



A STATE OF NATURE TARGET  
**THE BUSINESS CASE**

Wildlife and  
Countryside





# INTRODUCTION

**There are many reasons why the Government should set a binding target in the Environment Bill to halt and begin to reverse the decline of nature in England by 2030.**

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As we face the reality of ecological emergency, and the impending loss of precious wild places and species, a statutory target could lock in the political resolve for change, reaching beyond the term of a single Parliament to ensure that present and future Governments take action.

As we approach critical international talks on climate and nature, bringing such a target to the table could lend strength to the Government's negotiating position and help to secure a powerful global deal for wildlife and habitats.

But an equally persuasive case for a statutory target in primary legislation is the business case.

There are two main reasons why businesses and economists should be concerned with nature.

## **The first is protection against harm.**

Our entire economy relies on natural capital and the ability of nature to support the services that specific sectors and businesses depend on. Farmers rely on the soil; water companies rely on our rivers and streams; retail and development rely on secure supply chains; businesses and communities large and small depend on nature's ability to regulate fire and flood. All of these are at risk if we continue to erode our natural assets and neglect the ecosystems.



## **The second is the case for investment.**

Public money and regulation are essential for improving the State of Nature, but they are unlikely to be sufficient. Private capital will be needed at scale to stimulate and sustain the natural capital asset maintenance needed to set our economy on a sustainable footing. At the moment, however, investment is stymied by classic problems of environmental externalities and free-riding. While the benefits of investing in nature remain long-term and open to everyone, few businesses are able to make the case to invest. As we have learnt from climate change, water, and many other examples, statutory obligations are necessary to give businesses the legal certainty they need to justify investment.



Left to right: Lord Randall (Conservative), Baroness Jones (Labour), Lord Krebs (cross-bench), Richard Benwell (Wildlife & Countryside Link), Becca Speight (RSPB), Baroness Parminter (Liberal Democrat), Darren Moorcroft (Woodland Trust), and Craig Bennett (furthest right) (Wildlife Trusts) hand in the public petition for a State of Nature target to Rt Hon George Eustice MP (Defra, second from right) on behalf of the coalition.

So far, in the Environment Bill, the Government has committed to legally-binding targets, including a 2030 target for the abundance of species. As this pamphlet goes to print, important new amendments have been proposed to set the level of ambition in primary legislation: to halt the decline by 2030. This would provide an essential signal to business that the State of Nature must be improved.

In this pamphlet, leading thinkers from the world of green finance and business offer their views on why a State of Nature target would be a business-positive addition to the Environment Bill, as well as a nature-positive addition. We hope that Government and Parliamentarians will seize this opportunity for a “net zero for nature” and all the environmental and economic benefits it would bring.

*September 2021*

# THE IMPORTANCE OF A STATE OF NATURE TARGET

James Cameron, Senior Advisor

Valerie Pinkerton, Project Manager, The Pollination Group<sup>1</sup>

The UK was the world's first major economy to establish a national net-zero target in law, setting a global benchmark for serious climate ambition. Yet it has become increasingly clear that strategies to mitigate climate change must be integrated with measures to tackle the global biodiversity crisis. A fragmented approach risks systemic failure and severe unintended consequences.

To ensure coordinated strategies guide decision-making on land-use at the national level, the UK must implement a legally binding State of Nature target to halt the decline of biodiversity by 2030. Elevating a nature-positive target to the statutory footing of the Climate Change Act will ensure the UK delivers both high-integrity nature-based mitigation and fortifies its climate resilience through the restoration and regeneration of natural systems.

As agriculture and land use represent 12% of all UK emissions, nature-based solutions (NbS) have an integral role to play in meeting the UK's net-zero target.<sup>2</sup> Analysis from WWF and RSPB finds that protecting existing natural carbon stocks will secure the equivalent of 36 years of UK emissions at 2018 levels, while nature can further deliver additional climate mitigation of 75-123 MtCO<sub>2</sub>e by 2030.<sup>3</sup> Though forests have the highest sequestration rates in the UK, peatlands hold the largest carbon stores of all habitats;<sup>4</sup> however, their extensive degradation means these

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systems represent the largest emissions source, 24.5 MtCO<sub>2</sub>e, across the Land Use, Land-Use Change and Forestry (LULUCF) sector.<sup>5</sup> Nature's mitigation benefits extend beyond terrestrial systems, with the Office for National Statistics estimating that the UK's blue carbon habitats, like saltmarsh and marine sediments, sequester between 10.5 and 60.1 MtCO<sub>2</sub>e/year.<sup>6</sup>

Despite the enormous potential for restoration of natural systems to deliver significant mitigation benefits, unless they are well-designed, carbon-based incentives risk driving interventions at the expense of protecting biodiversity, undermining their long-term resilience and capacity to serve as carbon stores. A legal biodiversity target could help ensure landscape-scale restoration both delivers significant mitigation, while guaranteeing ecosystem integrity and function in a changing climate.



Natural restoration can further build the UK's climate resilience. For example, the Climate Change Committee (CCC) finds that 1.9 million people across the UK already live in areas at significant risk from flooding, a population which could double by the 2050s. To mitigate increasing flood risks, the CCC recommends implementation of NbS, such as coastal habitat conservation and sustainable drainage solutions, to restore marine and freshwater biodiversity while protecting vulnerable communities.<sup>7</sup>

However, the potential for NbS to contribute to climate mitigation and adaptation will be influenced by the speed with which emissions are reduced, as the UK's biodiversity is vulnerable to the impacts of climate change. Climate modelling from the CCC finds that 36% of species in England were at risk of range loss, with increasing temperatures, changing rainfall patterns, wildfire risks, and increasing numbers of pests, pathogens and invasive non-native species affecting terrestrial biodiversity.<sup>8</sup> These risks will exacerbate the ongoing degradation of the UK's natural environment, which already has the lowest level of biodiversity remaining among the G7 nations. Indeed, 15% of UK species are threatened with extinction and 41% of species surveyed have declined in population since the 1970s.<sup>9</sup>

To capture and reward both the mitigation and adaptation benefits of nature, we must address the range of cumulative threats to natural systems. Unsustainable agricultural and woodland management, and climate change present two of the top pressures on the UK's nature.<sup>10</sup> Much like a price on carbon can serve as an economy-wide discipline to meet climate ambitions, a binding nature target could shape decision-making on land-use at all levels. Policy change to scale adoption of regenerative agriculture and other sustainable land-use practices can deliver a virtuous cycle. Healthy ecosystems will sequester carbon, reducing climate impacts on biodiversity, in turn supporting their ability to deliver other adaptation co-benefits.

Alongside the net-zero target, a State of Nature target would provide an overarching strategy to integrate how new environmental, agricultural and planning policies will deliver on the ambition of the 25 Year Environment Plan.





The UK is again poised to lead on the world stage by sending a long, loud and legal signal on biodiversity, in tandem with existing climate legislation. A measurable, enforceable target to halt species decline, tied to a clear baseline, is the first step towards meeting the UK's international commitments on nature, such as the Leader's Pledge and the G7 2030 Nature Compact.

A State of Nature target would greatly assist in delivering mutually supportive solutions to the interrelated and interdependent climate and biodiversity crises. Alongside the net-zero target, a State of Nature target would provide an overarching strategy to integrate how new environmental, agricultural and planning policies will deliver on the ambition of the 25 Year Environment Plan. New policy initiatives like the Environmental Land Management scheme and Biodiversity Net Gain (BNG) should connect to a broader target to restore biodiversity, supported through Local Nature Recovery Strategies and development of the Nature Recovery Network.

Effective implementation will depend upon a clearly defined vision of success and meaningful allocation of resources for capacity building among landowners to undertake a transformation in land-use practices. The State of Nature target will critically form part of a new set of regulations needed to ensure emerging markets for nature deliver public goods and provide real access to new revenue streams, especially for small-holder farmers who are vulnerable in the agricultural transition period.

Similarly, a legal target could help ensure the UK Infrastructure Bank's net-zero mandate is interpreted to mean valuing nature properly and consistently. We must not waste the unique opportunity presented by the design of this new institution to mobilise funds for nature-based climate resilience initiatives and green infrastructure, as well as include impacts on biodiversity in project selection criteria.





A legal obligation to halt species decline will underpin the design of infrastructure that is both fit-for-purpose in a changing climate and contributes to natural restoration.

We are embarking upon a national transformation in an international context. The UK is again poised to lead on the world stage by sending a long, loud and legal signal on biodiversity, in tandem with existing climate legislation. A measurable, enforceable target to halt species decline, tied to a clear baseline, is the first step towards meeting the UK's international commitments on nature, such as the Leader's Pledge and the G7 2030 Nature Compact. The success of both the Government's net-zero and nature-positive goals will depend upon a strong legal foundation to accelerate integrated action on both challenges, including investment at the right scale which respects the uniqueness of place. The UK must seize this unique opportunity to reinforce the linkage between climate and biodiversity, setting an international example to showcase through UNFCCC COP26 and CBD COP15.



**James Cameron**  
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**Valerie Pinkerton**  
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1. Pollination is a specialist climate change advisory and investment firm, accelerating the transition to a net zero, climate resilient future.
  2. Climate Change Committee (2020) The Sixth Carbon Budget.
  3. WWF and RSPB (2020) The Role of Nature in a UK NDC.
  4. Natural England (2021) Carbon Storage and Sequestration by Habitat: A Review of the Evidence.
  5. Climate Change Committee, see note 1.
  6. Office for National Statistics (2021) Marine Accounts, Natural Capital, UK: 2021.
  7. Climate Change Committee (2021) Independent Assessment of UK Climate Risk.
  8. Climate Change Committee, see note 4.
  9. House of Commons Environmental Audit Committee (2021) Biodiversity in the UK: Bloom or Bust?
  10. State of Nature Partnership (2019) State of Nature 2019.
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# GETTING TO NATURE POSITIVE



■ **David Young**, Senior Fellow, The Broadway Initiative<sup>11</sup>

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As the Dasgupta Review has highlighted, by failing to properly value nature we systematically underinvest in its protection and restoration. After decades of decline, we are now in a position where the scale of change required to restore nature across the UK is beyond the resources available from government and philanthropic sources alone.

We urgently need an effective strategy to finance UK nature's recovery—to substantially increase the amount of funding available to pay for nature and the environmental services nature provides. Much of this funding needs to come from the private sector. But we will only secure private investment in nature at scale if we have a robust regulatory framework, guided by a clear statutory target for nature's recovery that can drive demand for investment.

## **Long term targets—essential but not sufficient**

Long-term legally binding targets for the natural environment are an important driver for the development of policies and programmes to restore nature. A legally binding target for nature is crucial for setting the level of ambition. Halting the decline of nature by the end of the decade must surely be the bare minimum. To give that target the legal prominence and certainty needed to stimulate private sector investment quickly and at scale, the target should be included in primary legislation in the Environment Bill.

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Of course, governments are rightly hesitant to commit to targets, even long-term ones to be delivered over multiple electoral cycles, without a clear sense of how the target can be achieved. On their own long-term targets do not drive investment in on-ground action, but they do provide a critical foundation to stimulate demand in the market delivery infrastructure that must follow. In this case, setting a nature target on the face of the Environment Bill would be a fixed point of ambition to guide allocation of effort and action for particular sectors.

By way of illustration, the legally binding target to de-carbonise the economy could not be achieved without delivery targets and concrete mechanisms to drive investment in clean energy through for example renewable energy and energy efficiency. Similarly, a legally binding target for biodiversity such as species abundance and diversity, needs to be backed by clear targets and binding obligations to invest in nature and nature-based solutions.





Delivery plans to achieve long-term targets for the natural environment must therefore be ‘investment grade’, and establish ‘long, loud and legal’<sup>12</sup> obligations for nature recovery. As has been demonstrated in the clean energy sector, the investment certainty provided by such obligations can facilitate the creation of markets for nature that will attract investment at scale.

### **Accepting institutional failure**

For many, the idea that markets—that have so clearly failed to protect the environment and, on the contrary, have driven its degradation—should be harnessed to restore nature, is anathema. It is right to recognise the risks of a market approach to help design an environmentally robust framework. However, the scale of market failure to internalise the cost of environmental degradation has been surpassed only by government failure to protect and restore nature.

In England, Environmentally Sensitive Areas and Countryside Stewardship (2000–2006) were followed by Environmental Stewardship (2007–2013) and then Countryside Stewardship again (2014–2024). Billions of pounds of taxpayer money have been spent and nature’s decline has not been halted. The old saying about doing the same thing over and over again and expecting a different result springs to mind! As someone responsible for overseeing the design of one of these programmes, I console myself that without them, the state of nature in England could be even worse. We need to accept that by themselves subsidies, government grants and payments for environmental services cannot address the institutional failures that are distorting the economics of land use in the UK and driving nature’s decline. Putting UK nature and its recovery onto a sustainable financial footing requires us to do things differently.



### Good business sense for landowners

Efficient and high integrity markets for environmental services have been shown to be very effective in attracting private investment, and in almost every case a strong statutory target is the common feature that has driven demand. Markets for air and water quality improvement, and renewable energy and energy efficiency have delivered substantial private investment in environmental outcomes in countries such as the US, Australia, Italy as well as the UK.

Some sectors are particularly important in effecting a transition to a nature-positive economy. A binding target in the Environment Bill to halt nature's decline by 2030, backed by market mechanisms for delivery across key industries like water, farming and land management, are the missing ingredients in stimulating demand for investment in nature.

Establishing obligations to invest in nature will help internalise the cost of harm to nature and provide a sustainable driver for its recovery. But to address the underlying economics of land use there is a need for a fundamental change in how we value and pay for nature. We need investment in nature to be just good business sense for farmers and land managers.

Establishing obligations to invest in nature will help internalise the cost of harm to nature and provide a sustainable driver for its recovery.

Markets for nature can drive a new nature recovery industry across the UK, which can make a major contribution to wider social policies such as a 'just transition', and 'levelling up'.

Paying landowners a market price for the environmental services they provide will integrate nature into land use and management decisions. By doing so, farmers will be able to diversify their revenue and obtain a long-term source of income. And by securing nature across the landscape, as well as in protected areas, farmers will be help build nature's resilience to climate change.

To achieve this we need to move away from purely relying on governments to pay fixed prices for a set menu of environmental activities; we also need markets where farmers and land managers can obtain an economic price for nature and the environmental services it provides.





### A new industry for nature recovery

Markets for nature can drive a new nature recovery industry across the UK, by establishing standards, reducing transaction costs and incentivising innovation and new business models. Scaling up nature recovery can also make a major contribution to wider social policies such as a 'just transition', and 'levelling up'.

Paying farmers and land managers a market price for the environmental services they provide will integrate nature into land use and management decisions. By doing so, farmers will be able to diversify their revenue and obtain a long-term source of income. And by securing nature across the landscape, as well as in protected areas, farmers and land managers will help build nature's resilience to climate change.

We urgently need to establish integrated environmental outcomes for areas, catchments and regions. This is a critical task that requires the silos currently driving perverse outcomes to be broken open, and a substantial commitment to inter-agency collaboration.

To drive this change we need to commit to allocating public funding such as ELM, and regulated expenditure such as the Water Industry National Environment Programme in a different way to provide incentives for private investment in multi-functional nature-based solutions.

Over time, governments can then become the purchaser of last resort, with tax payer funding being spent where it is most needed – where markets cannot or will not deliver. However, this also requires a shift in mindset to outcome and risk based regulation..

**Strengthening the Environment Bill itself, with a target in primary law to halt nature's decline by 2030, would provide the strong legal foundation needed to help bring these significant and essential markets into operation.**



## Better regulation

To be clear, a market based approach is not about de-regulation, it is about better regulation. In fact markets for nature require more regulatory certainty than currently exists.

Markets for nature need to be underpinned by clear standards and processes to measure and accredit the environmental services nature provides. High integrity is essential. Currently we only have the Woodland and Peatland Carbon Codes, with other standards being developed in a piecemeal uncoordinated way. Standards urgently need to be developed against an overarching set of principles, and be integrated and streamlined to reduce the cost of nature based project development..

Independent institutional arrangements for market governance and operation also need to be established, supported by publicly available data and market information from effective monitoring and verification.

An Investment Framework is a key tool to provide the policy, regulatory and operational certainty needed to attract private investment at the scale required to get to nature positive.

## Financing UK Nature Recovery

The Broadway Initiative is part of the Financing UK Nature Recovery Coalition which is working with governments across the UK to develop a roadmap scaling up high integrity environmental markets in the UK.<sup>13</sup>

Over the past 12 months we have been consulting and engaging with the finance sector, landowners, eNGOs, policy makers and regulators across the UK, on an Investment Framework to drive nature recovery.

A Strategic Directions Paper setting out a draft Investment Framework, and the key directions required for its implementation, will be released for consultation in late summer to be followed by a Roadmap and Recommendations in the Autumn.

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<sup>11</sup> The Broadway Initiative is an alliance of business organisations working with professional, academic and environmental groups on the frameworks, plans and partnerships needed to meet net zero emissions and wider environmental goals.

<sup>12</sup> Kirsty Hamilton, Unlocking Finance for Clean Energy: The need for 'Investment Grade' Policy Chatham House December 2009.

<sup>13</sup> For information about the Financing UK Nature Recovery initiative go to <https://financingnaturerecovery.uk>



# NET ZERO FOR NATURE: A FARMER'S PERSPECTIVE



■ **Martin Lines**, Chair, the Nature Friendly Farming Network

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In early August 2021, the UN's Intergovernmental Panel on Climate Change (IPCC) released its first major review of climate science since 2013. In the same week, wildfires blazed through Europe, North Africa and North America sharing headline space with the IPCC's findings, making it difficult to feign ignorance of our changing climate. As farmers, it's harder to ignore the increasing extremities of our weather systems, where growing unpredictability drives devastating impacts through increased flooding, prolonged drought and extreme heat. Climate change threatens our food security, biodiversity and human health, but at the root of the problem lies our relationship to the solution: nature.

In complex ways, humanity has impacted our natural world and society's activities have had direct consequences to the environment. This can be seen through soil erosion, biodiversity loss and rampant pollution. In recent decades, nature has often been marginalised as something 'nice to do' rather than imperative in securing a healthy future for all. Nature has been viewed as an interference to intensive food production – the by-product of post-war's "Dig for Victory" mindset – or as a mechanism to exploit for financial reward. In the past, agriculture and food supply policies have put the sector under pressure to produce low-cost food to the detriment of our biodiversity. Often the focus on yield and output fails to measure what we are doing for nature, yet in reality, farming and nature's partnership can ensure long-term prosperity.

The majority of farmers know that we need to invest more in nature to underpin our businesses which, in turn, underpin the whole of the UK's £100bn food and drink sector. But we need clear direction from Government to help deliver a strong and fair shift to a better way of farming and to plan our businesses for a greener future.

Nature as natural capital is the driving force of a successful and thriving farm business. Without healthy soils, how can we produce food in the long term? Without biodiversity, how can we maintain consistent yields? Without clean, healthy water, our landscape is less resilient to change. For several decades, farming at large had been blind to nature's decline and a faux sense of indestructibility had set seed, yet the reality of our future remains certain: farming cannot exist if the very foundations it prospers on is eroded, degraded or threatened into obscurity.

While high-yields and large land sizes were the bedrock of farming's modern intensive past, the call is coming loudly from farmers that we need to re-establish a balance between business and the natural assets it relies on.



Even in the most conventional farming businesses, there is a good understanding that our natural assets provide the foundation of productivity and output. The majority of farmers know that we need to invest more in nature to underpin our businesses which, in turn, underpin the whole of the UK's £100bn food and drink sector. But we need clear direction from Government to help deliver a strong and fair shift to a better way of farming and to plan our businesses for a greener future.

Now is the time for farming to embrace the opportunities it has for shaping the future of our environment, at the same time as producing plentiful healthy food. For this to be possible, nature needs to be brought in as a shareholder, where farming can offer positive solutions to environmental degradation. For decades, we have overlooked how farming's protection and enhancement of a nature-rich landscape can safeguard our nation's livelihood, but now, more than ever, we need flourishing natural capital to help us effectively achieve long-term sustainability. And we need that message to come loud and clear from Government.

The sector is uniquely placed to deliver on the 25 Year Environment Plan's ambition to leave our environment "in a better state than we found it". Restoring natural habitats across England's farmlands has huge potential if

Not only does a "state of nature" target help to provide a long-term direction of travel, where nature is incorporated into the heart of business decision making, but also in assessing and measuring progress as we do so.

actioned through nature-based solutions, but despite Defra's best intentions, this is yet to be underpinned by legal targets to achieve these aims – a nature target can fill this gap.

With farmers' natural capital managed proactively to restore our ecosystems and protect the environment, the Government will be better supported to meet their international commitments. But how can the UK meet global biodiversity targets without a legal statement of intent domestically? Without ambitious targets to meet, how can farmers showcase their value?







As the sector rises to the challenge of mitigating the climate and nature emergencies – as the sector experiencing its effect at the frontlines – a robust domestic target is crucially important. Not only does a “state of nature” target help to provide a long-term direction of travel, where nature is incorporated into the heart of business decision making, but also in assessing and measuring progress as we do so.

Many farmers who already undertake regular soil analysis, water-quality monitoring, carbon storage calculation and bird and habitat surveys can collect the necessary data to demonstrate this return on investment. A clear biodiversity target will help farmers measure our productivity against a return for nature, helping us to work with nature instead of against it. To truly turn the tide of farming’s effects on land use, biodiversity targets will play an unequivocal role in providing confidence and assurance to farmers on the road to achieving nature’s recovery.

A mindset change is as much a part of a new system as the policy frameworks needed to instil action and delivery. That mindset is guided more than anything else by the priorities Government sets for us. A state of nature target would send a signal to the sector that our work for nature is important and valued. As such, valuing environment and biodiversity outputs as equal

to business outputs needs to be incentivised through fair reward for delivering public good through on-farm solutions – where the benefits of climate mitigation, carbon storage and biodiversity restoration will be reaped for generations to come.

**We can’t change with confidence when the future is so unclear. We need a State of Nature target to help us transform and improve our businesses, to improve the resilience and productivity of the UK’s wonderful food and drink sector, and to help us deliver Government’s climate and nature aspirations.**

Delivering these objectives across England will require significant long-term investment and a long-term direction of travel, where outcomes and priorities for farming and land management are clearly outlined, and farmers are supported to transition to a nature-friendly farming future. Like any business, farmers need certainty about future expectations to plan our investments and operations. From small family farms to large agri-businesses, investment and planning cycles are long, and we need the pathway that a state of nature target would give to help us make good business decisions.



If nature-based solutions aren't driven to the fore, we will continue to experience damaging declines in our soil, water and air quality, with many species struggling to cope in a landscape that's polluted and unfit for biodiversity. A commitment to nature-friendly farming will be vital in ensuring the sector is capable of delivering a "state of nature" target. Without targets, environmental ambition amounts to no more than warm words in place of tangible and necessary action.

In ten years' time, rather than awaiting the release of yet another depressing report highlighting the ongoing decline of nature, think of the alternative. Species are recovering, our environment is improving and farm businesses are more resilient, profitable and productive. This is realistic, and readily achievable, but we need clarity and purpose to turn an aspirational vision into a reality.

Farmers are the delivery agents of so much of the Government's environmental and economic agenda, and we know we need to change, but this is a time of huge uncertainty from changing markets and regulations, to fluctuating weather and prices. We can't change with confidence when the future is so unclear. We need a State of Nature target to help us transform and improve our businesses, to improve the resilience and productivity of the UK's wonderful food and drink sector, and to help us deliver Government's climate and nature aspirations.



Getting nature finance flowing:



# A WATER INDUSTRY PERSPECTIVE

■ **Dr Kate Trumper**, Senior Strategy & Policy Analyst, Anglian Water

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The future of the water sector depends on the future of nature.

There is no simple “engineered solution” to managing water. Our ability to provide safe drinking water, to deal with wastewater, and to contribute to flood risk management all rely on working with our environment. We need healthy flowing rivers and the power of nature to clean, slow and store water.

Unfortunately, there has been a long history of under-investment in natural assets. The ability of the natural world to continue to provide the services we need is under strain. It is no accident that we are facing both an ecological crisis and rising challenges for water quality and maintaining healthy flowing rivers. The two are interconnected.

Poor catchment condition can cause a reduction in water quality and result in increasing treatment costs for the industry. Growing pollutant loads can multiply treatment costs. Pressures from over-abstraction and climate change put our ability to meet future customers’ needs at real risk.

The more we learn about the fragility of nature and our reliance on ecosystem resilience, the more it is clear that our industry has a clear business imperative to stand up for nature.

For the water industry, a powerful State of Nature target on the face of the Environment Bill is surely a business no-brainer.

## Critical to investment


Unfortunately, while this interdependence between nature and the water sector is becoming more apparent by the day, our ability to respond is still much more limited than we would like.

As a regulated sector, the way we raise and invest money is closely linked to our statutory duties and obligations. Within that structure, at Anglian, we are working hard to improve nature. We are creating innovative treatment wetlands, investing hundreds of millions of pounds in nature, and aiming to achieve net gain for nature on our 7,000 hectare estate.

But we would like to do much more.

We think the Government should set a clearer signal that our industry has a responsibility to invest in nature’s restoration. Anglian Water has the largest Water Industry National Environment Programme in the country in this five-year period but we know the next one for 2025-2030 will need to be larger still. At every Price Review our investment in the environment is constrained by economic judgements about cost-effectiveness and affordability.

**For the water industry, a powerful State of Nature target on the face of the Environment Bill is surely a business no-brainer.**



Setting a strong target in the Environment Bill to halt nature's decline by 2030 would help establish once and for all that we have a responsibility to invest, and that the economic case for environmental enhancement has now overwhelmingly been made.

Critically, it would help give the water industry a focus beyond the Water Framework Directive, which has been the driving justification behind much of our recent investment. With the final WFD milestone of 2027 fast approaching, we need new statutory targets - for river health as well as nature - to shape our long-term investment plans.

The environment does not come in discrete parcels that we can manage separately to deliver the improvements we need. They come as integrated ecosystems that need to be looked after as a whole. A State of Nature target would help us to broaden out our investment plans to work with others to protect whole catchments.

The state of nature is bound up in so many different decisions by so many different sectors that a collaborative approach is needed, underpinned by an economy-wide statutory signal that action and investment are necessary.

### We can't go it alone

We know that the water sector can play a central role in restoring nature. Our role puts us at the heart of a critical building block of ecosystems; healthy catchments often mean a healthy environment. Our investment could make the difference between whether restoration is successful, and a clear statutory target will help us guide and refocus our efforts.

But we cannot achieve change alone.

Our work brings us into contact with many other sectors that have a huge role to play in nature's future. For example, we advise farmers on how to reduce nutrient loading in rivers; we work with planning authorities and developers to make housing growth more sustainable; and we work with local rivers and wildlife trusts to develop nature-based approaches to water treatment.

A State of Nature target will help to ensure that our collective efforts to restore nature are aligned, giving confidence to other sectors to invest alongside the water industry. The state of nature is bound up in so many different decisions by so many different sectors that a collaborative approach is needed, underpinned by an economy-wide statutory signal that action and investment are necessary.





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## We need government

So often, laws and regulations are portrayed as a brake on business, an impediment that gets in the way of what we want to do.

In this case, it is quite the opposite.

We know that there are investors out there waiting to be part of projects to restore nature. We know that our customers care about the natural environment. We know that our ability to continue to provide clean water and well-functioning catchments depends on our ability to maintain healthy ecosystems.

Long-term provision of sustainable water supplies is among the most urgent global challenges but it is also a risk we face in the East of England. We serve the driest yet one of the fastest growing regions of the UK, and we will struggle to secure a sustainable water system for the East of England unless we can ensure that natural ecosystems and the services they provide are improved.

We need our regulatory framework to evolve to cater for this urgent environmental reality. We need other sectors to work alongside us so we all succeed. And we need Government to give us the legal certainty that environmental improvement will be at the forefront of our collective mission for the decade ahead.

Setting a State of Nature target in the Environment Bill would not be a business burden for us, it would unlock the investment we all want to see. We hope Parliamentarians will support this vital amendment to the Bill.



# THE CONTRIBUTORS

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**James Cameron** An award-winning recognised authority in the global climate change movement, James is an advocate for sustainability and a catalyst for galvanising

change where it has the biggest impact on environmental challenges globally. A qualified Barrister with 30+ years' experience across legal (Baker & McKenzie), academic (Yale, University of Oxford, Imperial College London, Overseas Development Institute), business (Climate Change Capital, Pollination Global, Systemiq, Tulchan, Solarcentury), Government (UK Prime Minister's Business Advisory Group, COP22, COP23, COP26), and advisory roles (NESTE, Heathrow 2.0, AVAIO Capital), James is uniquely placed to advise on the complex challenges that hinder progress to a more sustainable future.

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**David Young** is a Senior Fellow with the Broadway Initiative. After studying environmental biology, David worked in land restoration, world heritage and protected area management

in the UK and Australia before becoming a founding Executive Director of Natural England. His subsequent work in sustainable urban development led him to retrain as a lawyer, and work as an economic regulator. David now works in environmental policy, strategy and regulation and is a specialist in environmental market design.

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**Martin Lines** is an arable farmer and contractor in South Cambridgeshire. His special interest is in farm conservation management, and he currently runs ELS

and HLS and Countryside Stewardship schemes on land he manages. Martin is Chair of the Nature Friendly Farming Network UK and looks to sharing best practices and demonstrating what can be accomplished for nature and the environment while producing great produce. With the demands of climate change, reaching Net Zero is even more important and Martin wants to champion how this can be achieved through nature friendly farming whilst supporting and help to maintain profitable farming businesses.

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**Valerie Pinkerton** is the project manager for Pollination Foundation's Nature Valued Project, which focuses on aligning law, policy and finance to scale investment into nature-

based solutions, both through post-Brexit policy reform in the UK and internationally. She was most recently an associate program officer at the Robertson Foundation and has provided research and analysis for policymakers on a range of environmental issues through roles with the Yale Center for Environmental Law and Policy, Natural Resources Defense Council, and the Environmental Law Institute. She received her MEM from Yale University and a BA from Columbia University.

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