nature-friendly system, and it simultaneously gives you better soil health. This has increasingly started to be noticed, with more interest in different types of regenerative agricultural practices, and I do not really see that changing as a result of this short-term crisis.

Of course, there is an immediate world focus on what we do with those 40 million or so tonnes of grain which are in store in Ukraine and are difficult to get out at the moment, and what the impacts of that might be, but, in the long run, people are quite capable of differentiating a short-term shock to the global supply of certain commodities from the longer-term objectives that we all remain true to.

Andrea Ledward: There are two points I would make in relation to the food security crisis. First, there is even more interest in due diligence measures and in levelling the playing field so that there is not an undercutting of commodities coming on to the market that are cheaper as a result of illegal deforestation, essentially. The more emphasis there is on due diligence in the FACT dialogue, and the issues around transparency and traceability, the more important that becomes in a context in which people feel like there may be more pressure on land conversion and more illegal deforestation.

The second point is the context of COP 27 and the Bonn intersessionals, which happened a couple of weeks ago and were the key staging point in the UNFCCC. There was an even greater focus on adaptation and resilience. Egypt, which is hosting COP 27, has been very hard hit in the Russia-Ukraine context in terms of its food security, so it very much wants to position COP 27 in that context of promoting both food security and climate security. In that space, it all becomes about adaptation and resilience, and thinking about how we help the poorest in the world adapt to climate change and become more biodiversity rich at the same time.

The Chair: Before I hand over to the Chair of the Environmental Audit Committee, Philip Dunne, to chair the next couple of questions, can I just take us back to the opening questions I asked about COP 15 itself? There are reports from two media sources that Canada will replace China as the venue for COP 15 and, equally, that the dates have been agreed as 5 December to 17 December. This is happening in real time. I certainly did not have that when I asked the question. Can the ministerial team comment on whether they know about that information?

George Eustice: We have seen that speculation as well. I understand there have been some discussions. I suspect that, by the time your committee concludes, there will be some clarity on this issue, but we do not want to get ahead of that. There will be discussions between the secretariat and China about what should happen in these situations. There is precedent for what happens in previous recent examples where a country finds it difficult to host a particular event. If there were a change

of venue, China would remain the president, although it would not host if there was a change. There is probably a limit to what I can say, although we are aware that discussions are going on.

Lord Goldsmith of Richmond Park: We know that there will be an announcement tomorrow. If you asked us this question tomorrow, we would be able to give you a non-political answer. It is not for us to pre-empt announcements and so on. The only thing I would say is that everyone has been very clear that this thing has to happen this year. There has been a two-year delay already, and pushing it to next year, with question marks even over that, would not be acceptable. That has really been a unanimous view from the global south and from donor countries in the north. We are optimistic, but we will wait for the process to play out tomorrow and the next day, if that is all right.

Q65 **Philip Dunne:** I start by thanking Baroness Parminter and members of the Lords Environment and Climate Change Committee for inviting the Environmental Audit Committee to join it today for this concurrent meeting. The fact that both our committee clerks picked up the news that is breaking today of the new date and potential location, which may be confirmed tomorrow, shows that the Lords and Commons, working together, are often ahead of the news.

I think the last time that there was a concurrent meeting of committees of both Houses related to an inquiry into universal credit, which was back in March 2021, so the fact that we have come together today, I hope, impresses upon you, Ministers, the importance that both Houses attach to the idea of bringing nature and biodiversity to the same level of prominence as the UN committee on climate change has achieved for climate change.

With that little preamble, I would like to ask a couple of questions from the Commons. Going back to the previous global biodiversity framework, which covered the 10 years up to 2020, we learned in evidence to our committee report into global biodiversity that none of the Aichi biodiversity targets was met in full, and that the UK failed to achieve 14 of the 19 targets that related to the UK. Secretary of State, how do you have confidence that the British Government will be able to ensure effective implementation of the next global biodiversity framework?

George Eustice: We have looked at this quite carefully, and Zac might want to come in further on it. The Aichi targets were a very important first step towards things that had not been done before. They got the world together, focused on an agenda, but the reality is that they were quite vague; a lot of it was about setting up structures for thinking about or considering things. When countries thought about what that meant to them nationally and what they needed to do, it was more ambiguous and less clear. Therefore, because a lot of things were quite vague and ambiguous, it was not clear what that demanded by way of national action. There was also not really a commitment on finance to get behind it. With climate change and other challenges, we know that, if you are

serious about addressing them, you also need to think about how you are going to resource it; otherwise you do not move the dial.

The key different thing we are trying to get this time is much more granular and specific targets for people to commit to as the next building block to build on what was done 12 years ago, and then agreement from the donor countries around resource mobilisation.

In terms of our role in that, I would argue that we have led the way by committing £3 billion of our international climate finance to nature-based solutions. Through our presidency of the G7 last year, we have led the G7 nations to make a commitment on the way to something similar around mobilising finance, and to get some important language in there, which is a good stepping stone or staging post to what we need to do now. We have already legislated to halt the decline in biodiversity by 2030 through the Environment Act.

This would not just be a vague undertaking that we would give in an international agreement, but something that we have backed up with a commitment in domestic law, demonstrating that other countries that do this could make a similar commitment. Not all will—we just need to get them to the right starting place—but at least we would have targets that are more measurable, more granular and, crucially, backed with finance. That is the key difference that we are seeking.

Philip Dunne: Minister Goldsmith, you were just touching on how you brought together coalitions of the willing nations to do various aspects. You mentioned the deforestation commitment at COP 26. Do you see that as a mechanism that you will be pushing forward for the Chinese or Canadian hosts to adopt towards biodiversity in the future?

Lord Goldsmith of Richmond Park: Yes, very much so. I mentioned in answer to an earlier question that the UK has a particular role in terms of finance, but the question that you have asked is really the second priority for us—not as in less important, but one of two key priorities. That is, to make sure that whatever is agreed is backed up with mechanisms that would enable countries to be held to account for the promises that they make. We recognise that that is a massively important part of this.

In terms of getting the world to step up in a very short period of time, as COP president we had two years or so to prepare, and we used every day of that. There were things coming over the line a week before the event itself—in some cases, the day before the event. Canada has a very tough job on its hands. If it ends up in Montreal, we will be very supportive.

Those coalitions of ambition are going to be absolutely central. There are countries that are better placed to speak to other countries than we are. In the run-up to COP, Colombia was very helpful in talking to countries such as Brazil. We really divided up the task and we are going to have to do that, but in a much quicker manner, between now and COP 15. As a consequence, these little pockets of ambition that we have created are going to be critical.

Even today, we are hoping to be able to deliver a fairly high-level statement of ambition. This is something that, if we can get things organised in time, will appear soon, but it is being sold to countries by a whole network of countries—not just the UK, because we cannot do it on our own.

I guess the short answer is yes. Those little pockets of ambition, almost like an activist group of countries, are going to be critical if we are to get the kind of ambition that we all know we need.

Philip Dunne: In the report we published on this subject last year, we made a recommendation that the framework mission should include text to halt and reverse the loss of biodiversity by 2030. You have just touched on that, Secretary of State. It appears in the draft UN framework published in March, but in square brackets. Will you be able to get the square brackets removed by the time of the eventual text?

George Eustice: We are hopeful but we are not yet at the place where they are about to publish that. My understanding is that, generally, through the subsidiary group discussions that have taken place, all our key asks are likely to make it through. In some cases, there is a little bit more to do, but we are in quite a good position.

Lord Goldsmith of Richmond Park: We know from all the discussions we have had that, if we fail to come up with a finance package, which does not mean just direct money from Governments to Governments, but just a broad finance package, it will be hard to remove all those square brackets. If we come up with a reasonable and realistic finance offer, which we think we can, there is no reason, as the Secretary of State says, to imagine that we will not end up with all the language that we want. Is that overly optimistic?

Andrea Ledward: As is usually the way with these multilateral negotiations, nothing is agreed until it is all agreed. It is a massive package and, clearly, the square brackets around that headline target of halting and reversing biodiversity loss are one of the key issues in play. The others to unstick, as the Ministers have said, will be digital sequencing, finance, accountability and monitoring mechanisms, and probably some language on mainstreaming.

We have been able to remove square brackets and make good progress in areas such as 30 by 30. We made really significant progress back in Geneva, due to the activity from some of the very high-ambition coalitions that your previous question referred to. In the high-ambition coalition for nature and people, the UK is now serving as the ocean co-chair, alongside France and Costa Rica. That has been massively effective at mobilising and getting people behind a global target of 30 by 30.

Philip Dunne: Secretary of State, you appeared before our committee last year. At one point, in giving evidence to us on another subject, you said that you recognised that we needed to start shifting the dial towards reducing consumption and consumer behaviour and that developed

countries needed to adapt. Does that form part of the UK delegation's negotiating strategy in the framework negotiation?

George Eustice: That was much more in the context of greenhouse gas emissions. The Treasury is doing a piece of work—as ever with these things, it is complex—about how you could move to something closer to a consumption rather than emissions-based measure, because the two are different. Of course, if all you are doing is reducing the prevalence of certain industries here, only to offshore that pollution to another country, you are not helping the planet. Specifically, because these emissions are currently measured nation by nation, the idea that you might move to something more like a consumption measure over the longer term makes sense. It was in that context. To be honest, we have ambitions enough on this particular immediate agenda on biodiversity without complicating it with some consumption-based assessment.

Q66 **Cherilyn Mackrory:** I was also going to ask about the text on nature-based solutions, but we have covered that. Could we drill down into what the Government are doing to work with the Chinese presidency and the Egyptian presidency to ensure that all the commitments made at COP 26, particularly on nature and deforestation, are honoured, implemented and even strengthened at the next COPs?

Lord Goldsmith of Richmond Park: We had a number of events at Stockholm+50 a couple of weeks ago, where we tried to expand on, build and strengthen those little clusters of high ambition. Just to be clear, there are lots of coalitions all over the place and they are all high ambition, but that is by design. There is a high-ambition group of countries that really want to deal with illegal fishing. There is another bunch of countries that really want to deal with nature finance. There are lots of these coalitions and they are very effective. They are mostly quite informal, but, in the last few months, I have been amazed by some of the things that they have been able to achieve. I just wanted to be clear that there are lots of different high-ambition coalitions. Andrea mentioned one earlier specifically around 30 by 30, but it is just one and there are a number of them.

At Stockholm+50, we brought together many of those nature-ambitious countries and agreed that we would create a steering group of serious countries—geographically well represented, consumer/producer, north/south, east/west, forested and not—with a view to, between us, driving forward the commitments that were secured around forest at COP 26. I am not sure how much has been announced—apologies, I never know what has and has not been said.

Andrea Ledward: Seventeen countries attended the ministerial in Stockholm.

Lord Goldsmith of Richmond Park: I am being told, subtly, that I am going too far, but we are absolutely determined that those promises do not just languish on paper. We are creating a mechanism that has been agreed by those countries, whether or not it has been said, to ensure that

year-on-year progress can be monitored, promises can be evaluated and both forest countries and donor countries can report back in a very public manner, inviting scrutiny from the public, civil society and other countries to demonstrate that these things are meaningful promises. That mechanism is being created. It will happen and we will be able to talk about that very soon in a bit more detail.

Cherilyn Mackrory: On that basis, when you get to COP 27, what does success look like? This might be premature, but how will you know that all of that has worked?

Lord Goldsmith of Richmond Park: This is key. We know that it takes quite a long time to spend government money when it comes to ODA. Business cases, concept notes and all the rest of it take far longer than they probably should, and that is true of all donor countries. We are not going to have \$20 billion invested by the time that we hand the baton to Egypt at the end of the year, but we hope to show that the donor countries have plans and clear ideas about where that money is going to go and where the focus will be. Of particular importance is the commitment around indigenous peoples of \$1.7 billion. There are huge levels of expectation there. It was the first time a package of that sort had ever been delivered. Hopes are through the roof, but so too are levels of mistrust, so it is really important that we show that that is serious and that the money is on its way, at least by the time we get to Egypt.

I am very optimistic that we will be able to produce that kind of road map where traders can say, "This is what we're going to do, this is how long it's going to take, and this is how we're going to do it" and that we can agree that annual moment for checking in and showing that all these promises are being delivered. For each of those five or so components of the Glasgow leaders' declaration, we will need to be able to show genuine movement. Stuff will not have been solved, money will not necessarily have been spent, and deforestation certainly will not have stopped, but we need to be able to show that all these things are in train.

Q67 **Baroness Boycott:** I know that we have touched on finance at various times already, but could we now address it full-on? It comes under my headings as key sticking points. We all know that the \$100 billion was not quite agreed at the COP in Glasgow, and yet the last Geneva meeting was saying that developing countries wanted \$100 billion a year for biodiversity now, rising to \$700 billion by 2030. I know that you and the UK have been doing a huge amount to lead this. How are you getting on, what progress has been made, and what can you tell us about this crucial area?

George Eustice: The key thing we got last year was quite a breakthrough with the G7 and some commitments there. In my conversations at the time with people such as John Kerry, it was clear that the US was rethinking its approach on this, looking at it again and seeking to follow our lead. For what has happened since then, I might turn to Zac, because it is very high on our agenda.

Lord Goldsmith of Richmond Park: There is a path to be trodden which will bring the north and south together and be realistic. Some of the numbers that are bandied around, not least the \$500 billion or \$700 billion, are just not going to happen. Global ODA is \$147 billion or so every year, so the idea that we would be able to produce \$700 billion a year in that way, through direct public finance, is just not going to happen. If that is the expectation, the worry is that we are just going to have a complete breakdown in discussions.

One of the exercises that we are taking part in is working within that coalition of ambitious countries, particularly with a focus on nature-rich but economically less rich countries, to present what they regard as a realistic scenario. That would look at direct finance: how much, realistically, will the donor community be expected to come up with? It will be hard; it has to be stretching, but also realistic.

We then have to look at things such as the impact of shifting subsidies. We know that the top 50 food-producing countries spend about \$700 billion a year subsidising often destructive land use, so what would be the impact on nature and those countries if we were to shift those subsidies? I use this opportunity to pay tribute to Andrea's team, because our negotiators at the G7 introduced to the menu the idea that all our aid portfolios should be not just aligned with Paris goals but also heading towards being nature positive within a very short time.

We did not expect for a second that that would get through. We were hoping just to open the discussion with a view that it might happen next time. I got into trouble last time when I named our team, so I will not, but our negotiators really did an extraordinary job. That is now a commitment that the G7 have all signed up to. They do not yet know how they are going to do it, but it is there and they have signed up to it, as have we in the UK through the IDS.

That is well over \$100 billion of aid which is going to be aligned with nature, not just in a neutral way but going nature positive, so that is worth something. It is quite hard to work out how much it is worth in real terms, but the purpose of this exercise is to figure out what that nature package looks like and how much each of these different strands of work is going to contribute.

The biggest goal of all is the private sector. At the moment, the vast majority of conventional finance is investing in problems from an environmental point of view, not solutions. Deforestation is infected throughout supply chains and investment portfolios across the world, so the ultimate goal is to move the financial institutions to a position where they are not just doing no harm to the natural world but where their portfolios are nature positive. If we can do that, the whole discussion changes.

Aligning our day-to-day economic decisions and activities with the natural world is the key, and the UK is in a position of real global leadership there. We were the first country to commit to mandating the Task Force

on Climate-Related Financial Disclosures. I hope that we will be the first country to do the same with the TNFD, which is the nature equivalent. That is not yet government policy, but I am absolutely convinced that it will be at some point soon. We are trying to mobilise as much of the private sector as possible to get their collective heads around what going nature positive looks like and what that means for the different types of businesses involved in all these alliances.

There is a huge amount of work to be done there, but it has to be seen as part of that nature package that we offer the world to give confidence to those nature-rich countries to step up and sign up to the kind of ambition that we want them to. That was a long-winded way of saying that it cannot just be direct finance from government.

Baroness Boycott: I have one point of clarification, because I cannot quite understand it. When we went into Glasgow, we had the ambition of having \$100 billion on the table for converting other countries. Is there a similar sum of money attached to the CBD that they want to see?

Lord Goldsmith of Richmond Park: There is no consensus on what that number looks like. There will need to be a number of that sort, but that is the point of this exercise. It is not something that will drag on for months. It is happening right now, and the idea is that we create a fairly high-level position that looks at what that number, in terms of direct finance, should look like, how much realistically we can get from philanthropy, and what the value is of all those other things that I just mentioned, and then try to build a consensus around that, agree something at the CBD and deliver.

Baroness Boycott: Are you optimistic?

Lord Goldsmith of Richmond Park: Yes, I am. It requires movement. It requires the donor countries to be a bit braver with their finance and to go a bit further than they are currently willing to go, and not just the usual suspects. Japan has a good long history of financing nature, and we need to get it to step up. South Korea is a real nature leader in that part of the world. There are individual European countries that have historically been great on these issues but need to step up and do more.

Despite all the narrative, the European Commission has been a very close partner of ours on nature finance, and we think that it will step up in a very significant way. The one country where there is a big question mark, partly because of the domestic political situation, is the US. We know that, in John Kerry and Monica Medina, we have absolute nature champions and allies. What that means in terms of finance, I do not know, but in terms of political support that is now rock-solid.

Baroness Boycott: What about China, in terms of priority of nature-based solutions and finance?

Lord Goldsmith of Richmond Park: The thing is that China has quite a good record when it comes to addressing domestic environmental issues,

but it is the importer of around 60% of the world's commodities, for example. If commodities are responsible for 80% of the world's deforestation, you can do the maths and see that a vast amount of global deforestation is being imported into China.

The key is for China to figure out how to clean up its own imports in order to reduce its global ecological footprint. We know that it is working on lots of interesting bits of legislation. In fact, the UK has been working very closely with it on that. We have our due diligence legislation. The UK and the European Union have our timber legislation, FLEGT, and China is working on something very similar. The first part of those bits of legislation has gone through, but they have a two-part system, and the enactment part has not yet happened.

If it does, China becomes increasingly part of the solution and not the problem in terms of environmental damage globally. China has a potentially gigantic role to play. There are some very promising signs that it wants to play that role, but there is a long way to go. That is probably true of all of us.

The Chair: Can I just pick up on the point that you made, Minister, about the TNFD, which is a very important agenda moving forward and which is not quite yet government policy? In the Queen's Speech, we also saw that the sustainability disclosure requirements for the financial sector were dropped. Where are the blockages and what can we, as parliamentarians, do to help you get those blockages overturned?

Lord Goldsmith of Richmond Park: TNFD is not particularly well known. It is not something that rolls off the tongue and or that people are talking about, but there is a real interest in the Treasury. It is not uniform across the whole Treasury, but there are real pockets of interest and enthusiasm within the Treasury for trying to figure out how we can create parameters in which nature, increasingly, is a factor in the decisions that are taken, so that things that are not currently valued are valued, and things that currently come with no cost are costed—pollution, waste use, use of scarce resources and so on. There is some very good work happening in the Treasury. At the ministerial level, this is an area that Simon Clarke, for example, understands well. I struggle to think of a Treasury Minister anywhere in the world who has as sophisticated an understanding of these issues as he does, and an ambition to match it, but it is complex. Carbon is carbon. It does not matter where it comes from—it is carbon; whereas nature is so multidimensional and so much more complex that what one company needs to do to deal with its supply chains will be completely different for another company and even more so for a different sector.

We do not yet have the metrics and the proper tools to understand what being nature positive looks like, or even just the "do no harm" approach, which many companies have signed up to. Those metrics do not yet exist, and the TNFD is part of the process of creating them. It is key that, when we do, we do it in a way where the best does not become the enemy of the good and where we do not create something that is so

cumbersome and complex that it applies only to the very largest businesses. Whatever is created has to be applicable in the real world; otherwise it just becomes an academic exercise and countries are not going to sign up to it.

Q68 Lord Browne of Ladyton: I would like to turn to digital sequence information. Lord Goldsmith, in answer to the first question, you said that progress was better than reported, which I hope is true. I have read reports that diverging views on this issue took up more than an hour and, to that extent, dominated the final plenary session of the Geneva meeting.

I also have in this briefing a paragraph devoted to the views of one senior official, two sentences of which say, "The fact that we agreed to deal with DSI and on the way forward is huge. We are not in a deadlock, or back to the drawing board, and that's enough for now". It does not seem that progress was a very high bar for that particular individual, but there we go. What actual progress was made on the key issues in relation to DSI, apart from an agreed procedure that there would be a process going forward? What progress have we made?

Lord Goldsmith of Richmond Park: I definitely do not want to exaggerate the success of the Geneva negotiations. As I said before, the gap between where we are and where we should be is huge. I just do not think it was quite as bad as was reported, but I accept that I am putting the bar very low there. This issue that you just raised is particularly difficult and quite divisive internationally. We have put ourselves forward as an honest broker on this. I am going to ask Andrea to come in with a more nerdy answer, if that is all right, but we were asked as a consequence of that to chair a working group at Geneva, where we moved further, made more progress and removed more barriers than was anticipated beforehand.

Progress was made, but there are some huge outstanding issues there. This is one of those areas where there is a lot of lobbying. There are a lot of stakeholders; every country has its own stakeholders and, in many cases, they are extremely influential and powerful, which has probably made reaching consensus harder than it would otherwise be.

Andrea Ledward: DSI is ultimately a very divisive issue. There is a feeling that, fundamentally, it is about poor countries benefiting from the benefits that arise from the genetic material that came from those countries, and there is a question of what happens if that information is already available in the public domain and in open access. How do you retrofit a solution, essentially, as well as going forward and setting in place new systems that do not tie the hands of existing scientific research and open access data?

In Geneva, the UK was asked to go away with Malawi and find out a process by which progress could be made. In many of these multilateral negotiations, there is a bit of an impasse and a standoff, where countries are just so entrenched in their positions that there is no way of finding a

common starting point. The UK and Malawi were asked to go away and think about what the process could be. They had a number of late-night, if not all-night, sessions, where they agreed a series of principles that a solution should meet. Brokering those principles was felt to be quite a significant step forward.

Those principles included that a solution should be consistent with open access to data, that any benefits arising from digital sequencing information must flow back and be used for the conservation of biodiversity, and that there should be some capability building as a by-product, particularly in the poor countries from which the genetic materials originated. There is a sense that creating some principles around which solutions can be tested was quite a step forward. It opened a more creative way into the conversation that essentially tried to find a middle way through the quite entrenched positions.

The team was very positive about the fact that it was going back to Nairobi this week, having at least found these principles, and then taking that back to the formal co-chairs of the DSI process. Essentially, the UK and Malawi were asked by the co-chairs to see if they could be creative and find at least a common starting point. They will now go back and take that into the formal negotiations to see if they can make progress, with the idea being that, in the formal COP 15 at the end of the year, there will be a basis of what the arrangements could be to share the benefits that will arise.

As for the idea that the whole thing will be completed and concluded, we might need to break apart assumptions a little bit about what progress you could lock in the first time. In the same way, within the UNFCCC, for example, there was a sense in which you needed to build some of the initial framework and might come back and fill in some of the gaps. There is a sense in which, in setting out what the skeleton needs to be and the principles, at least there is now a way forward.

Lord Browne of Ladyton: So the principles, in a sense, provide the framework.

Andrea Ledward: Yes.

Lord Browne of Ladyton: Does everything have to serve those principles or are they still in negotiation?

Andrea Ledward: The principles at this point have to formally come back into the process; it was an informal process where we were asked to go away and agree them. The principles will now come back into the formal process and, I hope, be endorsed. There is a sense, particularly from the Africa group, that, if DSI is not agreed, they will not agree anything else on the rest of the framework. It is a condition to even start negotiations on the whole thing for many in the Africa group.

Lord Browne of Ladyton: For many developing countries where this intellectual property originates, it is going to be worth a massive amount

of money.

Andrea Ledward: Yes.

Lord Browne of Ladyton: It could dwarf the sorts of figures we have been talking about. Intellectual property does in almost everything.

Lord Goldsmith of Richmond Park: That is exactly why this is such a divisive issue and why they have become sticking points. This is one of the key issues that have to be resolved.

It is probably more useful to describe them as parameters rather than principles. Within those parameters, which have to take on board the views, positions and concerns of a very wide section of countries with very different interests, there is a landing ground and room for agreement.

George Eustice: It seems to me that the two sides in this divisive area have taken a step towards one another in doing this, even though there is still a lot to resolve. If you have a principle of open access data and a principle that it should be used to promote biodiversity, you can start to see a way through where it is understood that there should be some finance that follows that to promote the biodiversity, since that is what we are trying to do, but the principle of open access data remains. It looks to me like an important first step in a contentious, divisive issue.

Lord Browne of Ladyton: It is not for me to decide for the committee, but I agree that it sounds like a good first step. Which of the three options in target 13 of the current draft framework is most consistent with this approach? As another question, which side of this argument are we on?

Lord Goldsmith of Richmond Park: The parameters that Andrea just described are ones that we are comfortable with, which is why we are in a good position. We know that there needs to be benefit-sharing. We know that the benefits are monetary, but also non-monetary. We know that, to the point that you just made, a lot of the countries where these resources can be found are not economically particularly advanced but have an opportunity in the medium and long term to earn considerably from the resources they have, which are not currently used. That has to be reflected.

In terms of our position, I am not sure that "neutral broker" is 100% accurate. We have views, but I feel that our position sufficiently takes into account the view of the countries with the current capacity to do the work, as well as those that have the resources and worry about being left behind or even potentially robbed. We are in a good position; that is broadly our view. I do not think that there is anything you said in terms of the parameters that is not aligned with UK policy.

Andrea Ledward: No, that is right. There is a debate at the moment about multilateral versus bilateral approaches, linked in particular to the Nagoya protocol, which is a subsidiary protocol under the CBD. I do not

think that the UK is suggesting that a bilateral approach is an appropriate mechanism, because there will be too much additional regulation that will discourage use and will not be permissive enough in terms of research and innovation. We support the idea of capacity building, as Lord Goldsmith said, but are also thinking about monetary and non-monetary benefits that need to flow from the mechanisms under the multilateral approach that we are very much suggesting.

Lord Goldsmith of Richmond Park: There is a big overlap between this and the negotiations happening around BBNJ—biodiversity beyond national jurisdictions—under UNCLOS. The BBNJ negotiations are what will make it possible to deliver 30 by 30 in terms of protection, but, within the BBNJ negotiations, there are big questions about resources and benefit-sharing as well, so a success in one will, hopefully, result in success in the other.

Lord Browne of Ladyton: It seems to me a bit like the vaccine equity debate. None of us has the proper biodiversity that we want until we all have the biodiversity that we want, so we should have an interest in a multilateral approach to this.

Q69 **Jerome Mayhew:** You will recall, Secretary of State, that the Environmental Audit Committee published a biodiversity report back in 2020 in which we made a recommendation that the Government should look at international trade deals and assess how we could deliver environmental net gain in all of them. If, like me, you have a number of farmers in your constituency—and I know that you do—you will have had a lot of feedback about the challenges of international trade and free trade agreements, particularly for our farming sector. What progress has been made in assessing the feasibility of delivering environmental net gain in trade deals?

George Eustice: A lot of the concerns that you hear expressed by the farming industry, especially in sensitive sectors such as beef, but to a lesser extent lamb and dairy—usually the livestock sectors—tend to be more focused on differential animal welfare legislation. Equally, there is some concern that we are pushing very hard on a net-zero agenda, for instance, and other countries are not.

In terms of the change in our agricultural policy, we are going to pay financial incentives and rewards to farmers for farming in a more sustainable way, so we are not, on that level, regulating to a different level and then exposing them to unfair competition. We are paying for the public good in the reorientation of our agriculture policy.

In those trade deals that we have done, we are committed to trying to get those chapters on environment as well, often around environmental co-operation. We have made some progress in those discussions, but it tends to be, particularly in the space of the environment, not directly linked to tariff liberalisation. It tends to be associated with other chapters on mutual co-operation.

Jerome Mayhew: Where is the sticking point? Leaving aside agriculture and looking at biodiversity more widely, is there a sticking point within government, from our side of the negotiating platform, that we do not want unnecessarily to tie the hands of our negotiators when entering into international negotiations? Is it in fact the case that that is exactly what we should be doing, because we want all our international trade agreements to be biodiversity net positive, which requires a certain degree of tying of the hands? If I could break that down into two questions, first, what is our policy on that? Secondly, what direct impact does that have on the other side of the table? Are we seeing trouble on the other side of the negotiations?

George Eustice: The way I would put it is that reaching agreements on trade is complex and difficult enough without trying to bring in what would essentially be requirements for one country to change its legislation in certain ways. There is a view that, generally, we have multilateral fora to discuss these things. In an individual trade agreement, you can have chapters that deal with co-operation, mutual undertakings and non-regression agreements, such as we have in our trade agreement with the EU. There are principles such as non-regression, which are well understood, and there are things that can be done around dispute resolution, which you can sometimes bring in, although we have just left the European Union to re-establish sovereignty, so we are generally very nervous about passing that away to some sort of separate dispute resolution body.

It is a combination of recognising the complexity of those, sometimes tempered in some areas with views about parameters set under WTO provisions, although, generally speaking, it is understood that those are not insurmountable. Having chapters for mutual co-operation on the environment is fully consistent with the WTO. It is for that reason that having it linked directly to tariff liberalisation gets complex, although, as with any agreement, nothing is agreed until everything is agreed, and we do pursue those chapters on environmental co-operation wherever we can.

Lord Goldsmith of Richmond Park: We often underestimate the incentive value of trading. We are the sixth biggest economy and the nature of our trading relationship with other countries, particularly smaller countries, matters a great deal to them.

If you were to talk, for example, to the Maldives, as I have many times on this issue, it would be happy to forgo any future quantities of aid if, in return, we allowed it to sell its tuna to us without any tariffs. The case it makes, which is a very good case, is that it is the only country in the world that catches tuna with a single line and single hook. That is true for the entire jurisdiction; it is the most sustainable tuna jurisdiction in the world. The value to it of not having to face whatever the tariffs are at the moment—I forget what level they are at—is far greater than anything it would ever receive in aid.

It matters for us as well, because it creates a political longevity. It means that a future Government of the Maldives are not going to come along and rip up their sustainable tuna approach if that means losing the favourable trade access they have to a market such as ours. There are really good reasons for us wanting to be more aggressive in the use of trade as an incentive.

One could apply the same principle to timber in Gabon. It is a country that produces vast amounts of high-quality timber while maintaining forest cover of nearly 90%. There has been no reduction at all, and likewise with the Republic of the Congo—what it is doing is extraordinary—or commodity production from Costa Rica, which has broken the link completely between agricultural commodities and deforestation.

If we could offer and promote zero-tariff access to those political jurisdictions that are doing things that we clearly want, in line with everything we said and did at Glasgow, that would be an incredibly powerful incentive. We are moving in this direction, incidentally. I am not speaking entirely off my own bat; I am a little bit, but not entirely. I am pretty sure that, if we were to do that, other consumer countries would undoubtedly want to move in the same direction. We know this from conversations that we have had.

It feels to me that the finance gap between where we are and the kind of money that is going to be needed to turn things around will never be filled by ODA. It is just never going to happen, but if you can use these trade incentives, which are worth so much more, you create something that is going to endure and will be far more powerful, and an incentive to other countries to try to qualify for the same favourable rates and conditions.

Q70 Jerome Mayhew: Secretary of State, we are going from the general now to the very particular. In the Government's response to the EAC's report, they made a commitment to assess how to deliver environmental net gain in trade deals, so that all trade deals do enhance biodiversity. Specifically in relation to that commitment, can you give us an update on how that assessment is going on?

George Eustice: Do you mean for the trade deals that have been done—Australia and New Zealand?

Jerome Mayhew: Yes, and future ones. The commitment was to assess how to deliver environmental net gain in trade deals, so looking forward as well. Has that assessment taken place?

George Eustice: I am not aware of that, so I will need to give a written update to the committee on it, unless Andrea is aware.

Andrea Ledward: I am aware that, in our formal response, we told you that we were going to explore further how we would do it.

George Eustice: Yes, the question is whether we have done what we said we would do in that response, which is a fair question. I do not have the answer here.

Jerome Mayhew: I would be very grateful for that; I do not want to hold you to it totally, but I just point out that we have written to you highlighting this and there was no response to this particular request, so I think this is the second time of asking, not the first.

George Eustice: Okay, I will ensure that you get a response to that letter. The scenarios that Lord Goldsmith described are less about where you have a trade agreement and you are trying to graft in some environmental conditions. They are much more about taking a unilateral decision to give preferential trade to countries that are doing the right thing. That is much easier to do, to be honest, because there are a lot of countries that might gain quite a bit from access to our market but, rather than overcomplicating it with some sort of trade agreement, having certain conditions in which you just grant preferential access unilaterally could be quite powerful.

Q71 **Caroline Lucas:** I have a question for Lord Goldsmith, continuing the theme of things that you have told us in the past. When you were at the EAC on the subject of biodiversity, which I think was in January 2021, you said that, given that the EU nature funds were no longer available to the overseas territories, the Government were looking at how they could improve their offer to them. I believe that there was a letter of May 2022, in which there does not seem to be any indication yet that the overseas territories have been told how that funding will be replaced. Can you give any update on that?

Lord Goldsmith of Richmond Park: Very quickly on the CBD, I am not sure what the correct language is but there are an additional five OTs that are now forming part of or joining the CBD. I am not sure that that has been declared but that is good news. Those are the British Virgin Islands; the Falkland Islands; Gibraltar; Saint Helena, Ascension and Tristan da Cunha; and SGSSI—South Georgia and the South Sandwich Islands. That is at their request and that is good.

As you will know, and this is the basis of your question, the overseas territories are where the vast majority of our biodiversity as a UK family resides—94% or so. Much of that biodiversity is endemic. They do not live anywhere else, so it really does matter. I am not sure whether that figure includes marine biodiversity, but we have the third or fourth biggest marine estate in the world through overseas territories. Our blue belt continues to grow.

Your question was about finance. We recommitted to the blue belt just a couple of days ago. We have increased the Darwin Plus fund by an additional £30 million, which I think is a record amount for the Darwin Plus. You will be familiar with the Darwin Initiative, but Darwin Plus is specifically for the overseas territories.

The Darwin Initiative itself¹, which is also of use to those ODA-eligible overseas territories, has grown and we have created a new chapter for the Darwin family of funds. At the moment, unimaginatively, we are just calling it Darwin Extra; it will be a provider of significantly larger funds over a much longer timeframe for those projects for which £200,000 or £300,000 will not be enough. Darwin Extra has just opened up; the first round has come through. It is new but it is a really exciting part of the biodiversity funding and, although it will not be applicable in all overseas territories, it will be applicable in some.²

On top of the blue belt, we have created what is called the blue shield, which is designed to work with those overseas territories that cannot go the full hog in terms of blue belt because of the way they use their ocean resources at the moment. It is a halfway house; there are a sustainable marine plan, sustainable fishing plans for tackling illegal fishing, better monitoring of the resources they have, restoration of mangroves and coral reefs, and so on, specifically for the overseas territories. I do not know whether anyone else has the number, but that comes with funding as well.

The first recipient of funding via the blue shield programme is Bermuda, which we have been trying unsuccessfully for a long time to get involved in the blue belt, so this is good news. Turks and Caicos has also just signed up; it is now joining the blue belt and the blue shield. It is our newest member of the blue belt as of last week.

Combined, the overall finance through those different pots—sorry, the question you asked was about finance—has increased by the amounts that I just mentioned plus the blue shield. I do not know the number for the blue shield. We think, based on the successful use of those European funds in the past, that the amount of money now available to the overseas territories is more or less in the same bracket.

The reason I use that language and cannot be that precise is that, while those funds exist, such as LIFE, that we no longer have access to, the overseas territories were theoretically able to access them but, in practice, could not and did not. There is an amount of money that was accessible, in theory, by the overseas territories, but in practice it never reached them, so the money they receive via the funds I have just mentioned exceeds the money that they received from biodiversity funding previously. That is a very clumsy way of answering it, because there is that theoretical element, but in practice it is true to say that there is more money flowing into biodiversity in the overseas territories, terrestrially and in terms of the marine environment, than previously.

¹ Defra later clarified that the Darwin Initiative funding including Darwin Extra is no longer available to the OTs; all funding is now directed through Darwin Plus.

² Defra later provided additional information, stating that next year they will be launching Darwin Plus Strategic, which will fund larger, more ambitious environmental projects of up to £3 million, of which all Overseas Territories will be eligible.

Having said that, with 94% of our biodiversity, I am very keen for us to continue to ramp up our offer to the overseas territories, because they do extraordinary work. In Tristan da Cunha, 247 people between them have protected, for ever, an area three times the size of the United Kingdom. The blue belt is an incredible success story. It is amazing what the overseas territories are doing and it is right that we have stepped up, but we need to continue to do so to reflect that incredible thing they are doing with the kind of support we provide.

Caroline Lucas: That sounds very positive. On the blue belt, I think in 2021-22 the amount that the FCDO committed to funding was around £8 million. Do you happen to know whether that ballpark figure is now going to be split between the blue belt and the blue shield? Do you have a sense of how that money compares for the blue belt?

Lord Goldsmith of Richmond Park: We do not have a firm budget for the blue shield because we just do not know what kind of take-up there is going to be, but the blue belt funding has been repeated.

Caroline Lucas: Is that at the same level, give or take?

Lord Goldsmith of Richmond Park: It is certainly not a reduction; I think it is the same level. For the blue shield, we just do not know yet how many takers there are going to be. We know that Anguilla is very interested. It may skip the blue shield and go straight into the blue belt. We will know that in the next few months, but there are lots of discussions happening.

The blue shield will also plug into things outside the overseas territories. At the UN ocean summit in Portugal in two weeks' time, we are hoping to build yet another coalition of ambition around illegal fishing, where part of our offer to get other countries to step up on IUU will be an expanded blue shield and increased funding. There is a bit of a question mark over that as well, but the direction of travel, I hope at least, is very clear.

Caroline Lucas: It is. We have heard that research projects involving UKOTs are sometimes very difficult for UK universities to obtain funding for, not least because, to qualify for the funding, most of the research actually had to be delivered on UKOT islands.

I know that the EAC in the past has recommended that there should be some kind of portal set up for UKOTs to post research questions so that there could be more of a collaboration between what is going on in the UKOTs and in UK universities. I think you or at least the Government generally said that that would be looked at. Has there been any progress on establishing that portal?

Lord Goldsmith of Richmond Park: I remember saying that to you and I know that we conveyed that back to colleagues in the Foreign Office with responsibility for the overseas territories. I do not have an update but I will get one and, if there has not been progress, I will certainly push for it because it makes sense.

Q72 Baroness Northover: In some ways, I am picking up some things that Lord Goldsmith has said. You made the point, and I am sure you are right, that what is required here cannot be filled by ODA. You also mentioned the need to enlist business. The role of business and finance at COP 26 was very promising, but there is the question of reality and the role of government in ensuring that it is seen as in the interests of business and finance, and to be the lever that you were hinting was required.

Baroness Parminter mentioned that the sustainability disclosure requirements were dropped at the last minute from the new financial services Bill mentioned in the Queen's Speech. I set that as a bit of background there. If we all agree that this is extremely important in terms of the lever, how are you seeking to ensure that target 15 provides a clear role for business in delivering on what is agreed at COP 15? How do you plan to engage businesses to implement what has been agreed?

George Eustice: As you say, we engaged businesses quite a lot in the run-up to COP 26. We have a CBD business advisory group. That has 18 members on it and it has met nine times in the last couple of years, and so we are engaging businesses in that way.

To your comment, there are some things that we have already brought through in legislation. The Environment Act took forward the obligations on due diligence and supply chains. That is the first of its type and we are trying to get other countries to follow suit, so that was a big step forward.

I would argue that we are making important steps forward in terms of the role of business in delivering these things, not least on deforestation through that due diligence work. We have a dedicated business advisory group. We have been engaging and talking to it about the programme and about how it can help implement it. I do not know whether Zac or Andrea has anything to add.

Lord Goldsmith of Richmond Park: Not in terms of the business advisory group, but I would just say that the progress made at COP 26 in mobilising the private sector is a key priority now, for the reasons that we have already talked about. There are \$140 trillion of assets within the membership of GFANZ. One of the things we are trying to do, and we have a number of things coming up that I hope will help us do it, is to get as many of those financial institutions as possible to commit that, when they create their net-zero pathways, which they have all already committed to, they do so in a credible manner.

That requires them to include nature, because there is no credible pathway to net zero without recognising the role of nature in tackling climate change. If we can get more of those FIs on board, that is going to translate into significant amounts of finance flowing in the right direction, not the wrong direction.

The problem, the difficulty and the gap at the moment is that people do not have the criteria. That is why there is a lot of work currently going

into the science-based targets initiative to ensure that the science-based targets that companies are signing up to credibly include nature in a measurable and understandable way. If we can pull those two things together, we are going to be in a much stronger position than we are in now.

In terms of mobilising actual finance as opposed to just preventing current finance going in the wrong direction, maybe two years ago President Biden and our own Prime Minister launched something called LEAF, which is the biggest public-private funding mechanism for forest nations to protect the forests that they have. It is just under \$1.5 billion and is growing quickly. We are recruiting other companies into it, but the beauty of LEAF is that the criteria are such that there is a real emphasis on high integrity at both ends. The projects have to meet a certain standard; they have to be genuine and do good stuff. Also, the companies taking part in LEAF have to be signed up to a credible net-zero pathway using science-based targets; if they are, they can take part in LEAF.

It creates yet another mechanism that results in significant finance at the other end for forest countries. LEAF has the capacity to become a really significant factor in terms of paying those forest-rich countries to do the right thing.

Andrea Ledward: Looking at target 15 and the framework, which is about whether businesses assess and report their dependencies and impacts on biodiversity and then the risks, the key thing for businesses is what their entry point is. There are an awful lot of different coalitions and activity around CBD and on the nature-positive front.

One is in relation to TNFD, which has already been mentioned. The beta framework is live and that is proving to be the best thing we have at the moment, which is essentially assimilating all data sources. It is at the cutting edge and is very much demanded by business. TNFD is the vehicle for assessing risk and disclosure that we are pointing people to.

At COP 26, the Council for Sustainable Business was very much on the front foot with the nature handbook that it had developed by that point. Most of the CEOs from the FTSE 100 were there and were coming behind that nature handbook, which is about how you define "nature positive" in a practical sense, by sector. For the CBD, again, we are trying to think, "What is a very practical guide and engagement point for business?"

The third point is about metrics and impact. How do companies really assess what their impact is? Again, I would point to the recent 25-year environment plan outcome indicator framework that was published about a month ago and updated, which included a new measure on global footprint. The UK had promised to put a measure out there and, for the first time, there was an indicator included in that on the global footprint indicator, relating to both deforestation and water scarcity. There is something about trying to put metrics out there to guide and shape practice, because consistency is really important in this area; the more

you can get consistency, the more you start developing economies of scale in the thinking.

Those are three important things but there is a lot of activity. The RSPB last week at an Aldersgate conference was talking about a new campaign it was about to launch on "nature positive", which Aldersgate and the CBI were talking about getting behind. The interest is awakening in the business community and we need to give it advice about its points of entry and what it gets behind, so its efforts are not dissipated in terms of impact on the politics.

Q73 Lord Whitty: Just on the big picture, at the end of the day the COP 26 negotiations came down to wording and individual commitment on coal. This seems a much more complex area in many ways, in the relationships between the different groups of countries, but is there the equivalent need to get some countries on board when you have 60% or 80% of the countries lined up with the general principle? Is there a China or an India sitting there, waiting to hold it back, or is it nothing like as simple as that, given that you have to negotiate a multiplicity of relationships at the end of the day?

Lord Goldsmith of Richmond Park: There are definitely countries that are very ambitious; there are countries with which we are very closely aligned. We might not agree on every way forward, but we agree on the outcome. Then there are countries that are much less ambitious; then there are countries that, in truth, are not necessarily engaging always in good faith. There will be countries that put forward propositions that sound very radical and strong but really are designed just to make agreement impossible. It would not be intelligent of me to start rattling off which countries we are working closely with and which countries we are not, much as I would love to, because we need as many countries as possible on board. We need all countries on board when it comes to the final negotiations.

As I said at the beginning, there are countries that we can speak to. When it comes to small island developing states, Commonwealth countries and climate-vulnerable countries, the UK is now in a very strong position to create those alliances and to build that consensus. We have credibility now as a consequence of what we secured at COP, but there are countries with which we do not have such good relationships, where we rely on other countries within that network of ambition.

Between us, the 18, 19, 20 or so ambitious countries, we have access to all the countries in the world and we are all actively, relentlessly trying to get as many of those difficult countries on board as possible. It is quite surprising how it works. This is even true for a country that one would expect the UK to have a particularly tricky relationship with on these issues, Argentina, which is very nature rich. Notwithstanding all the other complex issues in our relationship with Argentina, particularly in this year, the 40th anniversary, when it comes to working together in pursuit of high ambition for nature globally, we are surprisingly aligned. There are conversations happening now that I would not have thought possible.

That is because of work that has been happening in that little cluster of high ambition. We are doing everything we can. I do not know where things are going to end up but I am generally and genuinely quite optimistic about where we will end up at the end of this year, because of the work that all these countries are doing.

Political events, as well, are going to open up opportunities. We do not know what kind of Government will be in Brazil at the end of this year. There was an election last night in Colombia. We are very close to the outgoing Administration. They helped us massively in the run-up to COP. Colombia featured very heavily at COP 26. It looks like the new Government are going to continue and potentially even grow that enthusiasm for nature and climate action. There were jitters about the election in Costa Rica last month, but the new Government seem just as committed as the last Government.

It just feels to me that, notwithstanding all the horrors that are happening around the world in terms of Ukraine, et cetera, and countries that have been battered by Covid, we have all the ingredients, if we use them properly, for a proper, ambitious conclusion to these processes.

Lord Whitty: Looking at the darker side of it, if you did not get, for example, Russia, China and the United States' business elements, as well as political elements, not only on board but being seriously ambitious, you would be in difficulty. China having the presidency was a good time to ensure that the most populous country in the world was going to be on board. With that moving on, does that not change the situation with the uncertainty in Russia, China and the United States?

Lord Goldsmith of Richmond Park: George made the point earlier, but China would still remain president, no matter if it has moved to another country.

Lord Whitty: Yes, I picked up that point but, nevertheless, the era does move on within a year or two.

George Eustice: Multilateral agreements are always complex and have their frustrations, and I do not doubt that this will fit that mould. We have talked today about some of the trickier issues—mobilising finance and resources, which will be one area where some countries will be perhaps more aloof than we would like them to be. On the other side, we have this divisive issue around digital sequence information that could well also be a bit of a sticking point, so we will not really know for sure until we roll our sleeves up and get stuck into it.

Often, a lot hangs on the language in communiqués. Even when we had COP 26, G7 and so on, the term “protection”, for instance, has a slightly different connotation in the US than it does here and so they prefer the word “conservation”. Sometimes the nomenclature matters for different countries, but all you can do is just keep working through those differences to get to the right outcome.

Baroness Boycott: I have a quick follow-up question. I was reading the news reports about the CBD being moved to Canada. One of them alleged that this was because China could not commit to a date, and that everyone was getting a bit fed up with it and took power into their own hands. This would imply, following on from Lord Whitty's question, that maybe China is not as committed as we would like. Is that a correct assumption? Why is it moving?

Lord Goldsmith of Richmond Park: I am not sure. China has a particular situation in relation to Covid. It has a particular approach to tackling Covid. It is not the same as ours but that is its approach; that is the path it has chosen. If this thing does not happen in China—if that is confirmed tomorrow or the next day—it will not be because of a lack of interest on the part of China. I do not think China will step back from its responsibilities as a president.

We have lots of engagement with China on this issue. China is fully aware of the responsibility it has on these issues, not just as president of the CBD, but, as you said, it is the most populous country in the world and a country where the slightest movement in its day-to-day patterns of living has a massive implication for the whole planet. There is a full recognition of that, so I would take a more optimistic spin on events.

Baroness Boycott: Can I ask you one final question? What will success look like at the end of the CBD?

Lord Goldsmith of Richmond Park: In Twitter form, success would be a package that is believable; that is, with all the mechanisms to make it believable, which, combined, put us and the natural world on a path to recovery this decade. Anything less than that would be a gigantic missed opportunity.

Baroness Boycott: Will there be future meetings that set out a ratchet of holding to standards?

Andrea Ledward: That is part of the ongoing conversations about monitoring and accountability as one of the key sticking points. There are certainly a number of views. We would be of the view that you need to come back before 2030 to know whether you are on track, a bit like how in the UNFCCC there has been a ratchet mechanism that was agreed five years on from Paris, which was Glasgow.

It was agreed in Glasgow that everyone would come back in just a year. It has accelerated the need for the ratchet, so that is the conversation going on within the CBD. When do you need to come back, given it is already 2022? We are talking about delivery by 2030. If you plotted it through, what does it look like in terms of exponential change and where are the right stopping points?

The Chair: With the permission of the other committee from the Commons, I will bring this meeting to a close. I thank the Secretary of State, the Minister and the director for their forthright views. I also

reiterate the points that I know we have made in letters on this subject to the department in the past and, I am sure, have been reflected by the Commons committee as well. We are genuinely grateful for all the personal commitments that you are making on this issue. We recognise that there may be blocks elsewhere in government but we are genuinely grateful for what you and, indeed, the staff are doing. We know that the UK's expertise in this area is vital if we are to get the ambitious outcome we want from the CBD, if it were to take place in Canada later in the year.

I reiterate that we look forward to receiving answers to Jerome and Caroline's questions in due course to both Houses. That would be extremely helpful. We will consider what our next steps will be in our engagement on this. As a minimum, we hope that, after the CBD, whenever and wherever it may be, we can call you back for a post-match evaluation. You are clear where we are coming from and you have given us a strong sense today of what you are hoping to achieve. On that basis, I close the meeting. Thank you very much.