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UK Government Authorizes Consultation to Spur Investment in Nature Recovery Initiatives

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By Sukhvir Basran
Partner | Financial Services

On March 23, the British Standards Institution (BSI), the UK National Standards Body, **announced the launch** of a three-year Nature Investment Standards Programme and related consultation, which aims to stimulate private sector investment in nature recovery initiatives and nature-friendly farming. The consultation aims to identify current barriers to investment and address related concerns, such as the absence of “standardized, transparent data.” BSI is **partnering with** the UK Department for Environment, Food & Rural Affairs (Defra) on the Nature Investment Standards Programme.

Through the Nature Investment Standards Programme, the BSI and Defra intends to work closely with the Devolved Administrations in Scotland, Wales and Northern Ireland as well as stakeholders in the conservation and agricultural sectors to craft a new consensus-based framework to identify, prioritize and develop standards to address key market gaps and build high integrity nature markets. Programme objectives include 1) enabling the scaling up of high integrity markets that trade in ecosystem services to support the flow of private sector investment into nature; 2) building market participant trust by guarding against greenwashing; 3) accelerating progress on environmental goals including net zero and reversing biodiversity loss; and 4) empowering regulators and other experts to engage with and support the development of nature markets that are robust, transparent and fair.

BSI and Defra are kicking off the Programme with a consultation open until the end of May 2023. Input will be gathered from public body, land management, environmental and financial stakeholders across the UK Those who wish to participate should complete an **online form**.

Taking the Temperature: The Nature Investment Standards Programme is one of several recent undertakings in the UK to encourage more private sector investment in nature. In April, we **reported on the publication of the UK’s updated 2023 Green Finance Strategy**

and the publication of a nature markets framework to scale up private investment in nature recovery and sustainable farming.

The UK government's recent efforts are reflective of growing global recognition on the importance of biodiversity and habitat preservation. [As we reported](#) in January, the United Nations Biodiversity Conference (COP15) ended in Montreal, Canada, on December 19, 2022 with a landmark agreement to protect at least 30% the planet's lands, inland waters, coastal areas and oceans by 2030 as part of the adopting of the Kunming-Montreal Global Biodiversity Framework.

According to a United Nations report issued at the end of last year, by 2050 the total investment needs of nature will total \$8.1 trillion, or \$536 billion annually, which is over four times the amount currently invested on a yearly basis. The world's governments currently provide 86% of nature-based solutions financing and will be unlikely to significantly increase this funding due to fiscal challenges related to conflict, debt and poverty, according to the United Nations Environment Programme (UNEP)'s December 2022 [State of Finance for Nature report](#). Private capital currently comprises only 14% of global investments in nature; significantly increasing non-governmental nature-focused investment is critical, according to UNEP. Pressure from environmental pressure groups is also growing in this area, and in March [we covered](#), for example, a UK NGO report which claims that asset managers are lagging on climate and biodiversity stewardship.