

written evidence

Future Enquiries: April 2020

WWF is the world's largest conservation organisation. Our mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by conserving and restoring the world's biological diversity, ensuring that the use of renewable natural resources is sustainable and reducing pollution and wasteful consumption. WWF's 2018 Living Planet Report shows how stark the threat to nature from human activity is, demonstrating a 60% decline, on average, in populations of vertebrate species since 1970 and the UK is now one of the most nature-depleted countries in the world. Despite national and international commitments to reverse the decline of nature, current projections show that we are on course to hand the next generation a significantly more degraded planet than the one we inherited.

Whilst Covid-19 will dominate the agenda in immediate term, decisions taken in coming year will continue shape the direction of our country and have a lasting impact on the state of our planet for future generations. As we prepare to host COP26 next year, the eyes of the world will turn to the UK and provide us the opportunity to lead a global movement built around a better future for our planet. This ambition must be backed up with concrete actions, policies and investment that match our commitments to tackle climate change and nature loss.

We look forward to working with the Environmental Audit Committee (EAC) over the coming parliament to hold the government to account and deliver our shared ambition of leaving the environment in a better state.

Executive Summary

1. WWF proposes the following topics are prioritised to support the expected timelines of UK government activities and international conferences.
 - **Nature based solutions to climate change** - which should investigate the “triple challenge” of climate change, nature loss and unsustainable development, particularly food insecurity in the context of a growing population.
 - **Follow up on the 2018 Green Finance Enquiry**- which should coincide with the Dasgupta Review. As part of this, we suggest following up on the EAC's 2018 UK Export Finance.
2. WWF would also put forward that the EAC bring forward an inquiry into:
 - **The UK's Global Footprint** – that reflects upon the progress made against the commitments in the 25 Year Environment Plan and correspond with the government's response to the Global Resource Initiative's recommendations in 2020.
 - **UK's role in Ocean Recovery** – that focuses on a follow up from the EAC's 2018 Sustainable Seas inquiry
 - **Follow up on the EAC's The Changing Arctic 2018 inquiry**
 - **Covid 19** –Rebuilding our economic and food systems to work for people and planet.

INQUIRY: NATURE-BASED SOLUTIONS TO CLIMATE CHANGE

3. Limiting global warming to 1.5°C will not be possible without addressing the nature crisis. Nature-based solutions¹ (NBS) are a critical component in taking on the triple challenge of climate change, nature loss and unsustainable development, particularly food insecurity in the context of a growing population. Nature-based solutions could provide around 30%² of the cost-effective mitigation that is needed by 2030 to stabilise warming to below 2°C³. WWF and Vivid Economics' Keeping it Cool Report⁴ shows that to meet the UK net zero target, there must be a roll out of ambitious natural carbon removal measures. The UK government has presented nature-based solutions as one of the key priorities it will push forward as the incoming presidency of the COP26. To lead by example, the UK must effectively incorporate nature-based solutions in its Nationally Determined Contribution (NDC) under the Paris Agreement.
4. Therefore, WWF recommends that the EAC holds an inquiry into optimising UK land for climate, people and nature prior to the UK's submission of the first UK NDC. Such an inquiry might consider:
 - **How UK farming can support a resilient food system through nature-based solutions and sustainable agricultural practices:** To join the dots between climate, nature and land degradation, UK farmers must change how they farm. The sector must be given confidence that policy arrangements will support all in delivering nature-based solutions from landscapes, while supporting a more resilient domestic food system.
 - **How the government can ensure existing UK nature-based solutions are protected and the co-benefits maximised:** For example, peatlands in the UK store more carbon than all of our forests put together. However, around 80% of the UK's peatlands are degraded in some way, leaking greenhouse gas emissions out into our atmosphere.
 - **How the government can support upscaling nature-based solutions that deliver multiple benefits for people and wildlife:** For example, trees and forests have the potential to provide a variety of goods and services in the UK. However, this will depend on local circumstances.
 - **The role of supply chain efficiency and consumption:** With an estimated 3.6mn tonnes of food wasted directly on farms, consideration should be made on supply chain efficiencies and measures to support a resilient UK food system.
5. **The critical role of UK seas - current management of our seas is not effective or ambitious enough to tackle the nature and climate crises.** Over the last century, the UK has lost most of its natural coastal ecosystems, just when we now need them most to help us mitigate or adapt to the impacts of climate change, rebuild our fisheries and support coastal communities. It is thought that England alone has lost 85% of its saltmarsh, 95% of its native oyster reefs, and at least 50% (but probably much more) of its seagrass. This reflects hundreds of thousands of hectares of critical coastal infrastructure which are critical nature-based solutions that we have lost. Yet if protected and recovered, these ecosystems could help avoid at least £15 billion losses to GDP each year by 2050 (WWF Global Futures Report). We expand on the critical role of UK seas below, in our Ocean Recovery inquiry section of this submission.

INQUIRY: FOLLOW UP ON THE 2018 GREEN FINANCE ENQUIRY

6. Nature underpins our economy, our society, indeed our very existence, and we need to look at the value of nature in economic and social terms to help us better understand the full implications of policy decisions. WWF's recently published **Global Futures report**⁵ warns of potential risks to the world's economic prosperity if we don't act urgently to halt nature loss.
7. Following on from Green Finance inquiry 2018 and subsequent inquiry into UK Export Finance, the UK government should ensure all foreign investment is aligned with commitments the UK has signed up to under the Paris Climate Change Agreement. Highlighting potential policy incoherence in this regard is particularly relevant to the EAC following the Government's response to The Changing Arctic inquiry in March 2019.

Dasgupta Review

¹ WWF defines nature-based climate solutions as "nature conservation interventions that are intentionally planned to deliver additional tangible and traceable climate adaptation and/or mitigation impacts that have positive implications for human development."

² WWF, "Climate, Nature and our 1.5°C Future" (2019)

<https://wwf.panda.org/our-work/climate-and-energy/climate-nature-future-report/>,

³ Roe, S., Streck, C., Obersteiner, M. *et al.* Contribution of the land sector to a 1.5 °C world. *Nat. Clim. Chang.* **9**, 817–828 (2019).

<https://doi.org/10.1038/s41558-019-0591-9>

⁴ WWF, 2018, Keeping it Cool

⁵ <https://www.wwf.org.uk/globalfutures>

8. The loss of nature is a potential human crisis. The World Economic Forum (WEF) Global Risks Report 2020 ranks environmental risk as the greatest systemic threat to our global economy. IPBES has shown that natural disasters caused by nature loss and climate change cost more than \$300 billion per year, and that currently the estimated economic cost of land degradation is more than 10% of annual global gross product. WWF's Global Futures report estimates the decline of natural assets will cost the world at least £368 billion a year - adding up to almost £8 trillion by 2050. The UK will suffer some of the biggest financial losses taking an annual hit to its economy of at least £16 billion by 2050.
9. The Dasgupta Review was announced by the Chancellor in 2019 and is led by Professor Sir Partha Dasgupta. The Review will:
 - assess the economic benefits of biodiversity globally
 - assess the economic costs and risks of biodiversity loss
 - identify a range of actions that can simultaneously enhance biodiversity and deliver economic prosperity
10. WWF recommends the EAC runs an inquiry into the findings of the Dasgupta review in October 2020 and how the Government needs to respond to it.

UK Export Finance (UKEF) funding fossil fuels in developing countries

11. The government claims that it does not provide subsidies through the UKEF's, as per their own definition. However, there are several cases highlighted through UKEF reporting that contradict this. In December 2018, the EAC launched an inquiry into UKEF, investigating the scale and impact of UKEF's support for fossil fuel energy projects overseas. The final report called for the end of taxpayer support for fossil fuel projects from 2021 and the EAC said that "UKEF's activities are the 'elephant in the room' undermining the UK's international climate and development targets".
12. **There have been worrying developments since the EAC's 2018 inquiry:** In 2019 the UKEF annual report showed an 11-fold increase in support for fossil fuel projects compared with the previous year, when £175 million was provided.⁶ There is also evidence that CDC Group, the Government's development finance institution, is providing substantial funding for oil and gas infrastructure in sub-Saharan Africa and coal-related infrastructure.⁷ In 2020, Global Witness submitted an OECD complaint against the UK government claiming the government's UK Export Finance offered financial support worth £2 billion to overseas fossil fuel projects, ten times more than in 2017.⁸
13. **There continues to be deep policy incoherence** which sees UK investments and aid supporting low carbon development whilst other UK investments and aid supports investments that worsen climate change through carbon-intensive infrastructure and fossil fuel use. For the UK to claim credibility in its efforts to address climate change and demonstrate leadership, carbon reduction must take place across all aspects of UK investment, domestic and foreign.

WWF recommends that in a 2020 inquiry, the EAC could look at how its recommendations have been taken up, particularly considering the UK Government's commitments on net-zero. They could also go further looking at all UK public and private finance that goes into fossil fuel investment in development countries, looking at the scale and impact of this funding.

WWF SUGGESTED INQUIRIES

INQUIRY: THE UK'S GLOBAL FOOTPRINT – RESPONDING TO THE GRI

14. **WWF recommends that the EAC holds an inquiry into the UK's global environmental footprint in 2020.** Economic activity, driven by the UK, is a significant contributor to the destruction of nature, including in vital biomes such as the Amazon. The government recognised this in the 25-year environment plan and took action by setting up the Global Resource Initiative (GRI).
15. Research commissioned by WWF and RSPB⁹ shows that the UK – as the world's fifth largest economy – is a major importer and consumer of seven key commodities closely associated with deforestation: beef and leather; cocoa; palm oil; pulp and paper; rubber; soy; and timber. It shows that to supply the annual UK demand for these seven commodities alone requires a land area more than half the size of the UK.

⁶ [3] https://www.gov.uk/government/news/uk-export-finance-powers-uk-export-boom-with-record-68-billion-support-in-2018-to-2019?utm_source=ede844b3-1744-43e9-8e06-81434d81c5bd&utm_medium=email&utm_campaign=govuk-notifications&utm_content=daily

⁷ [4] <https://www.globaljustice.org.uk/blog/2020/feb/15/doing-more-harm-good-our-latest-report-uks-development-bank-cdc>

⁸ OECD Watch (2020) UK Export Finance fails climate commitments, disclosures https://complaints.oecdwatch.org/cases/Case_568

⁹ <https://www.wwf.org.uk/sites/default/files/2017-10/WWF%20and%20RSPB%20-%20Risky%20Business%20Report%20-%20October%202017.pdf>

16. **The case for government action:** voluntary commitments made by UK businesses to reduce their environmental impact overseas are not working. UK companies operate in, and source products and materials from all over the world, and they have a responsibility to uphold environmental standards wherever they operate. Progressive UK businesses have been attempting to implement ethical supply chain practices to better manage their global environmental footprint in line with international commitments such as the New York Declaration on Forests, Consumer Goods Forum and Tropical Forests Alliance. However, Global Canopy's 2019 Forest 500 report ¹⁰ found that not one of the companies assessed – 130 of which are either based in or have significant operations in the UK – were on track to achieve their commitments. Lack of regulation and consistency around monitoring, verification and reporting has been highlighted as a key factor in each company's failure to achieve their commitment
17. **The Global Resource Initiative (GRI):** WWF welcomed the setting up of the GRI, which aims to ensure that the UK's global commodity supply chain footprint on land, natural resources and ecosystems is sustainable, avoids deforestation and other environmental degradation, and supports jobs, livelihoods and investment in resilient and sustainable food systems. The GRI Taskforce of sustainability leaders from finance, business and civil society was convened to come forward with recommendations for how to achieve this aim. The GRI's recommendations were recently published¹¹ and the government is due to respond by committing to the delivery of a Strategic Sustainable Commodity Action Plan by Autumn 2020. The GRI recommends:
- A legally binding target to end deforestation within agriculture and forestry supply chains no later than by 2030.
 - Urgently introduce due diligence obligation requiring action on commodities that contribute to deforestation on UK market.
18. It was ground-breaking for the UK, an advanced economy, to set up the independent GRI to review how to tackle our global footprint. WWF have been an active partner of the GRI and believe that it is model could be scaled up into a multilateral initiative enabling countries to work together to set nature on the path to recovery. DEFRA Minister Rebecca Pow stated in the Environment Bill Committee and in the House, that the government would seriously consider the recommendations. With the Environment Bill, the UK government has a unique opportunity to respond to the GRI recommendations, improve the Bill ahead of COP26 and lead the world on this issue. WWF recommends, therefore, that the EAC launch an inquiry to correspond with the government's response to the GRI prior to autumn 2020.

INQUIRY: THE UK'S ROLE IN OCEAN RECOVERY

19. WWF suggests that EAC launches an inquiry investigating how the UK can develop a transformational new domestic Ocean Recovery Agenda as part of showing critical ocean leadership on the world stage and as a follow up to EAC's sustainable seas inquiry in 2018.
20. Ocean recovery is central to tackling the nature and climate emergency here in the UK. The ocean has kept our planet stable and safe to live on, absorbing over 90% of the heat and almost a third of the carbon dioxide that humans have ever created. However, UK seas are in crisis, and with only 4 out of 15 indicators of healthy seas officially in "good" condition, including the loss of potentially vital nature-based solutions for climate.
21. A new Ocean Recovery Agenda is needed to reset the ambition and urgency to put UK seas on a path to recovery by 2030 and to be substantially restored by 2050, and we recommend an EAC inquiry to focus on the scaling up of marine and coastal nature-based solutions, setting a new approach to UK seas and what credible global ocean leadership as an Independent Coastal State will look like.
22. **Case study - Seagrass Ocean Rescue.** As presented above, we are losing precious nature-based solutions in our seas, including at least 50% of our seagrass. Seagrass captures carbon from the atmosphere up to 35 times faster than tropical rainforests, making it an important part of tackling climate change. WWF, Sky Ocean Rescue and Swansea University launched a project to restore seagrasses around the UK. Seeds were collected from various locations, cultivated and planted in Dale Bay in Pembrokeshire, where they will grow into a 20,000 m² seagrass meadow. The freshly planted seagrass is expected to trap up to half a tonne of CO₂ per hectare each year once fully established and will act as a nursery for a wide variety of marine life. This pilot project will create a model that could lead the way for large-scale seagrass restoration throughout the UK.
23. **Rebuilding climate and nature positive fisheries:** The concept of fish as an industrial resource has been separated from the importance of fish as a key part of nature and the carbon cycle. It is also often forgotten that it is a public resource which should be managed for maximum societal benefits –

¹⁰ https://forest500.org/sites/default/files/forest500_annualreport2019_final_o.pdf

¹¹ <https://www.gov.uk/government/publications/global-resource-initiative-taskforce/global-resource-initiative-terms-of-reference>

which includes increasing our resilience against climate change. Fisheries continue to be the biggest direct cause of biodiversity loss in the ocean and are driving climate change by damaging vital marine habitats known to store carbon. Restored fish stocks could help deliver greater ocean health, capture carbon, contribute to food security and deliver income and livelihoods for generations to come.

24. **We must manage our marine environment in a more holistic way, both at home and abroad.** The existing legal and governance landscape adopts a piecemeal approach to ocean protection, with obligations spread across several pieces of legislation and policy. At the governance level, responsibility for managing and conserving the marine environment is split between multiple institutions often with nature conservation measures given secondary priority to the continuation of damaging economic activities. As there are so many different organisations managing a single, shared public resource, all with differing priorities, resource and scope, and without an overall unifying strategy, conflict and competition between organisations arise, slowing down and in some cases completely stalling progress. There is little legal obligation on UK governments to restore the condition of their waters. It also has resulted in a lack of a voice for local coastal communities, which are and will be at the front line of the climate crisis and whose voices will be critical as part of a just transition towards ocean recovery and net zero.
25. **Significant changes to how we manage our seas will be necessary in order to drive recovery,** hold governments to account, simplify governance structures, remove barriers to restoration, and secure necessary investment. As well as protecting what's left, the scale of the nature and climate emergencies require new efforts to actively restore these habitats that have been destroyed or damaged. This is an emerging area of work that urgently needs coordination at both the national and local levels and must be done with the support and involvement of local communities. WWF are calling on the government to develop a truly world leading Ocean Recovery Action agenda (ORCA) for domestic waters, translating bold global commitments into practical action at home. This ocean recovery agenda could be launched at COP26, setting an exemplar for other countries to follow suit.

INQUIRY: FOLLOW UP ON EAC'S 2018 THE CHANGING ARCTIC INQUIRY

26. **WWF recommends that the EAC hold a follow up inquiry to their The Changing Arctic inquiry.** In the Government's response to the EAC in March 2019, they reiterated their support for the SDGs and the Paris Agreement whilst accusing the EAC of making "an untrue and baseless statement" regarding the government encouraging oil and gas exploration in the Arctic.
27. The UK's Arctic policy is aimed at assisting Arctic nations to develop sustainably. However, the Arctic is on the front line of climate change, and thus the greatest threat to its people and wildlife is driven by burning fossil fuels. In its Arctic policy framework, the Government states that the world will need new fossil fuel sources "for decades to come. Supplying this demand will require exploration of new potential resources, with the Arctic, with its significant hydrocarbon reserves, potentially playing a major role."
28. WWF's unpublished report, Arctic Warming: UK business activities and investments in a warmer Arctic¹² highlights the scale of UK oil and gas interests in the Arctic, as well as the unsustainability of continued oil and gas exploitation. WWF has found that in 2019, UK financial institutes had £245 billion invested in oil and gas companies with interests in the Arctic. By keeping fossil fuel development in the Arctic policy framework, they continue to tacitly support the exploration and development of fossil fuels in the Arctic.
 - In 2019 there were 66 active UK-registered companies in the Arctic. Forty-five of these are in the top 393 active companies in the Arctic. When shipping is excluded, the UK has the highest amount of direct business activity in the Arctic of any non-Arctic state.
 - UK companies hold significant investments in the Arctic. In total, 176 UK investors hold investments of £279 billion in 109 companies that are active in the Arctic.
 - Nearly two-thirds of these investments are made by mutual and pension funds, nominees, trusts, trustees, and banks.
 - Eighty-eight percent (£245 billion) is invested in oil and gas companies that are active in the Arctic.
 - The extraction of oil and gas reserves in the Arctic would be incompatible with meeting a 1.5°C degree target for global warming under the Paris Agreement.
29. **Overall, there is a risk of systemic incoherence in UK government messaging and actions.** As presented above, the UK's presidency of COP26, combined with its world leading net zero commitment provide an excellent opportunity to continue a public discussion about the UK's international support for the oil & gas industry.

¹² WWF-UK (to be published) Arctic Warming: UK business activities and investments in a warmer Arctic

INQUIRY: RESPONDING TO COVID 19 IN A WAY THAT WORKS FOR PEOPLE AND PLANET

30. It is impossible to ignore the impact that Covid 19 has had on all our livelihoods, and there is no doubt that it will place unprecedented pressure on our economy. **WWF recommends that the EAC should launch an urgent inquiry looking at the response to Covid 19.**
31. Any fiscal and economic stimulus packages and support need to be in line with the UKs commitments to Net Zero, the Paris Agreement and the SDGs. There is an opportunity to 'build back better' supporting our economy to grow in low carbon and environmentally sustainable ways. Going back to a 'business as usual' model would not serve the short, medium- and long-term needs of our population. We need an economy that supports peoples' health (mental and physical) and the health of our natural environment.
32. Additionally, COVID 19 has shone a spotlight on the security and sustainability on our food system and supply chains. Given the ongoing review of the UK food strategy, coupled with agriculture reform and the development of international trade agreements, it would be timely for the committee to investigate how we might **rebuild our food system in a way that works for people and planet.**

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