

Environmental Audit Committee

Oral evidence: Role of natural capital in the green economy, HC 501

Wednesday 18 December 2024

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Members present: Mr Toby Perkins (Chair); Julia Buckley; Ellie Chowns; Barry Gardiner; Anna Gelderd; Sarah Gibson; Chris Hinchliff; Martin Rhodes; Blake Stephenson; John Whitby.

Questions 420-496

Witnesses

I: Mary Creagh CBE MP, Parliamentary Under-Secretary of State (Minister for Nature), Department for Environment, Food and Rural Affairs; Helen Edmundson, Deputy Director, Green Finance, Department for Environment, Food and Rural Affairs; and Dr Lockhart, Deputy Director, International Biodiversity and Wildlife, Department for Environment, Food and Rural Affairs.



Examination of witnesses

Witnesses: Mary Creagh, Helen Edmundson and Dr Lockhart.

Q420 Chair: Welcome to the latest meeting of the Environmental Audit Committee. I am pleased to see Minister Mary Creagh and her officials with us today. The purpose of today's meeting is first to have a panel session on the role of natural capital in the green economy, a review the Committee is pursuing based primarily on evidence heard by our predecessor Committee in the last Parliament. The second half of the session will be on COP16, which Minister Creagh attended on behalf of the UK Government. Minister, welcome back. It is lovely to have you here. You will find the Chair not nearly as much of a rotter as the one the Committee had a couple of Parliaments ago, so I am sure you will enjoy yourself. We are grateful to you for being here.

The predecessor Committee set up this review on the basis of the policies being pursued by the previous Government. Now that you have come in, we are looking to make sure that the work done in the last Parliament is not lost, but we are conscious that, as we heard in the most recent panel, we have a new Government and new priorities. Could you update us on the issue of natural capital markets? What did you inherit? What is the change of approach, if any, under this Government?

Mary Creagh: Having gone from what I thought was my dream job as Chair of this Committee, it is wonderful to be back and see so many old friends and colleagues, and to see you in the Chair. I welcome the new Committee, which I know will do a stunning job. This is an incredibly important, cross-cutting Committee. We have been quite clear, as the incoming Labour Government, that we are moving at pace to restore and protect nature. In general terms, the Water (Special Measures) Bill was introduced to Parliament this Monday, I have already banned the sale of disposable vapes, and we celebrated the 75th anniversary of the National Parks and Access to the Countryside Act 1949 in Mr Whitby's constituency just last Friday, so I feel I have been quite busy in the last five months as a returning MP coming back after the wilderness years.

Is there a change of direction? When I chaired this Committee, we published two reports into green finance. I cannot describe how massive the change is from then to now. We wrote about the sell-off of the Green Investment Bank to Macquarie and insisted that the Government had a golden share, and about how to embed sustainability into financial decision making, particularly in respect of pension funds. If you compare what pension funds did or did not do in terms of climate disclosure then and what they are doing now, the difference is huge.

I would say that nature disclosure is probably about five or six years behind climate disclosure. Climate risk reporting is now mandatory for large UK companies and for pension funds. We want to see a similar mainstreaming of nature disclosure and of awareness among businesses. We know how valuable nature is—it is the monopoly provider of everything



that we need to exist—and we know it is not in good shape at home or abroad.

In its report, the Green Finance Institute estimates—

Q421 **Chair:** Can I bring you back to the question? I am particularly keen to hear an update on the evidence that our predecessor Committee heard, accepting that we have a new Government. I appreciate the progress made in the previous five years, but is there anything on which we should understand there is a difference of approach under this Government, compared with the one that lost office in July?

Mary Creagh: We have seen a rapid review of the environmental improvement plan. That will fundamentally inform some of the work that we intend to do, for example on NBSAPs—I am sure we will come on to them later, but I think that is important. It is important also to talk about the principles for nature-friendly investment, which the new Government have launched. They were ready, but they had not been launched. Getting those things on the table and out into the world are the two main things that we have done.

Q422 **Chair:** Predominantly, then, it is progress that has been made along the pathway that was being followed, rather than a drastic change of approach, for this Committee to consider.

Mary Creagh: That is right. The six UK Government principles for voluntary carbon and nature market integrity were published in November at the climate COP. They are about how you use credits: they should be additional to action that you are taking within your own supply chain; they should be high-integrity; they should be disclosed as part of the sustainability reporting framework; you should plan ahead and use transition plans where appropriate; organisations should use the right kind of terminology so that people can understand what it is they are talking about; and there should be co-operation with others to aid market development. Those six principles were published by us and, like I say, that did not happen under the previous Government.

Q423 **Chair:** Okay, thank you. The previous Administration set ambitions of securing investment into nature recovery of £500 million per year by 2027 and £1 billion per year by 2030. Are those still the ambitions of this Government?

Mary Creagh: Well, that was their target. We do not yet have good primary data on where we are relative to the target, but we are investing in getting that primary data to inform policy and to help you in your audit work. The Green Finance Institute surveyed the Group of Financial Institutions for Nature to get insights into private sector investment in nature restoration. We should have those results in the new year. Subject to our having them in time, we will be very happy to send them to you when we have them.

We do have a sense of how biodiversity net gain and the voluntary carbon markets are developing, and we know the critical role that natural flood



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management and sustainable urban drainage can play in reaching the right volumes of finance. We think much of this finance will go into nature-based solutions for carbon sequestration and storage, flood risk management and water quality. The water sector is expanding its use of nature-based solutions, currently proposing to take up to £2 billion-worth of such action between 2025 and 2030. After my visit to Mr Whitby's constituency, I went to north-west Leicestershire to look at the urban forest and at how the desecrated land there, the post-industrial landscape scarred by coalmining and extraction, has now become our new natural forest and yet we can still put housing in there and use sustainable urban drainage to enable that development to take place.

Q424 Chair: The matter of data was raised in the panel session two weeks ago. There were questions about how effectively we are able to assess the amount being invested. You are basically saying that you don't know how much is currently being invested. I want to clarify the matter of the target that you inherited. You don't know whether the Government were on track to hit it, but is it still, in your view, the target that this Government recognise, or are you attempting to achieve a different target?

Mary Creagh: I think we are going to keep that target, but may I talk to you about a few other numbers? We can look backward at the woodland carbon code and the peatland code. Project registrations under the peatland code have more than doubled between 2020 and 2024, and over 2,000 projects across the UK were registered under the woodland carbon code by the end of September 2024. That is covering 84,000 hectares of land. Those registrations have grown by 62% a year since March 2020. Clearly, this is an emerging market and it is scaling up quite fast. We think the market value of both those codes in the UK was over £4 million in 2022.

In addition, we have invested £2 million in National Parks Partnerships and the National Landscapes Association to build capacity and develop projects for private investment in protected landscapes. This builds on National Parks Partnerships' award-winning Revere initiative with Palladium. It is a case of bringing them together to try to work out how we drive finance into our protected landscapes and activities like flood risk reduction, water quality improvements and so on.

Q425 Chair: Thank you for that. The Committee is keen to assess how Government are performing against the targets they set. We all recognise that this is a nascent market. By the same token, it is clear that there is not currently strong enough data, so it is good to hear that there are plans to have better data so that in the future we will know whether or not you are succeeding. Can you tell us a little more about how or why we should be confident that if we have you in front of us in a couple of years' time, we will have better data than we have now?

Mary Creagh: As I said, we have asked the Green Finance Initiative to set out our baseline data, so I think we will have that early in the new year. I think what we can say also is that we are going to see a scaling up of



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philanthropic finance. We have our Projects for Nature initiative. It is currently a pilot, but it is aiming to bring more private investment, from corporate donations, to support our goals for nature recovery. It has channelled £700,000 for nature recovery projects so far. As you said, we are at the early stage—we are at lift-off—and there is a lot more to do. As well as addressing carbon markets, we are talking to the ONS about data and getting those very high-quality, absolutely proper statistics that we all—I as a Minister and you as a Committee—can have confidence in.

Q426 Julia Buckley: Thank you for the detail that you have just given us, particularly on the forestry progress that you've made. More widely, how are the Government stimulating the supply of investable schemes for nature recovery in England?

Mary Creagh: As I said, we are working to scale up private investment in nature recovery and sustainable farming, centred on integrity. The last Government published an update in March this year. We set out our integrity principles at Baku. We have also committed to the British Standards Institution's nature investment standards programme. We think it is really important that we are seen globally as thought leaders in this field. People are looking to us to set the benchmarks. We have a lot of great science and a lot of great financial institutions in the country, so it is a case of bringing the science and the finance together to say, "This is what good looks like." We are working with industry and experts to build the standards that will help to build trust and integrity further. The first standards for UK biodiversity and carbon projects will be adopted next year. The keystone of scaling up investment must be integrity. Companies do not want to think that they are doing the right thing, only to be criticised for so-called "greenwashing" afterwards. How do you know that you are doing the right thing? The answer is that when you invest in this, you have almost a Government, British Standards Institution or ISO guarantee that this is globally recognised and is worthy of your investment.

Q427 Julia Buckley: That is very reassuring. We also have some questions about how that is progressing in terms of actual delivery. Can you explain what ecosystem improvements are being purchased by the taxpayer through funding from your Department, particularly on farmland, but elsewhere as well? How is that progressing from a delivery perspective? I am aware, for example, that some schemes have been paused because of the scale of demand.

Mary Creagh: We launched the Projects for Nature pilot, which is about connecting businesses and other donors with screened nature-recovery projects. We have also launched mandatory biodiversity net gain, which requires developers to ensure that habitats for wildlife are left in a measurably better state than before development. We have also committed more than £100 million to pump-prime the growing market for nutrient mitigation credits. That is, when there is house building with effects on water quality, people can do catchment-level solutions. On farming, first, we have been clear in the Budget that we have—but are you asking about the countryside stewardship scheme?



Q428 **Julia Buckley:** At the moment, there is a gap between countryside stewardship and the SFI. Schemes were paused, I think until January, because of demand.

Mary Creagh: That is right. Look, 72% of our land is managed by farmers, and we are supporting them and other landowners so that they can take advantage of nature markets as an additional income stream, especially given that we have had some of the wettest weather that farmers have ever seen. We are therefore providing more sustainable farming advice, to help raise awareness among more farmers about the opportunities that are opening up. We are supporting innovation around public-private blending through the landscape recovery scheme. All 56 landscape recovery projects across rounds 1 and 2 need private finance in order to achieve significant environmental outcomes to get into the long-term implementation agreement. We have helped them to get the financial advice that they need in their two-year start-up phase.

We have also brought together farmer-led innovation through—I do not know how to pronounce this acronym, so I will just say the full thing—the natural environment investment readiness fund. I thought NERF was—no, we will not get into Nerf guns. That funds projects to get investment-ready. So far, we have helped in the development of 86 projects in England. They were meeting in Stoneleigh, just outside my constituency last week. The current round is specifically to support farmers. It allows up to £5 million to access nature markets alongside food production.

Q429 **Julia Buckley:** That sounds excellent, but you have not quite answered the question. How are you helping farmers when you have paused the scheme?

Mary Creagh: If you are talking about the capital grant schemes, we had high demand for some grant items, so the forecast spend for capital grants for this year was 49% more than was paid out last year. Parts of the capital grant scheme have been temporarily closed, so that we can prioritise funds for areas that will have the greatest benefit for food security and nature conservation, but five other grant schemes are still open to support higher environmental outcomes. They are: the woodland tree health grants, to help protect tree health against plant pests and diseases; capital grant plans, and management plans to support the development of new countryside stewardship higher-tier agreements; and the protection and infrastructure grants, and the higher-tier capital grants, to support delivery of high-value environmental benefits such as peat rewetting.

Q430 **Julia Buckley:** To go back to the first scheme, I reiterate that if you want to help scale up and stimulate demand, and if we all want to help farmers in the current climate, we need to reopen the scheme and we need to meet that demand as soon as possible. I hope you will take that message back.

Moving on to my next question, nature recovery schemes require a minimum period of operation before ecosystem benefits can begin to be realised. Lord Benyon confirmed to our predecessor Committee that



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schemes to deliver statutory biodiversity net gain needed a commitment of at least 30 years. Has the Department assessed whether there are likely to be any impacts on these schemes, or other nature recovery schemes on farmland, considering the announcement in the Budget on agricultural property relief?

Mary Creagh: If I can come straight to agricultural property relief, at the Budget the Chancellor clarified very helpfully that any land used for the delivery of environmental objectives will be included in agricultural property relief. There was an uncertainty or a lack of clarity around that before, which led to understandable reluctance by farmers to go down that route. The Government have committed to that, and that expansion means that things like biodiversity net gain, voluntary nature—

Q431 **Julia Buckley:** You use the word “expansion”. They have now brought in a cap of £1 million. Previously it was uncapped, so it is the opposite of an expansion, isn’t it?

Mary Creagh: What they have done is expanded the tax relief across to nature projects that were not clear.

Q432 **Julia Buckley:** They have brought them into scope—

Mary Creagh: They have brought them into scope.

Julia Buckley: But instead of being without a cap, it now has a cap of £1 million, and that will include BPR and APR for the entire business. Any farm that is going to engage in nature business will also have farmland, equipment and things that will easily hit the £1 million. We need to be quite pragmatic about the possible impacts of this. We want to understand whether your Department has understood any potential negative impacts from APR on the schemes that you are trying to promote.

Mary Creagh: What the clarification means is that land taken out of agricultural production permanently, for the long term—for an extended period—for nature benefits will not lose the tax relief. Before the Budget, that was not clear. That should make farmers more likely to want to carry out nature recovery. It is also potentially a different source of income for them. We are committed to helping farmers, rural communities and families pass their land on to the next generation. As you say, the full 100% relief from inheritance tax is restricted to the first £1 million of combined agricultural and business property, but we also announced in the Budget £5 billion to help farmers produce food over the next two years—the largest amount ever.

Q433 **Julia Buckley:** Understood. That is separate—that is the DEFRA budget. I just want to be absolutely clear: has your Department done any assessment of whether there will be any negative impacts from the APR on your schemes?

Mary Creagh: As I said at the beginning, the Budget and the clarification that land given over to nature recovery—

Q434 **Julia Buckley:** We understand the scope question, but the total value of



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investment will still have an impact, won't it?

Mary Creagh: Our assessment is that it should give farmers greater confidence to work and engage with nature recovery schemes on their land.

Q435 **Chris Hinchliff:** Do you accept that there is an incongruence between accepting that, previous to the expansion of scope that you have mentioned, the potential inheritance tax liability was potentially disincentivising farmers from investing in the nature recovery schemes that we want them to pursue, and the fact that the decisions in the Budget that Julia has mentioned around APR and BPR are now moving in the opposite direction and potentially bringing some of these schemes further into scope for IHT?

Mary Creagh: The counter-argument would be that farmers were disincentivised because any of their land that they put over to nature recovery would not be included in that 100% tax relief. Now they have clarity. They are included, but at the new 80% rate.

Q436 **Julia Buckley:** The problem is their total liability—

Mary Creagh: Sorry, I should have said 20%.

Julia Buckley: Prior to the change they had an uncapped APR. What they did with nature was outside that. Now their total liability for all their activity is at £1 million, and that includes all their agricultural activity plus anything they choose to do on nature. It cannot be the case, looking at their global activity, that there will not be an impact. I would like your Department to have a look at that and feed back to the Treasury.

Mary Creagh: We will.

Q437 **Chair:** I am grateful to you, Minister, for confirming that you will look into that, but we heard strong evidence in the previous panel that if you are looking for farming businesses to get involved in 30-year commitments, farmers' not being certain whether they will die in the next 30 years could be quite a disincentive to investing their business down that route. We heard evidence that suggested that farmers will be less inclined to get involved in these kinds of schemes as a result of that. Your Department's analysis may show that it will be easier as a result of the Budget, but that is definitely not the evidence we were hearing. I encourage you to write to us about whether any analysis has been done that suggests that we might be less likely to get investments in natural capital as a result of those decisions.

Mary Creagh: I am very happy to write to you on that one, Chair.

Chair: I am grateful.

Q438 **Ellie Chowns:** I fully echo everything that Julia said. You referenced the £5 billion over two years to the farming budget—£2.5 billion a year. In the earlier question that Toby asked, you were talking about much, much smaller numbers. You talked about £4 million being mobilised, and so



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forth. Those are really quite small numbers in comparison to what we need to mobilise. The National Wealth Fund has nearly £28 billion to mobilise. It has been suggested to us that the remit of that Government-backed investment fund could be amended to facilitate investment in nature recovery schemes at the scale required. We really do have to scale up beyond pilots. Minister, do you think the National Wealth Fund's current remit and governance arrangements make it difficult to support nature recovery in the UK?

Mary Creagh: I do not think nature recovery is an explicit target for the National Wealth Fund, but its remit and targets are a matter for the Treasury. That is an area where you might want to seek advice from the Treasury—or give some advice to them, if you think it should be in scope.

Q439 **Ellie Chowns:** Could I ask you about it, as you are the Minister for this area? The National Wealth Fund currently focuses on infrastructure. It appears to interpret infrastructure as grey infrastructure, but we frequently talk about green and blue infrastructure. In fact, it speaks about infrastructure in relation to water and waste, but not explicitly nature-based infrastructure. That is not one of the key principles. If we have a huge national investment fund available, are we not missing a trick, given the urgent need to invest in natural capital, by not amending the National Wealth Fund's remit? Have you discussed that with colleagues in the Treasury? If not, would you take that away and discuss it with the Treasury and see what can be done? I am certain that there are some win-win opportunities here.

Mary Creagh: I know that this is being discussed at the official level, and I am actually having a meeting with Tulip Siddiq straight after this meeting. The UK Infrastructure Bank did include green infrastructure in its investment mandate, and had already made several "investment in nature" markets, so that already happened in its old iteration. It has been rebranded as the National Wealth Fund. It is about mobilising investment at pace to support clean energy and green growth industries. We are feeding into the discussions in the Treasury on how that translates into the National Wealth Fund's investment mandate.

Q440 **Ellie Chowns:** Thank you. So there is a little chink, perhaps—the door is open a little. There is a bit of history that we can build on.

Mary Creagh: Indeed.

Q441 **Ellie Chowns:** At the minute, it is not explicitly excluded by the current investment principles, but there is arguably something that needs to be clarified in the definition of national infrastructure. Would you agree that the quality of our natural capital is a key element of national infrastructure?

Mary Creagh: I would indeed. The National Wealth Fund has a capitalisation of £28 billion, and an additional £5.8 billion that is going to be committed over this Parliament. It has a target mobilisation ratio of every £1 it puts in raising £3. If we invest £6 billion in this Parliament and



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raise another £18 billion, that is going to be a significant chunk of infrastructure investment. I agree.

Q442 **Ellie Chowns:** Perhaps you could write back to us after your meeting with Tulip Siddiq on the topic.

Mary Creagh: I will.

Q443 **Chris Hinchliff:** I have some initial statistical questions for you. In May 2024, your predecessor told us that a register of biodiversity net gain sites had been established by Natural England to facilitate the purchase of offsite biodiversity net gain credits by developers. Could you tell us how many sites are now on the offsite agreements register, how many hectares are covered by those sites and how many offsite biodiversity net gain units developers have bought to date?

Mary Creagh: Let me tell you about how many credits they have bought, while we look for that deep in the weeds of what we have here.

It became mandatory for major applications on 12 February and mandatory for small sites on 2 April, so this is a policy at a very early stage. Early estimates back in 2021 said that the market could be worth between £134 million and £234 million a year. BNG is a pre-commencement condition. Allocating biodiversity units or purchasing credits takes place later in the process. In a way, you have to get started before you do the thing.

We have 37 registrations—I knew we would find it—covering 953 hectares of habitat improvements. Other neutral grassland is by far the most common habitat created, with over 500 hectares. We have had some sites in Wakefield affected, which obviously I take a great interest in. That is followed by mixed scrub, 132 hectares; lowland meadows, 98 hectares; floodplain wetland mosaic (CFGM)—I think that is grassland mosaic—39 hectares; other woodland: broadleaved, 37 hectares; and lowland mixed deciduous woodland, 20 hectares.

If that was all a bit much to digest, we will write and set it out nice and calmly.

Chris Hinchliff: You have turned the tables on me.

Mary Creagh: It turns out we prepared.

Q444 **Chris Hinchliff:** Has your Department made an assessment of the number of sites and the area in hectares of units on the Natural England register that would be required to facilitate the delivery of the Government's 1.5 million homes objective over the next five years?

Mary Creagh: Let me say a couple of things. First, how many units have been bought by developers in lieu of making onsite or offsite net gains of their own? That is where they were unable to do it on the site. That is 30 allocations, which is 44 units and 9.9 hectares—so 10 hectares. One of them was for a hedgerow in the Wakefield area. It has basically come off two big planning applications.



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There is a publicly accessible register for offsite units. I can certainly write to you on the estimate of how that connects into our home building targets, but again, it is hard to predict the future. A lot of that will depend on the sites chosen for house building. I do not think we can say with confidence where it will be. Sometimes there is a paradox where brownfield sites, which are classified as open mosaic habitat, end up actually having quite a lot of nature importance, particularly in a city setting. We are trying to make sure that we do not end up with paradoxical outcomes.

Q445 Chris Hinchliff: To clarify, I suppose my question is whether you are confident that we are heading in the right direction with the number of offsite agreements coming into that scheme to allow developers to buy the offsite credits that they need. I appreciate that it is difficult to predict, but do you feel like we are roughly headed in the right direction for what is coming forward through that scheme?

Mary Creagh: When I came into post, I was quite sceptical about biodiversity net gain, and I feel that I have had a very rich and rapid education in it. What I would say is that it is a tool to unlock investment in housing and to unlock some of the site-specific planning objections that can sometimes block housing. It is very early days, but we are currently reviewing how it is working—that is under active review—to see if it is working in the way we intended it to or whether we need to do more.

Q446 Chair: Are you any less a sceptic now?

Mary Creagh: I am much less sceptical, yes. Progress has been made.

Chair: It is always good to see a convert.

Q447 Sarah Gibson: It is always encouraging to see people spending more time in politics and becoming less sceptical. That leads on to my question: how well do you think the Government are supporting local authorities to deliver their onsite biodiversity net gain agreements with developers?

Mary Creagh: We have given £35 million to local authorities in the first two years to scale up their often denuded planning departments. That is one of the functions that has really suffered from the long squeeze on local authority finances—our colleague is up there now talking about the funding settlement for local authorities. In 2021 the previous Government committed £35 million, and we have confirmed funding up to the end of this financial year. We also funded the Planning Advisory Service to help local planning authorities implement BNG, because it is a new way of thinking about things. The cost of monitoring and reporting on biodiversity is secured through the planning agreement, so that planners will have ongoing visibility of how the BNG is performing.

LURA—the Levelling-up and Regeneration Act 2023—made BNG more robust by preventing developers from circumventing it by clearing habitats prior to submitting a planning application or survey. That is a sort of perverse outcome that we want to avoid. The metric tool incentivises the



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avoidance of impacts and says, “Try not to do that thing,” and encourages the retention and enhancement of what is there, particularly the most valuable habitats. But risk multipliers account for the difficulty and time needed to create those habitats.

On BNG, I know that several Committee members attended the Cali biodiversity COP; internationally, we are seen as the seedbed for this type of new thinking that the world can learn from.

Q448 **Sarah Gibson:** What sort of progress do you think has been established in the publicly accessible register of onsite biodiversity net gains with local authorities? While we are thinking about that part of it, what impact do you think the plans for devolution—changing the scale of some local authorities—will have on local authorities’ ability to produce these publicly accessible registers?

Mary Creagh: I don’t know. I might ask officials to come in while I have a think about that. I do not know that we have thought about devolution. Do you have anything to say on BNG?

Helen Edmundson: Natural England holds the register, which is where all the offsite—

Sarah Gibson: That is offsite.

Helen Edmundson: Are you talking about onsite? That is held within the plans themselves. We are aware that there are some concerns that that is not as publicly visible. We are talking to the local authorities about that, but I do not have anything further to add.

Q449 **Sarah Gibson:** There is a feeling in most of our constituencies that there is a lack of transparency about what biodiversity net gains have actually been provided on developments. There is a sort of scepticism—which, unlike the Minister’s, is growing—about whether those biodiversity net gains are actually happening. That is why a publicly accessible register would be really helpful.

Mary Creagh: We are going to have Natural England publish a policy evaluation report next year, which will look at the process to understand the extent to which the policy is being implemented effectively. It will look at the impact, to understand whether it is achieving its stated outcomes on nature, planning and people, to your point about whether the local community has an understanding and oversight. It will also look at value for money, to evaluate whether it is a cost-effective means of delivering biodiversity net gain. I think we all need to wait for that. We need to make sure that BNG units provided either onsite or offsite are protected from allegations of greenwash. We want to have public confidence in this mechanism, because that is how we will build our homes alongside nature.

I visited north-west Leicestershire last Friday and saw homes being built in a national forest. People there are very clear about where the nature is and where the sustainable urban drainage is. Actually, the paradox there is that because it is in a national forest and homes are constantly being



built, a third of every planning application in that national forest area, by long-standing agreement, is given over to nature. That is almost on an agreement basis. You can then start getting into issues like, "By the way, we don't have a bike path down to the canal to go fishing," so that becomes part of the section 106 as well. Developers are very keen to build in and alongside nature, because that is what people value and want.

Q450 **Sarah Gibson:** That sounds like an idyllic situation. It is not one that is very familiar to me in my constituency of Chippenham, I confess. People facing a planning application as local residents are keen to see onsite biodiversity net gain happen, whereas the offsite biodiversity net gain is much less tangible. They therefore feel that they are getting the houses and somebody else is getting the nature, and they are not often keen on that outcome; I have certainly had that issue locally.

I have a quick follow-up question. In terms of developer engagement with local authorities, how effective do you think the changes to the NPPF that have recently come through are? How will they help and encourage developers to engage with our local authorities on this issue?

Mary Creagh: Just on the register, there is a publicly accessible register for offsite units, so it is about ensuring that people are aware of how to access that.

Q451 **Sarah Gibson:** As I said, it is the onsite that is the biggest issue. If you have a large development in your area—around your town—and your town is being doughnuttled by development, you would like to see that biodiversity net gain. However much you care about the planet, you might also care about your local area, and you might like to see some of that biodiversity net gain within your area and accessible to your children. Therefore, somebody buying it on the other side of the country, or even the other side of the county, is not really the way to encourage residents to feel that they get buy-in or get a say in what is happening. The offsite can make sense to us, but it does not make very much sense to local residents.

Mary Creagh: The vast majority of BNG has happened onsite. There have been only two planning applications where it has happened offsite, and I have asked about them. One of them is in Wakefield, and it is the building of a warehouse. What we may be uncovering is that local people do not know where the BNG has happened in their local area, or that planning permission was perhaps granted before BNG was mandatory.

We do not intend to mandate registration of onsite gains on the register, because that would duplicate the information that the local planning authorities already hold. In theory, once the planning application has been granted, it should be absolutely clear from the planning documents where BNG is happening if it is happening at a local level. That should be clear as part of that process.

Q452 **Sarah Gibson:** On the question of improvements to the national planning policy framework, do you think there is enough in there to encourage developers to properly engage with this?



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Mary Creagh: I think so. We have a huge housing crisis, and we know that we have to crack on with building homes. We know that we take far too long to build homes in this country, and some of the proposals in there are about ensuring that rules around nutrient neutrality and biodiversity net gain are seen as enablers, rather than blockers, of achieving those goals.

Helen Edmundson: We have had some really good stakeholder engagements in September, and we are working very closely with MHCLG and Natural England on precisely the issues you are talking through.

I think the Committee touched on this previously, but on BNG, the metric in the policy—the mitigation hierarchy—is very much to incentivise onsite as much as possible, which speaks to the points that you raised. Also, with the development of local nature recovery strategies, you can target within those to again help with the allocation of those biodiversity units. As much as possible, BNG has been baked in, trying to keep it as close to the development as possible, so offsite really is the last resort—well, we as Government are the last resort, in terms of ensuring that house building can go ahead. As the Minister referenced, hot off the press, six units have been sold to us, the Government, and we are working through the next steps on that.

Q453 **Chair:** On that point, we heard evidence in the previous panel that many local authorities are considered not to have the ecologists working for them in order to ensure that developers fulfil the commitments that they make, particularly to offsite. Is that on your radar? Obviously, the local authority responsibility is not in your Department, but the BNG is. What steps are being taken? I appreciate you said that the previous Government gave the £35 million. Right now, we are being told that local authorities are not properly staffed, in terms of people with the ability to make sure that the biodiversity net gain happens. Is there a plan to ensure that local authorities can build confidence that offsite biodiversity net gain will actually happen, and that it will not just be ephemeral and disappear?

Mary Creagh: We will be reporting to Parliament, I believe, in February or March 2025 on those six credits and on our thoughts on where and how they could be spent. I don't have a monopoly on wisdom, and I am very keen to hear the Committee's ideas. For example, where do you think they could usefully be spent? As to Sarah Gibson's point about it going somewhere else—you know, the idea that that's all lovely, but is it a forest? Is it a river? What do we think about whether we should be investing in nationally significant projects? Should we be focusing on coastlines? Those questions are live for me now, and I would welcome the Committee's input and insights on them, so please give me some.

Q454 **Chair:** We'll get you a copy in the post.

Mary Creagh: As to your point, Chair, on the ecologists. We do have a national shortage of ecologists, and I think one of the issues has been that people don't really understand green careers. We have a national shortage



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of people who can measure and understand sustainability. It is a massive and emerging growth area. We need to connect the people to the jobs, and the people to the skills frameworks. I have met with the Chartered Institution of Water and Environmental Management and the Chartered Institute of Ecology and Environmental Management, and we are giving some thought as to how we can support, through the skills strategy, getting more young people into what are incredibly valuable and intrinsically important jobs.

Q455 **Barry Gardiner:** In 2022, there was an announcement about a GCSE in natural history.

Mary Creagh: I have been chasing that.

Barry Gardiner: It was ready to go, and it got caught in the ring-around in Government then, but surely that is one of the things that an incoming Government can seize—take it up and run with it. It feeds directly into what you were just saying about the need to enhance skills and get people job-ready. Can you have a word with Bridget? I do know that the Francis curriculum and assessment review is going on in the Department for Education. However, the GCSE plans were ready beforehand and could be actioned without having to go through the mill of another review. Is it something your Department could perhaps pursue with alacrity?

Mary Creagh: I have been contacted by another former member of this Select Committee, Caroline Lucas, on that very issue, and it was on my to-do list. I am afraid that the recess has come upon us rather too quickly. I am aware of the issue. As an extra thing to think about, I will be writing to the Skills Minister about the following: will we also, in our overseas territories, have a coastal GCSE? I am keen that we should also feed that in. It might be about tropical coastal matters, which is obviously not applicable in Plymouth, but what you find is that people who study marine science in Plymouth, or in any of our coastal universities, may end up working in some of those overseas territories, being part of our brilliant science base. It is St Helena that has done that, so actually it is not a tropical GCSE; it is a cold Atlantic GCSE.

Barry Gardiner: The support that it had at the time was very widespread across education institutes, universities, trade unions, local authorities—and, crucially, among young people. They want this. This is something that they really do want to see as a career path, and if we can get that in place, it would be brilliant.

Mary Creagh: Yes, we have lost plants, haven't we? It is now human biology, not really plant biology. I totally take that on board.

Q456 **Anna Gelderd:** Thank you, Minister, for mentioning Plymouth, which neighbours my constituency. In South East Cornwall we have lots of fantastic marine scientists, who will all be very interested to hear about that new work around coastal and science at GCSE. Has any income from sales of biodiversity net gain yet accrued to the Government? If so, what agreement has been reached on how it is allocated? Will the income be

ringfenced for nature recovery?

Mary Creagh: Absolutely. Buying the statutory credits is the option of last resort for developers, and the Secretary of State may use that income for the purpose of habitat enhancement, for the purchase of land with a view to carrying out habitat enhancement, or for the administration of the credit sales services. That income is held by the Treasury and ringfenced for DEFRA to draw down as necessary for those three potential purposes. We will confirm our approach to spending credits at a later stage. I am very keen to hear what you think. At the moment, we have £220,000 on the basis of six credits that have been sold, so it is a relatively modest amount of money in comparison with our overall environmental programmes, but we are confident that we can spend that money effectively to deliver positive biodiversity outcomes.

Anna Gelderd: Thank you. That is very helpful. We look forward to engaging with you further on that topic.

Q457 **Martin Rhodes:** How are the Government working to develop demand for investment in nature recovery schemes?

Mary Creagh: In the planning context?

Martin Rhodes: Across the board. How do you develop the market for this so that you get private sector investment in nature recovery schemes?

Mary Creagh: I mentioned some of the things we are doing to address the integrity of nature markets, to set standards for nature markets, and to ensure a good supply of projects from farmers and landowners to generate ecosystem services credits to those markets. The last bit of that equation is the demand side. There are limited incentives at the moment for businesses to pay for the benefits that nature restoration brings to their bottom line. Frankly, there just is not enough business demand for this at the moment. That is something that I am thinking about, and that the Department is working on; I hope to say more on that in the new year.

Q458 **Martin Rhodes:** That closes off my next question, which was going to be: given the limited incentives, what more can be done? You are saying that there is something more to be done, but you will come back to the Committee when the announcement is made.

Mary Creagh: We have talked about setting out the principles, so guiding those who want to be early adopters, and there are two or three businesses—the BBC I think has adopted them—

Helen Edmundson: That is TNFD.

Mary Creagh: Oh, that is TNFD, which is a separate thing. We have supported the BSI around the standard setting. We also launched the International Advisory Panel on Biodiversity Credits framework with former French Finance Minister Sylvie Goulard in Cali, Colombia. It was co-chaired by Britain and France, so we had Dame Amelia Fawcett, who is the chair of Kew Gardens, and Sylvie Goulard. I think what they were trying to do



there, in this international panel, was to send signals to business about, “What can we learn from the carbon markets to make nature markets more secure and give businesses more confidence, and to avoid the greenwashing?” So it was very much about using supply chains to do that activity, and not making them tradeable commodities, so they are not fungible assets—they are not things that can be bought and sold. It is stuff that you do as a business in your own supply chain, so you have a really clear line of sight. It is not, “Here’s some money; go and plant some forest in a different country”—where we don’t know what the outcomes will be.

Q459 Martin Rhodes: In terms of general principles, what do you see as the balance of the relationship between private investment and government?

Mary Creagh: What we have to do, to protect and restore nature, whether nationally or internationally, is to make sure that every pound works really hard. We know that every pound invested in climate has a 20% benefit for nature, and 80% of all the pounds invested in nature give you something for the climate. We could argue against investing in climate, but what I would say is, how do we make our climate investment deliver more for nature? That is really key.

Also, at the international level, how do we match up the plan that we have to recover nature with the adaptation plan, which I know this Committee will be reviewing when it comes out, as part of its remit, and link that up to the Committee on Climate Change’s plan? At the moment it is like climate is over here, adaptation is a subsection of that and nature is over there. In a way we need to bring that trinity of investment much closer together and get the investments that government and the private sector are making much more aligned, and try to align those financial flows in a nature-positive direction.

Q460 Barry Gardiner: Sounds like a bid for a department for sustainable development, Minister; how wonderful that would be! I wanted to pick up on what you said to the Chair at the beginning when you were talking about the task force on climate-related financial disclosures—the TCFD. You said you wanted to see the taskforce on nature-related financial disclosures “similarly mainstreamed”; I think that was the word that you used. Back in, I think, February 2024 when we were looking at this as a Committee, the Government’s green finance strategy at the time contained what I thought was quite an extraordinary thing. It said, “Government does not wish to place undue burdens onto companies whose size or scale makes the disclosure of taxonomy-related information unreasonable. Therefore, we will develop proposals with proportionality in mind.” It then said that after the taxonomy had been finalised, companies would be expected to report voluntarily against it for a period of two years before you would consult on whether to make it mandatory.

In other words, “This is in the long grass and we don’t have to worry about it.” Please tell me you are going to bring this into the very short grass, and that in the first quarter of next year, which is when I believe the ISSB stuff is coming to the fore, we can actually see this fast-tracked.



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Mary Creagh: We are big supporters of TNFD, and I met its co-chair, David Craig, just last week. We are going to consult on how the UK intends to adopt the International Sustainability Standards Board's standards. ISSB is basically taking all the voluntary standards in this space that lots of companies have developed in two different systems over decades, as you know, so—

Q461 **Barry Gardiner:** It is very clear that there is a vacuum that everyone has rushed to fill, and it has not created the standards that we want. So this international congregation of it, and facilitating that certainty about certification, enforcement and how that happens is really important.

Mary Creagh: I agree, because what you need is an international framework within which this happens. Otherwise, we are doing the right thing and then everyone else can be—

Q462 **Barry Gardiner:** Right, that is the trap I wanted to see if you would fall into.

Mary Creagh: Oh dear. Have I fallen into it? It is quite possible that I did.

Q463 **Barry Gardiner:** I am joking, of course. Our Environment Act has very clear targets in it. Many of those targets are different from the targets in the global biodiversity framework. I am interested in how you are going to get real alignment between the targets that we have set in statute and the international framework. It is great that we set targets in statute, but they are now different from the global biodiversity framework that we all signed up to at COP15, that we took forward at Cali and that we are trying to implement. Unless we get alignment between the national statutory framework and the international treaty framework, businesses are going to say, "I don't know. You want me to do this and then you want me to do that, and I don't know what I am supposed to do."

Mary Creagh: I will start by finishing off with the TNFD and the green taxonomy, because I was in one headspace and now we are in a different one.

First, the TNFD is about transparency, consistency and reducing burdens for cross-border companies. We have also said that ESG ratings providers will be regulated once legislation is agreed, and the FCA has developed its policy and associated rules. Who judges the judges is important. Ratings related to the environment, including nature, will be regulated for the first time. That is about having a robust and credible assessment of what companies are doing and how they are performing.

Mr Rhodes was asking me about driving investment, in terms of people saying that a company has an AAA rating for nature. We have a live consultation on green taxonomy, which is gathering views on the merits of launching a green taxonomy as part of a wider sustainable finance framework. That is ongoing, and we will consult on transition plans in the first half of next year to see how we can take forward the ambitions in the manifesto for listed companies and financial institutions. I hope I have given you that stuff.



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Barry Gardiner: Sure.

Mary Creagh: Let me move on to the targets under the Environment Act.

Q464 **Barry Gardiner:** May I ask, before you do, whether Ms Edmundson has anything to add to that? I understand you are in charge of the whole green finance part of the Department.

Helen Edmundson: Well, the Minister is in charge.

Barry Gardiner: Of course, Ministers decide.

Helen Edmundson: I do not have much more to add. As the Minister has set out, the Chancellor in her Mansion House speech set out a fantastic package of measures for how we are taking forward the sustainability disclosure requirements. That spans from ESG ratings to the commitment to do the consultation on the ISSB, just as you were saying. The ISSB has already said that it will develop a nature standard next, which is really positive news. We envisage the TNFD recommendations being docked into that ISSB process.

Q465 **Barry Gardiner:** Is there a timescale?

Helen Edmundson: For the ISSB?

Q466 **Barry Gardiner:** For the TNFD being docked into it.

Helen Edmundson: That would be for the ISSB to come back on. My understanding is that it is 12 to 18 months, but I would need to double check on the timings. But that is all positive. We are trying to converge here. As the Minister said, so many different standards have been developed that it has actually caused more confusion than clarity, so the more we can coalesce, the better.

Mary Creagh: I have found some answers to the previous question, but I am a bit worried that we are going all over the place.

We have 60 companies that are voluntarily choosing now to adopt TNFD, which is important. Greensphere Capital is aiming to invest up to £100 million in commercialising and scaling up research in biodiversity, botanical and fungal science, forestry, agriculture and habitat restoration. It is working with Kew and other commercial partners.

Going back to Mr Rhodes' question, big pools of capital, such as pension funds, are beginning to turn to nature. The London local government pension scheme—I read this in the paper, but we have found out more—has set up a collective investment vehicle to manage its assets. It has allocated £175 million, 74% of which is going to sustainable forestry, 17% is going into sustainable agriculture and the rest will be invested in carbon credits. Clearly, we are starting to see large pension funds moving into this space, and I am sure that many more will follow. That is about managing, protecting and restoring ecosystems. I will come back to that.

In terms of the GBF targets, it is right that the global and national targets are different. We have launched a rapid review of our environmental



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improvement plan because we actually do not have the data for some of the targets that it contains, and we will not have that data for quite a long time, because it takes a while, as we said earlier, to measure the baseline.

Therefore, there is a lot of research ongoing, through the natural capital and ecosystem assessment, to try to set those baseline standards, because they will be very useful to this Committee, in terms of holding the Government to account, but also for us, as a Government, to know that what we say is happening is happening. I am a great believer in audit.

Our UK context is very different from the international one, but they are mutually supportive and we will work to make sure that we end up with a cross-Government strategy that delivers across the piece and that reads in. Obviously, you were there in Cali, Mr Gardiner, when we announced where we are—that only 7% of our land is meeting the target—that is our baseline for the 30 by 30 target. Therefore, you can see the distance that we have to travel, and we are going to have to work very hard. The question I have is: are there some areas that should be in there but are not?

Barry Gardiner: It is also about effective enforcement.

Mary Creagh: Exactly.

Q467 **Blake Stephenson:** Minister, you have touched on multinationals already, which bridges nicely into this question. Nature recovery schemes in England are quite limited compared with other countries, where they have got multinationals involved to invest, so how can nature recovery investment opportunities in England be scaled up, in your view?

Mary Creagh: It is about increasing demand, isn't it? It is about giving farmers and landowners the confidence that this is an activity that they can have confidence in doing. It is about making sure, for the people who are purchasing that—whether that is house builders, pension funds or whatever—that it is a genuine, sustainable and nature-improving scheme.

Nature can come back in amazing ways; when bad things happen, nature can sometimes take over. This is not about the UK, but when I was at COP in Baku, I was very struck by something that I heard in a meeting with the Ukrainian Environment Minister regarding the destruction of a dam in Ukraine by the Russians in June. The tree seeds went into that marshy mud, and an entire forest of poplar and willow has now grown up in that area. It has become a massive symbol of hope about the potential for regeneration and growth in that country.

It is about giving landowners the confidence that the money will come. It is about making sure that the purchasers think, "This is something that we have to do." It is about making sure that, when they do invest, they are not going to be accused of greenwashing. It is not a square; it is a triangle that we are trying to get to.

Q468 **Blake Stephenson:** Are all of those things that the Government want to do, and will do, to stimulate demand?



Mary Creagh: Absolutely, yes.

Q469 **Chair:** Thank you very much. That brings to a close the first section of this session on natural capital. We will now turn to something that has been referred to several times in that evidence: COP16, the conference that took place in the autumn in Cali, Colombia. Obviously, you were leading the UK delegation there. From your perspective going in, how important do you think COP16 was as a global international conference?

Mary Creagh: I think it was incredibly important, and I really welcome the fact that several members of this Committee were present, including yourself, Chair, and Ms Gelderd, Mr Thomas, Ms Heylings and Mr Gardiner, because that sends a signal about where we, as a Government, put nature and biodiversity. I think we had the biggest parliamentary delegation after the Colombians, so thank you for being part of that.

I also think it was really important that we had two youth delegates at the conference. I met Abi Gardner, from the Global Youth Biodiversity Network, and the Secretary of State also met her.

We want to show leadership on climate and nature on the global stage. At COP15, we had a clear collective mission to halt and reverse biodiversity loss by 2030. This was our first opportunity to see how that was going. It was the biggest nature COP that has been held to date; it had 23,000 delegates. It also had its largest business attendance yet, which I think is a signal that businesses are starting to realise the risks posed to them by ecosystem collapse or ecosystem degradation. I was delighted to be there and I think we made good progress on a lot of—

Q470 **Chair:** Before we go on to the progress—it is really important and we will get a chance to scrutinise that—I agree with you; I think that the COP16 conference was tremendously important. We get a lot of focus on the climate COP and less focus on the nature COPs. It was really welcome that the UK delegation was there. As you say, there was also the business interest. Given the importance of all that, why was there no oral statement in the UK Parliament following COP16?

Mary Creagh: I am trying to remember the timings of it, but maybe we had DEFRA questions a week or two later. I do not know why. There was a written ministerial statement, but no oral statement; you are right.

Q471 **Chair:** The question is: why? We were tremendously disappointed. It is unimaginable that you would have a COP29 conference and not have a statement in Parliament. Given everything you have said about how important it was and how seriously you were taking it, is that not rather undermined by the fact that it was not thought worth standing in front of Parliament and telling Parliament what happened at that conference?

Mary Creagh: What I can say is that the COP went through the night into Saturday morning, because of some of the negotiations that were going on. I did not actually get back into the country until Monday, so there was a very practical reason for there being no oral statement.

Technically, the COP has not actually concluded, because it will reconvene in Rome in February. I am certainly happy to commit that I will endeavour to give a full update to the House once the COP has finally concluded, because, as you are aware, several things were not agreed and it must formally conclude.

Q472 **Chair:** We will get on to that. I hear what you said there. I think we would have all been fine if the oral statement had come on the Tuesday or the Wednesday, given the time that you had put into the conference. However, if we could have a commitment in the future that the UK Government will make a statement after the nature COP as well as after the climate COP, we would very much welcome that.

I turn now to what came out of the conference. You said that the UK Government took a leading role in driving forward key elements of the work at the summit. Which elements do you feel we drove forward most strongly and in what ways?

Mary Creagh: Dr Will Lockhart is sitting to the right of me. At the request of the secretariat, he had really been in the driving seat around the adoption of the agreement on digital sequence information, or DSI.

We set up a new fund at Cali—the Cali Fund—and there were really complicated negotiations, which came after two years. Dr Lockhart co-chaired the inter-sessional working group and the group discussions in Cali. We had several bilateral meetings on that as well.

This fund is about helping companies that use the genetic sequence data of plants. In the old days, people would go to the forests or the mountains, take the plants and physically bring them home. Now, people are going in and putting the code of the plants on to global publicly available databases. The people who care for those landscapes—mostly forests—do not receive any financial benefits. On the genetic sequence data of plants and animals, for the first time there is now a new multilateral instrument to enable contributions from the private sector to help tackle nature loss internationally.

Q473 **Chair:** How big an achievement do you think that was?

Mary Creagh: It felt pretty massive, from where we were sitting. It is a big deal. Setting up a new fund for nature that channels private sector capital is a world first.

Allied to that, for the first time ever, is a new permanent body for indigenous peoples and local communities. It was created to recognise their role and integrate them—to give them formal decision-making power. It is really important that their voice will be heard in the future for every issue now discussed under the convention and its protocols.

Q474 **Chair:** Can you talk about the fact that the fund is voluntary rather than mandatory? Was that because you could not get agreement to make it mandatory, or was it because you thought that was the right approach? Can you expand on why that was where we ended up?



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Mary Creagh: I think we need to look now at the modalities of how that fund will be set up and established. We obviously have to wait for the COP to conclude, but we are thinking about how we can take it forward. It is always challenging to get agreements between 196 countries.

Another thing that happened is that we launched an updated biodiversity finance dashboard to track progress against the finance targets. One of the things that was very clear for me was that countries were saying, "You say all this money is flowing in. We don't see it; we don't feel it. Where is it?" So that is about having a transparency metric to say, "This is where the money is and we think we are going to achieve the targets that were set out."

We announced our own financial contributions as well—£45 million to the global biodiversity framework fund, which was the single largest contribution announced at that, and £20 million to the legacy landscapes fund, in order to support delivery of the global 30 by 30 target. We are going to be looking at how we operationalise the DSI fund and we hope to say more on that in the new year.

Q475 **Chair:** I am not sure you answered the question about why it was voluntary and what the UK Government's role was on that.

Mary Creagh: Perhaps I can ask Dr Lockhart to respond. He was in the thick of it all.

Dr Lockhart: You felt quite in the thick of it too, Minister.

I have been reluctant to stray into the space that concludes that because it was not mandatory, it was not as full a success as it could be. The UN does not have the ability to create mandatory, legally binding things in such a straightforward way. You can create, obviously, conventions, treaties, protocols—even then, what has to happen is that countries go away and decide whether or not to become party to them, and that often requires legislation. Think about the BBNJ agreement, for instance.

There was not ever the global appetite to create a treaty process to share benefits from the use of digital sequence information. That simply has not been on the cards for the six years or so that this has been floating around.

What you have is this really interesting decision that basically says businesses should pay, and then it recognises that in order to require businesses to pay, Governments will need to go away and do things. There is a two-stage process. It is innovative and complex from a legal order question; the whole decision is interestingly complex.

It is not quite as straightforward as mandatory versus voluntary, or that because it is voluntary it is not quite as tough. There is a little more grey than that, I think.

Q476 **Chair:** You referred to Rome in February; who would not want to be in Rome in February? What work needs to be done between now and



February to bridge the gap between where we are now and where you hope we will be when COP concludes?

Mary Creagh: We were disappointed that agreements were not concluded on mobilising quality and accessible nature finance, nor on agreeing the final details of the monitoring, reporting and review framework. There was a big agenda, and the meeting became inquorate at about quarter to 8 Cali time on Saturday morning.

Even on the outstanding issues, we made some good progress. We were close to a resolution on the decision relating to monitoring and a review of collective progress. The technical negotiations on resource mobilisation demonstrated trust—that is really important to say—and significant progress was made towards reaching an agreement on the financial part.

The budget was not adopted, but it has since been adopted by what is called the silence procedure, which I understand means that it was agreed virtually and nobody objected. The secretariat can carry on, because of course they need us—the member states—to agree their budget.

What will we do at COP16.2? I think it will be done at official level. We must mobilise finance for nature from all sources. Parties will also need guidance and support on monitoring their progress and preparing their national reports ahead of COP17 in Armenia in two years' time. We need a robust process to do a global stocktake at that COP. We are going to redouble our efforts and work with global partners to finalise these agreements.

Q477 **John Whitby:** The UK was one of 44 countries that failed to submit a NBSAP before COP16. Could you help the Committee to understand why we failed to meet that deadline?

Mary Creagh: The four nations of the UK, the overseas territories and Crown dependencies have been working collaboratively to produce a UK-wide NBSAP. We did submit our national targets to the convention on 1 August, which commit us to meeting all 23 of the GBF targets at home. That contribution was part of the first global assessment of progress, but we have to do more. We are going to publish the NBSAP in due course.

I met the St Helena Environment Minister, Christine Scipio, at the Baku climate COP, and I also met, in London, the Gibraltar Environment Minister, Professor John Cortes. We welcomed representatives from Turks and Caicos to the UK delegation in Calais. We have been working across Government to ensure that the NBSAP and the UK national targets have a whole-of-Government approach. The environmental improvement plan is a major part of our contribution to that NBSAP. We are doing a rapid review of the EIP. We will publish a summary of key findings early in 2025, followed by the publication of the revised EIP later in 2025. That review is mandated under the Environment Act.

Q478 **John Whitby:** Would "in due course" be before the next COP in Rome?



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Mary Creagh: Oh my—oh no: I was thinking you were going to say in Armenia in two years' time; it will definitely be before then. Before Rome, I cannot say.

Q479 **John Whitby:** How will the NBSAP deliver the national targets pledged by the UK?

Mary Creagh: I think we are going to have a new statutory plan to protect and restore our natural environment, and we will have delivery information to help to meet each of the Environment Act targets. We are working with civil society, business and local government to do that. That will play its part in framing how we will meet our domestic and international targets to significantly improve the natural environment in England. We are really working to speed up the publication of the NBSAP. The key biodiversity strategies will be drawn from our review and revision of the EIP.

Q480 **Chris Hinchliff:** This is a similar line of questioning. During COP16, DEFRA published a 30 by 30 strategy on land in England. Full guidance, as I understand it, will be published in 2025, according to the strategy. When in 2025 can we expect that guidance to be issued?

Mary Creagh: We have set out that at least 7% of England's land has already met that criteria. We are going to confirm with you the key delivery levers, like how we are going to do that, and set out the pathways and our action plan to meeting these targets. We hope to finalise and publish the strategy next year.

At sea—because of course 30 by 30 covers land and sea—we have 181 marine protected areas, including three highly protected marine areas, across 35,000 square miles, which is 40% of English waters. Obviously, that includes MPAs in our overseas territories, which is actually where the big ones are—the Weddell sea and South Sandwich Islands, for example. In the UK, we have MPAs covering 38% of our seas, which exceeds the marine coverage aspect of the 30 by 30 target. But the priority I have is to ensure that those areas are properly protected.

Q481 **Chris Hinchliff:** You touched on lots of things that relate to my follow-up question. On the point you made around 30 by 30 at sea, I was going to ask why only for land and not for sea? Is your position that, with the marine protected areas that we already have, we are already above 30 by 30 at sea, and it is a matter of ensuring that that is properly protected and implemented? The area, as it were, is already covered.

Mary Creagh: I would say yes. The question is what are the protections within them? Given that 94% of the UK's biodiversity is in our overseas territories, the overseas territory work is very important—those protections are incredibly important. It is about making sure that we have proper protections within those MPAs. There has been a lot of research to work out what is in the sea. I think a report done by this Committee under a previous Chair did a deep dive into MPAs and had some criticisms of them.



Q482 **Chris Hinchliff:** You have again touched on the point about the importance of liaising with other Administrations. Can you tell us a little more about how you are working with the devolved Administrations on plans to deliver 30 by 30, both on land and at sea?

Mary Creagh: We had a stakeholder event on the UK's NBSAP, which was hosted by JNCC—our Joint Nature Conservation Committee—with participation from the four UK nations, in November 2023. So that has happened. We are working with civil society, business and local government in the review of the environmental improvement plan. It is about trying to co-create these things—not just the Government producing them, but actually co-creating them.

Q483 **Chris Hinchliff:** Just to circle back, I have a final question relating to the 30 by 30 strategy for land in England. Could you tell us a bit more about what the process will be to implement that strategy, particularly given that we do not currently have a land use framework in place?

Mary Creagh: We have a new cross-sector stakeholder strategic advisory group set up to ensure that DEFRA sectors can collaborate with DEFRA on key strategic questions, and co-create that EIP revision, so we are trying to bring other people in. It is dependent on the EIP, and as you rightly say, on the land use framework, which I believe is going to be published early in the new year. It will be a 12-week consultation, and it is about the shared vision for land use in England. That will inform the publication of a land use framework later in 2025.

Q484 **Chris Hinchliff:** I am going to be cheeky and ask a further follow-up question. Does early next year mean Q1—will we be as lucky as that?

Mary Creagh: I hope so.

Chair: I am going to go on a diet early in the new year too, so it might happen at the same time.

Q485 **Barry Gardiner:** Can I follow up on the 30 by 30 strategy that Mr Hinchliff referred to? I recently tabled some written questions about the MMO looking at our MPAs, and asked when stages 3 and 4 would be completed, looking at bottom trawling and dredging in those areas. The response I got back said that you could not give me a timeframe; there is another parliamentary question on its way to you today saying, "Why can you not give us a timeframe?"

It is about enforcement. When you chaired the Committee, Minister, this is the criticism that you made of exactly what was going on with the Government at that time, so I am not pushing you on anything that you do not fundamentally agree with. We really do need to have a timeframe for this, because the destruction that is going on in what we are calling marine protected areas is disgraceful, and it undermines our international credibility if we cannot even sort out our own backyard.

Mary Creagh: Was the was the response from me or Minister Hardy?

Barry Gardiner: Minister Hardy.



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Mary Creagh: Ah, well, I had not seen the question, so I was genuinely thinking, “Did I answer that?”, because I had no memory of that. That does not mean it did not happen.

On the MMO, marine regulators have assessed all fishing activities on the protected species and habitats in our MPAs, and they have identified bottom-towed fishing as a major pressure, as you rightly say. The MMO has introduced byelaws to restrict the use of bottom-towed gear over sensitive habitats.

Barry Gardiner: But not over all the MPAs. Only part of the MPAs is currently covered.

Mary Creagh: Sixty per cent of MPAs are protected by byelaws that limit the use of damaging fishing gear. The MMO is continuing its work to strengthen protections within the offshore marine environment.

Can I say one other thing, hopefully to satisfy you? After gathering evidence last year on the impacts of fishing on seabed sediments—obviously it is about the sand and mud end of things as well—the MMO is preparing new byelaws for consultation and has already consulted on a proposed byelaw to protect highly protected marine areas against fishing impacts. Maybe there will be further progress in the new year.

Q486 **Barry Gardiner:** Minister, I understand your position. You have given me a statement of what is happening and the current state of play. I think we all recognise that we need to properly protect marine protected areas, and that we are not protecting them by dragging a trawl net across the bottom of these areas. It is like going into a rainforest with a bulldozer and just crashing the whole thing down. These are sensitive areas—that is why we have called them marine protected areas—and we really need to start protecting them.

At the international level, Britain was a huge leader on this. You will remember the battle many of us had in the dying days of the last Labour Government to ensure that the marine BIOT was protected. It was then the largest area of protected surface of the planet that had ever been protected. Of course, we are still not clear what the protections will be after the new treaty on Chagos, and it would be really important to have clarity on that.

On the other marine protected areas around the planet that are part of our UK overseas territories, it is great that we have done it, but the enforcement capacity there is so limited, and it is enforcement that matters on these things. Could you perhaps write to the Committee setting out specifically the the enforcement that is going to subsist under the treaty for the Indian ocean territory marine protected area under the new treaty arrangement?

Mary Creagh: I will consult Stephen Doughty, who is the Minister in this area, and we will certainly endeavour to get him to write to you or to get you a joint letter.

Q487 **Barry Gardiner:** Thank you; that would be really helpful.



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Let me come back to DSI and Dr Lockhart. What has been preventing pharmaceutical and food production companies from helping indigenous peoples in the Amazon or in the Congo?

Mary Creagh: I do not think they have been encouraged to do so.

Q488 **Barry Gardiner:** Which Government, then, is going to say, "We now have something from Cali that says that we should contribute 1% of our profits, or 0.1% of our revenues, to the Cali Fund. We are going to push our pharmaceutical and food production companies to do that, which means they will be at a competitive disadvantage to another country's pharmaceutical and food production companies, which do not do that"? Are we relying on the statesmanship of countries to do that? Are we going to take the lead? How are we going to engage with our companies to ensure that it is more than, "It would be really nice if you did this, guys"? I see that the words have now been amended by the Government from "should" to "expected to do".

Mary Creagh: I will bring in Dr Lockhart on this. I would say that it extends to agrifood businesses too. As we go forward to the Belém COP in Brazil next year, we will see an increased focus on bringing the climate and nature pieces together, and a big focus on the bioeconomy. It is propitious timing for those discussions to begin.

Q489 **Barry Gardiner:** May I say that I hugely recognise the amazing work that went in to get us as far as we have got? I am not trying to undermine that in any way; I am just pointing out that we have a heck of a lot of problems still in here, and this is far from yet being a success.

Mary Creagh: My understanding is that one of the reasons why this process was put in place is that they were having to negotiate IP with individual member states, and they found it was taking three, four or five years. One of the things that has come out of DSI is that they get certainty with this process. I think there is a bit of that, but Will is—

Q490 **Barry Gardiner:** Can I push back on that? The burden of proof is not on the companies to show that they did not use DSI material; under the Cali declaration and in the Cali Fund, it is on anybody who wants to say, "Oi, you used DSI to get this new drug or new process." It is very difficult for somebody to point the finger at a company and show that it used DSI in its processes. Should there not be some registration scheme? Well, there cannot be, because of course it is open-access data so anybody can go in there and get it.

Mary Creagh: On all these philosophical questions, I am going to hand over to Dr Lockhart.

Barry Gardiner: It is a nightmare.

Dr Lockhart: It is a nightmare that we have all been living through for a number of years. I guess the initial point would be that these are all questions that global negotiators and the global community have been talking about for a long time, so they are very live and relevant. There is not a straightforward answer on any of them. In the end, global



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Governments have agreed that taking a step of this kind, with all the uncertainties you are pointing to, is better than not taking it. I think they are broadly right, but I also think you are right that there are still a lot of things that we need to work through.

You asked what is stopping companies investing in IPLCs globally right now. First, lots of companies do. We are very lucky in the UK to have a really forward-leaning business constituency who are really invested in nature action around the world. But things do stop them: the risk of fraud, the risk of being accused of greenwashing, the risk of leakage of different kinds, and the time it takes to identify projects because the supply side is not necessarily there. You need to set up staff time. You need to find people who can go and find projects around the world, which is difficult. Then you need to bring it to a board, which needs to be convinced, and then there is transparency, reporting and so on.

The Cali Fund offers all that. We spend a lot of time talking about the front end, who is going to pay and how much, but at the back end of the Cali Fund, you have a UN-administered fund that operates according to internationally accepted fiduciary standards and is a one-stop shop. Once the website is up and running, it will be open to individuals to contribute, so you can put £10 into the fund, and it will flow to a registered IPLC project somewhere in the world that will do what it says it is going to do. That is a really important step forward.

Barry Gardiner: Because people will be listening, IPLC means indigenous peoples and local communities.

Dr Lockhart: Absolutely. On the question of how we make sure that it is more than, "Please, put some money in if you can", I want to be really clear that I consider the UK to be very lucky in the sense that we have a very forward-leaning business voice. We were supported in the negotiations by some very active businesses who wanted a fund of this kind, for all the reasons that I have just said. We are continuing to engage with a lot of those businesses, who are driving us to get the funds set up really quickly, because they want to invest.

A lot are investing for different reasons: it might be because their shareholders or boards have asked them to. It might be because they believe that it is the right thing to do. It might be because they have read the decision and think that they are under a legal obligation to do so, because the decision uses the word "should". They are not under a legal obligation under UK law—that is true. This Government took the decision to come out and say that any contribution to the fund would be voluntary, because of the kind of competitive pressures that you have talked about.

There are other incentives on businesses. Lots of businesses have raised the uncertainty point that the Minister has talked about—that is, what is the intellectual property status of this digital sequence information? If you invest in the fund, paragraph 16 says that you are home and dry—you will not be subject to any compliance measures; you are safe. Businesses have really welcomed that.



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The final point is that if it does not work, it might get worse for businesses. They are very alive to that. I am not using that as any kind of threat, because I have been very clear about the incredibly positive role that UK businesses have played throughout this process. That is the single message I hope to land with you all. But globally, if money does not flow through this thing, there will be a lot of pressure from 180 other Governments to make it harder and more expensive. It is incumbent on those people who do use DSI—by which I mean those countries and Governments that benefit from the industrial base that it brings—that we work to make this a success.

Q491 Barry Gardiner: I have a short final question. A company might choose to say, “We will use the 0.1% of profit rather than the 1% of turnover.” We know from bitter experience that companies are able to use vertical integration to manipulate the profit that they show. Are there any measures to combat that?

Dr Lockhart: It depends on what you mean by measures. I am very conscious that we have a whole hinterland of HMRC experts who want me to tread very carefully. There was a very lively discussion about the distinction between profits and revenues. Working internationally, who declares what is always interesting.

Barry Gardiner: And where they declare it.

Dr Lockhart: And where they declare it. In the UK context, it is relatively common to declare profits of some kind. It is perhaps less common to declare revenues. Then, there are questions about what is massaged and what is not. It is different globally. The way that the decision has landed—partially thanks to the UK negotiating team who sat opposite me—is that we have both in there. There is also a process for looking at those numbers and trying to work out whether they are right for the kind of goods and services that businesses are buying. As a UK Government, we have ways of finding out that information. Whether we will use that in any kind of way depends on the longer-run approach to implementing the decision domestically, which, as you have already said, is voluntary at this point. I do not think we will need to use that information.

Q492 Barry Gardiner: If a company wants to say, “We are the first donor to the Cali Fund”, who is saying, “Okay, let’s see what your profit or your turnover actually is, and let’s calculate whether you have made the correct donation into the fund”?

Dr Lockhart: At this point, civil society.

Q493 Anna Gelderd: It is really important that we discuss the interlinked nature and climate crises, and very good to hear that the UK was at the forefront of bringing nature to the forefront of the climate agenda at COP19. How did the UK get nature firmly on the agenda, and how successful were those efforts?

Mary Creagh: COP16 did not happen in isolation. We had a triple COP year, and I feel for people who attended all three. We also had the

UNFCCC taking place in Baku, Azerbaijan, and the desertification COP meeting in Riyadh, Saudi Arabia, which has just concluded. It was great to see that you, Mr Gardiner and Ms Heylings, attended COP29.

COP29 was interesting, because it opened the door. There was an agreement on biodiversity and climate at COP16—the Cali COP had said, “We need to talk about climate”—and it opens the door to a joint work programme between the three Rio conventions. There is a feeling that the climate convention has become massive. The three are called the Rio trio—I learned that; I did not know it beforehand. The Rio trio are climate, biodiversity and desertification. In this country we do not talk about desertification at all, but it has massive implications for food security and where people live in the global south.

We have to look at the triple planetary crisis of nature loss, climate change and drought. Keeping those together, there is a move to look at how we put all in the same place the NBSAPs, which is the biodiversity piece; the NDCs, which is what we are going to do to tackle climate change; and national adaptation plans, which is how we are going to adapt to a changing climate. It is to bring those three things together. Conceptually, instead of having a siloed approach—often, Government mirrors and mimics those silos—we try to bring them all together. We need to align the finance and to promote collaboration and coherence as we continue to tackle those challenges.

Also—I think we have just announced this—we are going to host IPBES 12. IPBES is under the UNFCCC; it is the panel of nature scientists. We are going to host that in the UK, with an ambitious parallel programme to bring together parliamentarians, business and academia to maximise the outcomes, bringing the global biodiversity science community to this country in January 2026—in a year’s time, or 13 months. We are the centre for green finance and have, globally, important scientific institutions, so it is bringing that all together. I am pleased that we are able to announce that.

Q494 **Anna Gelderd:** That is good to hear. I want to bring your attention to publication of a report yesterday, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services “The Nexus Assessment”, which emphasised those interlinked areas of climate and biodiversity that we have been discussing. You have outlined some good progress in areas of bringing those two streams together, but there is obviously a lot more that we can do. Is the Department doing anything further to integrate the Government’s work, particularly on biodiversity and climate, as we look to close the session?

Mary Creagh: Not so much on that, but it would be remiss of me if we were to conclude without mentioning the Intergovernmental Negotiating Committee meeting in Busan, which was trying to conclude the global plastic pollution treaty. It finished on 1 December, and 170 countries were there. That is another convention that stems from Rio, and it is looking at global plastic pollution. We have been a member of the high-ambition coalition there—we are one of 100 countries to support a global target to



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reduce production of primary plastic polymers to sustainable levels. We are going to work alongside our partners in that high-ambition coalition to reach an ambitious agreement at the resumed session next year. I do not think it has been announced where or when it is happening, but we have new text and we are joining 80 other countries on having an ambitious agreement.

Q495 **Anna Gelderd:** Does that include the PFAS element of chemicals leakage from plastics?

Mary Creagh: I have no script here on this, so I am just doing it from memory—officials will all get nervous now—

Anna Gelderd: We are interested in the connections, as we have said, between those three different areas. With plastics being such a huge part of not just the pollution that catches animals, but the chemicals that come out of them, there is a lot of work here in the UK that the Government are leading on. Anything you want to say on that will be very useful.

Mary Creagh: We know that the ocean is under pressure from acidification, from warming and from the accumulation of persistent organic pollutants, which have been found in everything from plankton to polar bears. Industrial chemicals will be a huge part of that, but I think the research is emerging around microplastics and their role in that pollution cycle. It is early-stage research, but I think we are right to have the precautionary principle and to do everything we can to stop our ocean—we only have one ocean—becoming a global dumping ground for waste.

Q496 **Chair:** Finally, on the finance question, given the global leadership you explained that the UK is playing, how big a disappointment was it that we were unable to reach agreement on the finance?

Mary Creagh: At Cali?

Chair: Yes.

Mary Creagh: I think it is disappointing. Quite a lot of the finance mechanisms are in flux and under review. There is quite a lot of complexity in the resource mobilisation space. As I said, we have worked to publish a transparency index to show where the money is flowing, from where and to where, but there is a review of the different UN financial mechanisms. Finance will continue to flow, even without the agreement, and we still have to meet our global biodiversity framework targets—that does not stop—but it is more challenging to highlight momentum and to reassure other countries that finance will be available to support the implementation. We are supporting them with technical support to help with their NBSAPs and science targets, so we were delighted to be supported by Kew, which was present in Colombia. It has done amazing work in Colombia, one of the most biodiverse—megadiverse—countries on the planet.

Chair: Thank you very much indeed, Minister Creagh, and your officials. We very much appreciate the evidence we have heard.



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Mary Creagh: It has been a joy, Chair, thank you. I wish you all a very merry Christmas.

Chair: Thank you.