

*ESKEN Webinar*

*03 November 2022*

**Understanding New Regulatory Frameworks in  
Land-use Finance**



# Agenda

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Welcome

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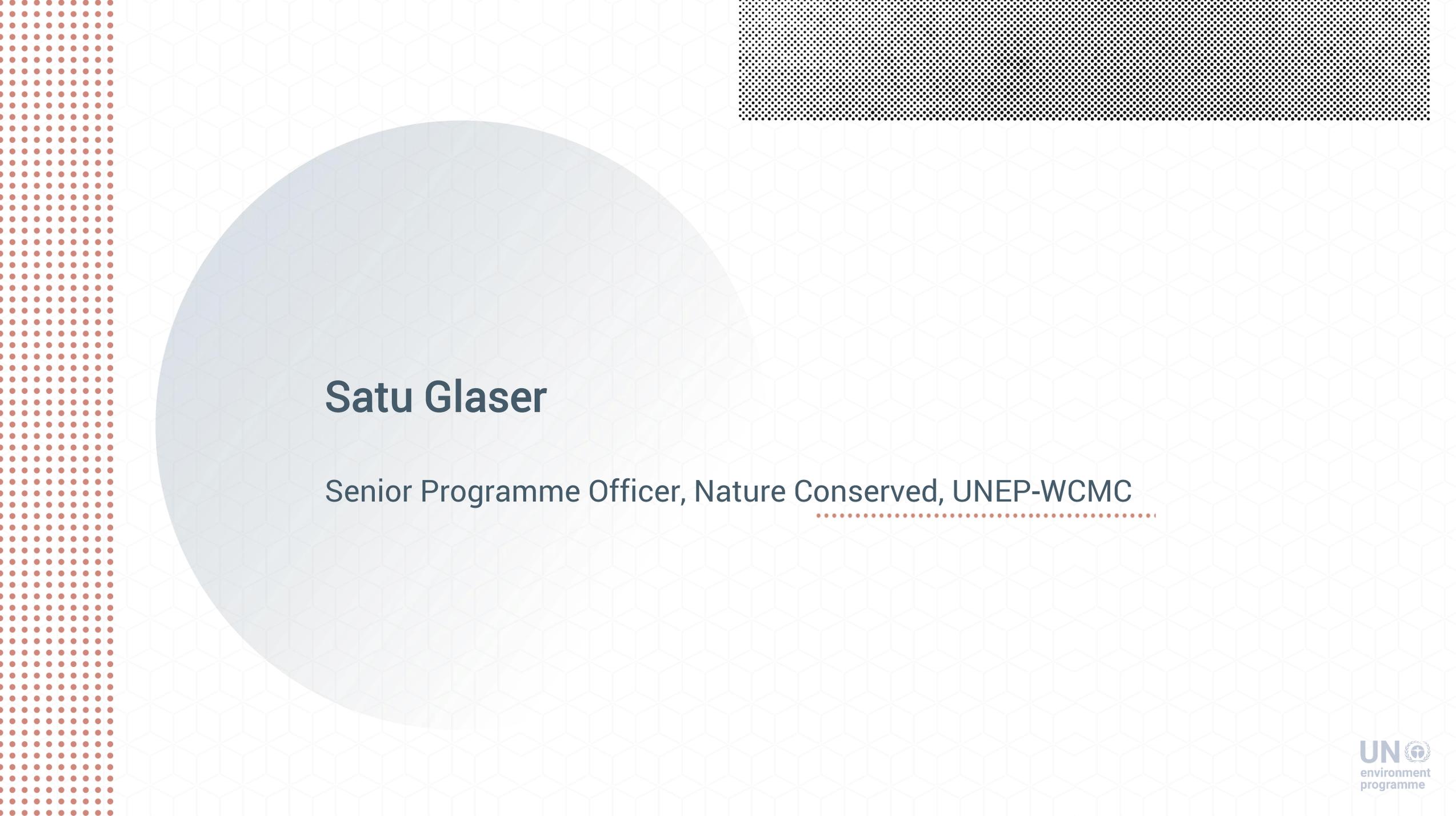
Presentations:

- **Satu Glaser** | Senior Programme Officer, Nature Conserved, UNEP-WCMC
- **Fernanda Gimenes** | Engagement Manager for IFACC, Tropical Forest Alliance, The World Economic Forum
- **Romie Goedicke** | Associate Lead Nature - Partnerships & Development, UNEP-FI

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Q&A





# Satu Glaser

Senior Programme Officer, Nature Conserved, UNEP-WCMC

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# EU Deforestation Regulation

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Understanding New Regulatory Frameworks in Land-use Finance

Satu Glaser

Senior Programme Officer, Nature Conserved



# Contents:

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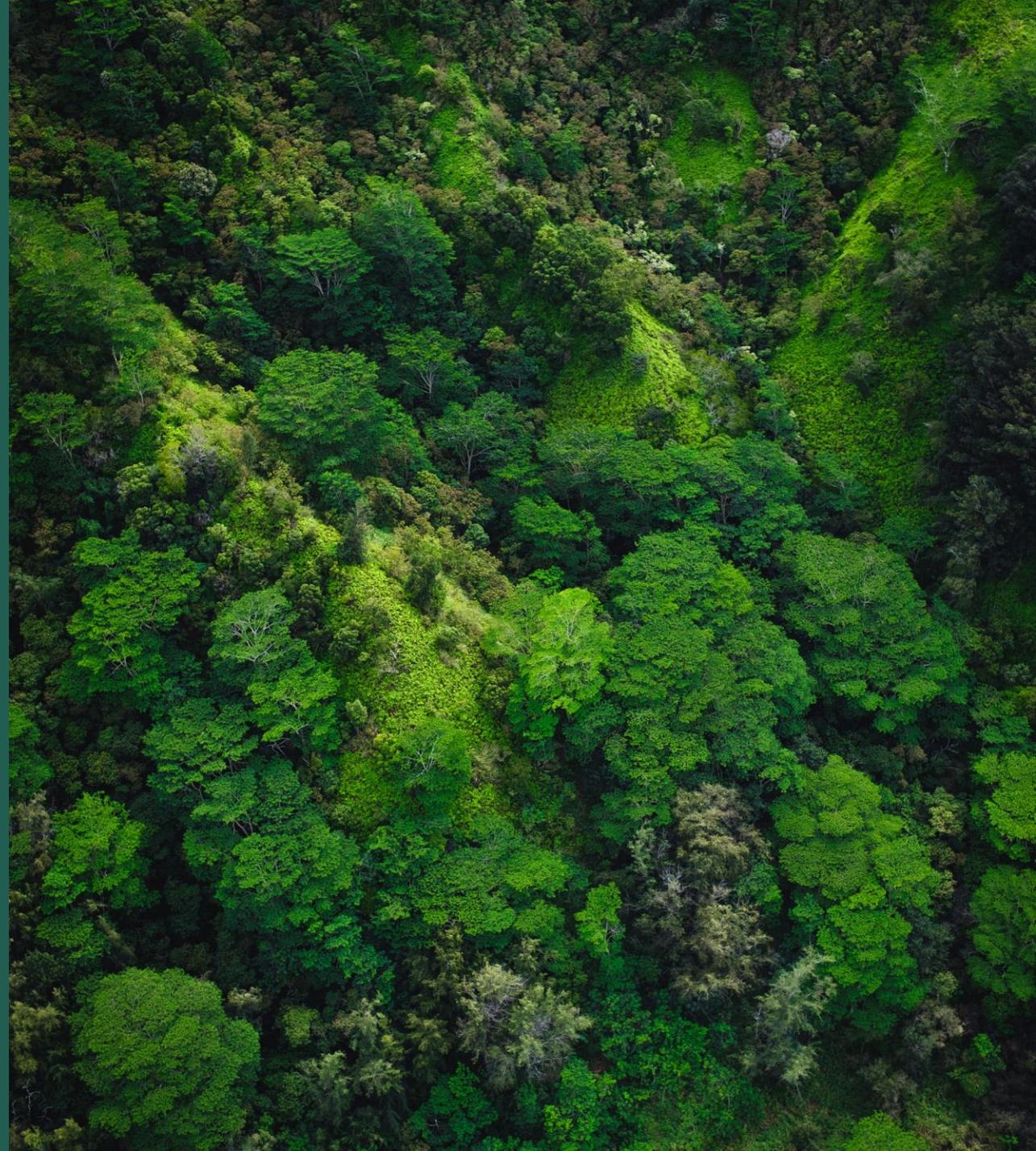
- Brief history of the draft Deforestation Regulation
- Key obligations proposed, including relating to financial institutions
- Next steps for the draft

# 'Origin' of the Regulation

## *2019: EU Communication on Stepping up EU Action to Protect and Restore the World's Forests*

([https://ec.europa.eu/environment/forests/eu\\_comm\\_2019.htm](https://ec.europa.eu/environment/forests/eu_comm_2019.htm) - opens up a page with links to 3 documents)

- 5 priority areas, containing a range of key actions for the Commission (see document 1 for the full details, document 2 for a summary)
  - Includes assessment of additional **demand-side regulatory measures**
  - Also contains recommendations for **actions by industry** (see document 3)
- 



# Stages of the draft Regulation

November 2021: draft Regulation proposed by *European Commission*

<https://ec.europa.eu/environment/forests/deforestation-proposal.htm>

June 2022: *European Council* adopts 'general approach'

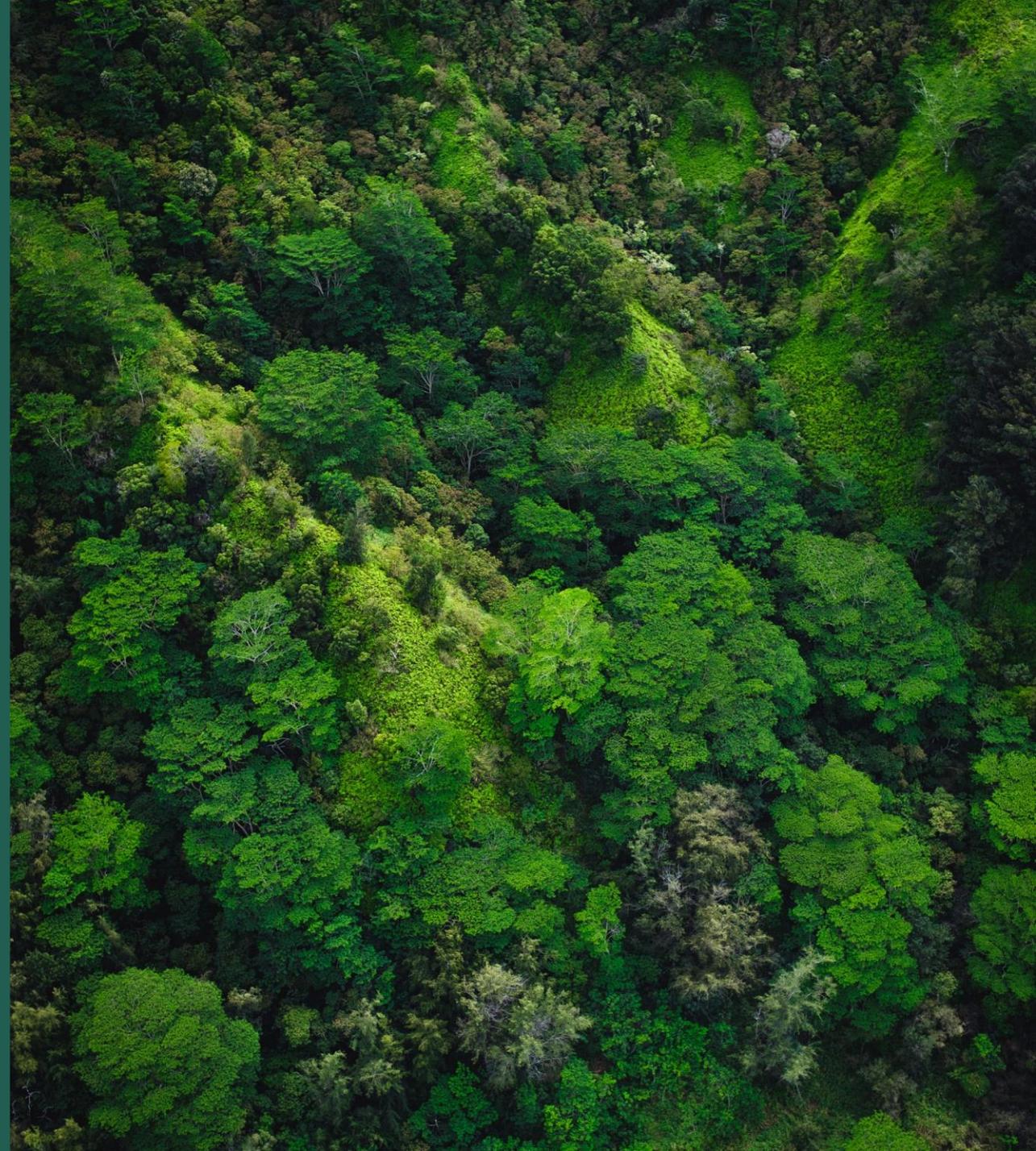
<https://www.consilium.europa.eu/en/press/press-releases/2022/06/28/council-agrees-on-new-rules-to-drive-down-deforestation-and-forest-degradation/>

September 2022: *European Parliament* adopts position

[https://www.europarl.europa.eu/doceo/document/TA-9-2022-0311\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2022-0311_EN.html)

Currently: Trilogues

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# Draft Deforestation Regulation: *Parliament version*

Version only includes the elements where they propose changes/additions....

... therefore do assess it together with the Council version

## Proposal for a regulation Article 2 – paragraph 1 – point 21

### *Text proposed by the Commission*

(21) ‘substantiated concern’ means **well-founded** claim based on objective and verifiable information regarding non-compliance with the present Regulation and which may require the intervention of competent authorities;

### *Amendment*

(21) ‘substantiated concern’ means **a** claim based on objective and verifiable information regarding non-compliance with the present Regulation and which may require the intervention of competent authorities;

## Amendment 100

## Proposal for a regulation Article 2 – paragraph 1 – point 28

### *Text proposed by the Commission*

(28) ‘relevant **legislation of the country of production**’ means the rules applicable in the country of production concerning the legal status of the area of production in terms of land use rights, environmental protection, third parties’ rights and relevant trade and customs regulations under legislation framework applicable in the country of production;

### *Amendment*

(28) ‘relevant **laws and standards**’ means:

(a) the rules applicable in the country of production concerning the legal status of the area of production in terms of land use rights, environmental protection, third parties’ rights and relevant trade and customs regulations under legislation framework applicable in the country of production;

(b) **human rights protected under international law, in particular instruments protecting customary tenure rights and the right to free, prior and**

# Key provisions

Bulk commodities of cattle, swine, sheep and goats, poultry, cocoa, coffee, palm oil, soya, maize, wood and rubber (see Annex I).

For the meat products above, they cannot have been fed with deforestation-associated fodder of products within the scope of this Regulation.

Cut off date: no commodities produced on land deforested after 31 December 2019.

Import, placing on EU market and export.



# Key provisions

Obligations for:

## 'Businesses'

- Operators (importing/placing domestic products/exporting)
- Traders
- Online market places without EU-based manufacturers/importers

Financial institutions

EU authorities

EU Commission

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# Key provisions for operators (and traders)

Due diligence obligation:

- Information collection and record keeping
  - Geo-localisation/polygons
  - Verifiable legality information, incl. e.g. in relation to indigenous people's rights
  - Risk assessment and mitigation
  - Submit due diligence statement in a 'register'
  - Publicly report on due diligence system
  - Avenue for raising of concerns
- 



# Key provisions for FI's

*Amendment 40, Recital 27 a:*

*"[...] their services could lead to support activities linked directly or indirectly to deforestation, forest degradation and forest conversion"*

*Amendment 87, Art. 1, Para. 1:*

*"[...] obligations for financial institutions headquartered or operating in the Union that provide financial services to natural or legal persons whose economic activities consist, or are linked to, the production, supply, placing on or export from the Union market of the relevant commodities and products within the meaning of this Article"*

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# Key provisions for FI's

*Amendment 105, Art. 3 a:*

FI's only to provide services if there is a negligible risk that the services are directly or indirectly linked to activities leading to deforestation, forest degradation or forest conversion.



# Key provisions for FI's

*Amendment 127, Art. 9, Para. 1 a:*

Detailed obligations for FI's relating to information collection:

- Customer profiles (incl. up- and downstream)
- Commodities and products involved
- Use of the commodities in the context of the customer's activities and whether they comply with the Regulation
- Relevant deforestation-related policies by the customers
- Geo-localisation of area of production

## *Amendment*

**1a. Financial institutions shall collect the information, documents and data demonstrating that the provision of financial services to customers complies with Article 11a. The information, documents and data shall include, at least:**

**(a) a description of the customer's economic activities, of the activities of entities controlled by the customer, of the economic activities of the customers' suppliers;**

**(b) information on the relevant commodities and products placed on, made available on or exported from the Union market and on the related exercise of due diligence under this Regulation;**

**(c) use, for the activities under point (a) of relevant commodities and products, including information on the relevant commodities and products effectively used and on the related exercise of due diligence under this Regulation;**

**(d) policies adopted, and implemented by the customer and by the entities and suppliers referred to under point (a) with a view to ensuring that their activities do not cause deforestation, forest degradation or forest conversion;**

**(e) identification of the country of production and geo-localisation coordinates, latitude and longitude of all plots of land where the relevant commodities and products are to be produced.**

# Key provisions for FI's

*Amendment 148, Art. 11a:*

Detailed obligations for FI's relating to due diligence before providing financial services, including:

- Information collection
- Risk assessment
- Submission of a due diligence statement
- Already existing business relationships

## *Article 11a*

### *Obligations of financial institutions*

- 1. With a view to complying with Article 3, financial institutions shall exercise due diligence prior to providing financial services to customers whose economic activities consist, or are linked to, the trading or placing on the market of relevant commodities and products.*
- 2. The due diligence shall include:*
  - (a) the collection of information and documents, as referred to in Article 9(1a), needed to fulfil the requirement set out in paragraph 1 of this Article;*
  - (b) risk assessment and mitigation measures as referred to in Article 10;*
- 3. Financial institutions shall not provide financial services to customers without prior submission of a due diligence statement to the competent authorities.*
- 4. Where financial institutions have established an ongoing business relationship with customers before ... [date of entry into force of this Regulation], the financial institutions shall complete the relevant due diligence by ... [OP: insert date one year after the date of entry into force of this Regulation].*

# Key provisions for FI's

*Amendment 158, Art. 13, Para. 7 b:*

Competent Authorities of EU Member States will perform checks on FI's in relation to their compliance with the Regulation.



# Key provisions for FI's

Some obligations proposed for FI's still use/refer to language that is borrowed from obligations for other duty holders.

Some overlaps/gaps with other EU initiatives/legislation that are relevant to FI's.

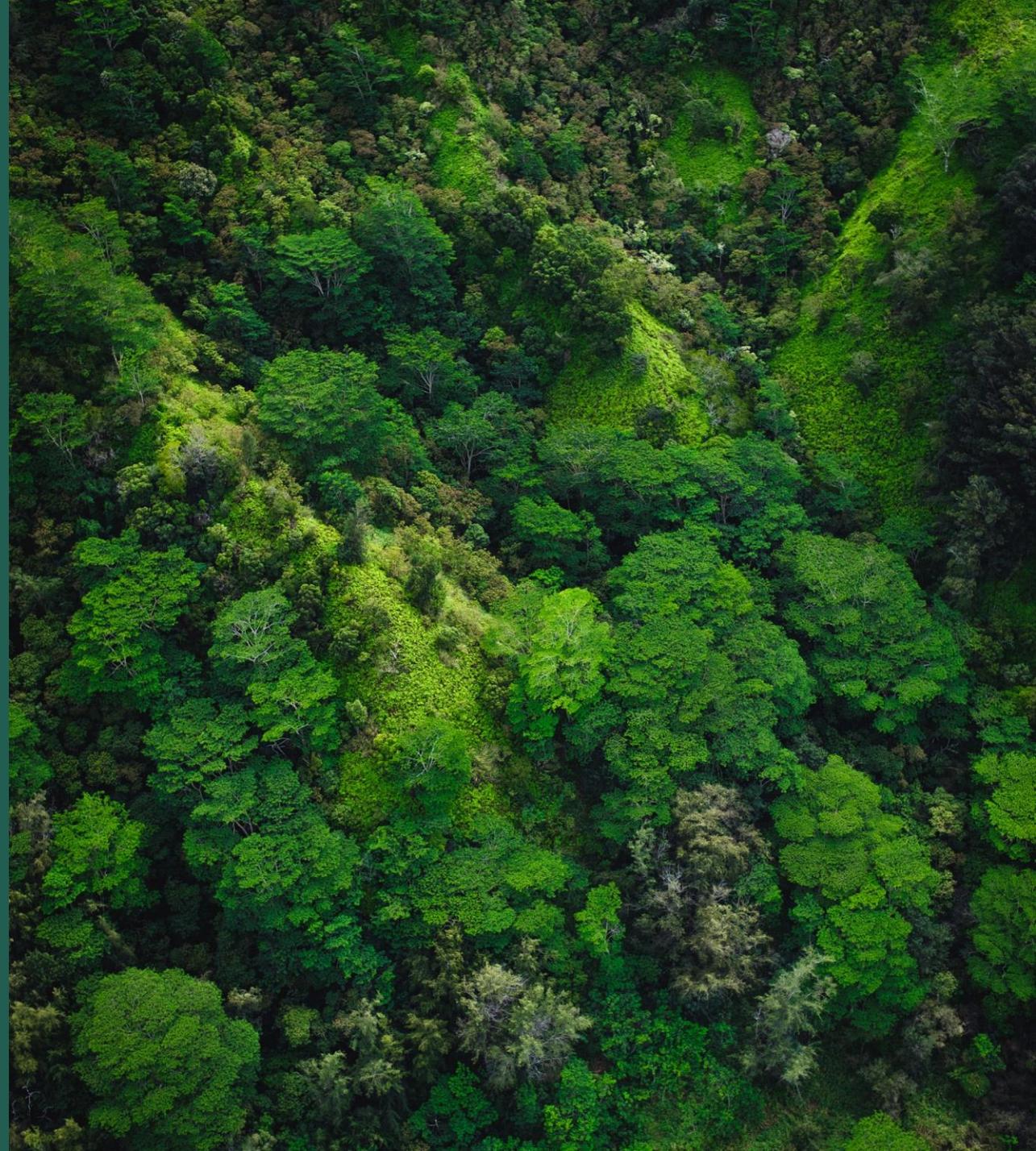


Trilogues are refining the draft.

In force early 2023?

In application ~18 months later.

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# Key takeaways FI's

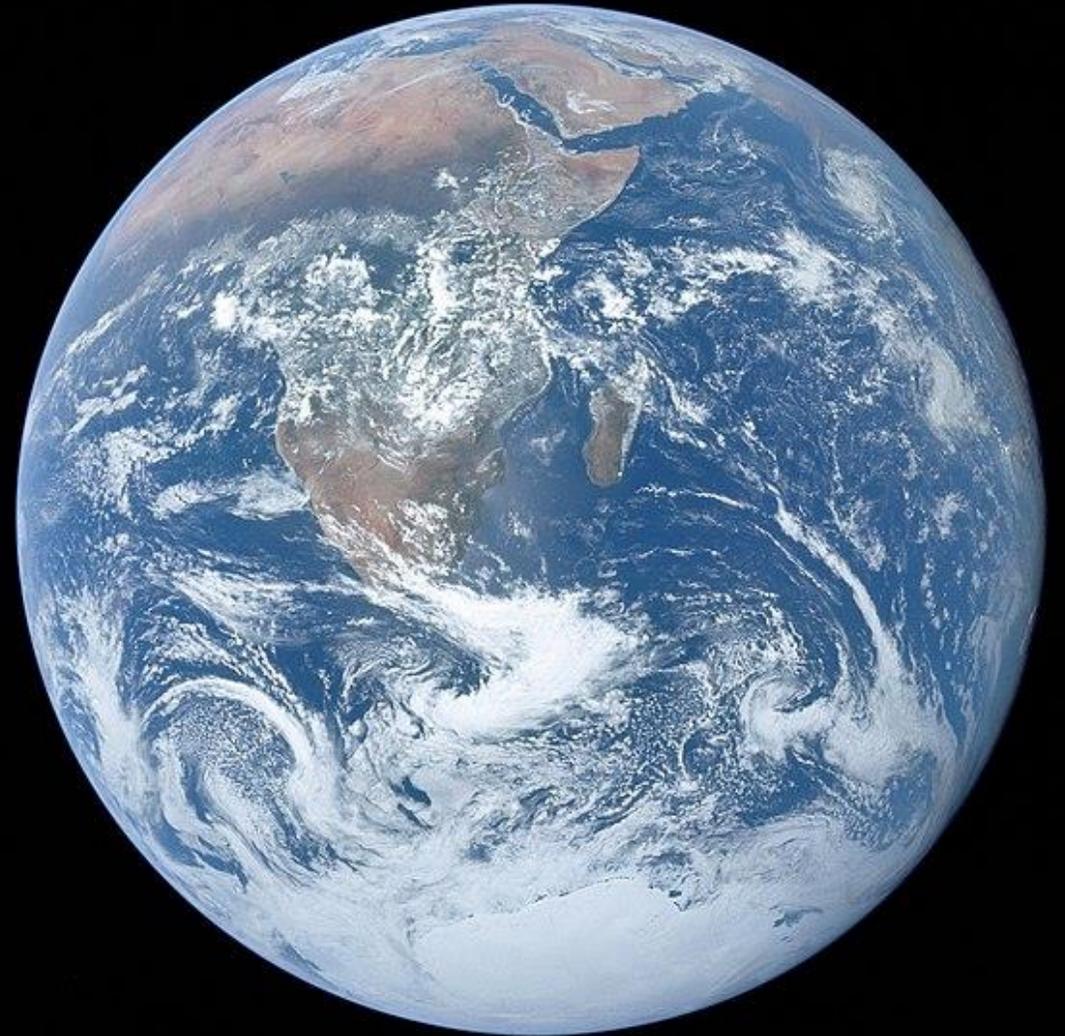
These slides are a brief overview....



An ambitious initiative, sitting within a broader goal to promote sustainable production and consumption patterns and policy, not only in the EU.

Impact/change: what are FI's doing now, what are FI's changing already, what will change in response to this Regulation?

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Web: [unep-wcmc.org](http://unep-wcmc.org)



# Fernanda Gimenes

Engagement Manager for IFACC, Tropical Forest Alliance, The World Economic Forum

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Webinar Understanding New Regulatory  
Frameworks in Land-use Finance

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# Forests and the Finance Sector

*Fernanda Gimenes*

*Engagement Manager for IFACC*

*Tropical Forest Alliance/World Economic Forum*



## ABOUT THE TROPICAL FOREST ALLIANCE (TFA)



TFA is a global network that brings together partners around the common goal of implementing solutions to tackle deforestation resulting from commercial activities in tropical forest areas.

Hosted by the World Economic Forum, TFA works with government, private sector, and civil society, such as indigenous peoples and international organizations, to consolidate high-impact partnerships focused on reducing deforestation and creating a positive future for forests.

The TFA network, through its partners, identifies challenges and develops solutions, bringing together experts from around the world to transform ideas into effective actions in Latin America, Africa, China, and Southeast Asia.

### Hosted by



### With the support of



Ministry of Foreign Affairs of the Netherlands



Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit



Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung



## AGENDA

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- Acting on deforestation is urgent
- Pressure to help end deforestation is rising
- Mitigating risks: Coordinating policy dialogue on halting deforestation in Brazil
- Creating opportunities: Unlocking finance for sustainable land use in Brazil, Argentina and Paraguay

# FORESTS ARE THE CENTER OF KEY SOCIOECONOMIC ISSUES TODAY

## Climate change

Forests act as a two-way highway, **absorbing CO2** when standing or regrowing and releasing it when cleared or degraded<sup>1</sup>

**Old growth forests can store more carbon** than young managed forests: forest restoration consisting of plantations of commercial trees hold less carbon than the land cleared to plant them<sup>2</sup>

Forests help **control the water cycle** by regulating precipitation, evaporation and flows<sup>3</sup>

## Food security

Forests contribute directly to **people's diets** through the harvest of bushmeat, wild fruits and other forest-sourced foods

Forests and trees support **diverse crop and livestock** production through an array of ecosystem services such as pollination, soil fertility and water and climate regulation<sup>4</sup>

Forests foods and products are **culturally valuable** for indigenous communities and local populations

## Biodiversity

Forests are **home** to 80 percent of the world's terrestrial **biodiversity**<sup>5</sup>

Biologically diverse forests contribute to the sustainability of the wider landscape and provide a range of other **ecosystem services**

## Human rights

Approximately 750 million people, including 60 million Indigenous people, **live in forests**<sup>6</sup>

30% of the population in tropical countries are **highly dependent** on nature for basic human needs<sup>7</sup>

Deforestation has been linked to widespread **human rights abuses**, in the form of illegal land grabbing and violence against Indigenous Peoples

## Physical risk mitigation

Research suggests the loss of 20 to 30 percent of remaining forest cover in the Amazon rainforest would trigger an irreversible conversion of all remaining forest to savannah

Trees and forests **prevent shallow landslides**, not only by reinforcing and drying soils but also in directly obstructing smaller slides and rock falls<sup>8</sup>

Forests, such as mangrove forests, can also help **reduce the impacts of flood** from storms by blocking and slowing down the flow of runoff

1. [WRI, 2021](#)  
2. [WRI, 2020](#)  
3. [WRI, 2017](#)

4. [CIFOR, 2013](#)  
5. [UN, c2022](#)  
6. [WWF](#)

7. [Newton et al., 2020](#) from [Muller et al., 2022](#)  
8. [Binbin et al., 2022](#)

# DEFORESTATION POSES PHYSICAL, TRANSITION AND FINANCIAL RISKS TO THE FINANCIAL SYSTEM

## Physical risks

### Acute risk

e.g., extreme heat, flood and soil erosion, biodiversity loss

### Chronic risk

e.g., precipitation pattern changes, water shortages, shifts in biomass



## Transition risks

### Regulatory and legal

Deforestation-linked requirements for production practices, traceability and disclosures

### Reputation

Changes in preferences and perceptions on deforestation-free activities and products

### Market

Shifting supply, demand and financing e.g., through consumer preferences and input prices



## Financial risks

**Credit Risk** arising from nonperforming loans or defaults from counterparties affected by deforestation impacts

**Market Risk** arising from reduced market access and preferences for deforestation-free products and services

**Reputational Risk** arising from loss of brand value

**Regulatory and legal risk** arising from FIs inability to meet regulatory obligations related to deforestation

# COUNTRIES ARE RESPONDING TO PRESSURES TO REDUCE DEFORESTATION



## 141 countries have signed the 2021 Glasgow Leaders' Declaration on Forests and Land use

60% of GHG emissions from commodity-driven tropical deforestation occurs in Brazil (27%) and Indonesia (33%)

At COP26 world leaders committed to working collectively to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.

The forest covered by endorsers amounts to 90.94% of total global forest cover.



### Indonesia signs declaration calling for an end and reversal of deforestation by 2030

Indonesia's 75% decrease in deforestation since 1990 is crucial to support the country in its energy transition, i.e. offset the heavy reliance on coal to meet its emissions goals

### Nigeria to increase forest cover to 25% of land area

This follows from a previous announcement to plant 25 million trees in the country, in line with the 2019 pledge declared at the 74<sup>th</sup> session of the UN General Assembly

### Colombia commits to halving deforestation by 2025

In 2019 Colombia announced ambitious goals to halve deforestation by 2025 and to launch large-scale programmes in support of forest conservation and ethnic groups. At COP26 in 2021, Norway, Germany and the UK provided results-based-payments to be reinvested in innovative actions to catalyse further the impactful progress Colombia is achieving for its forests.

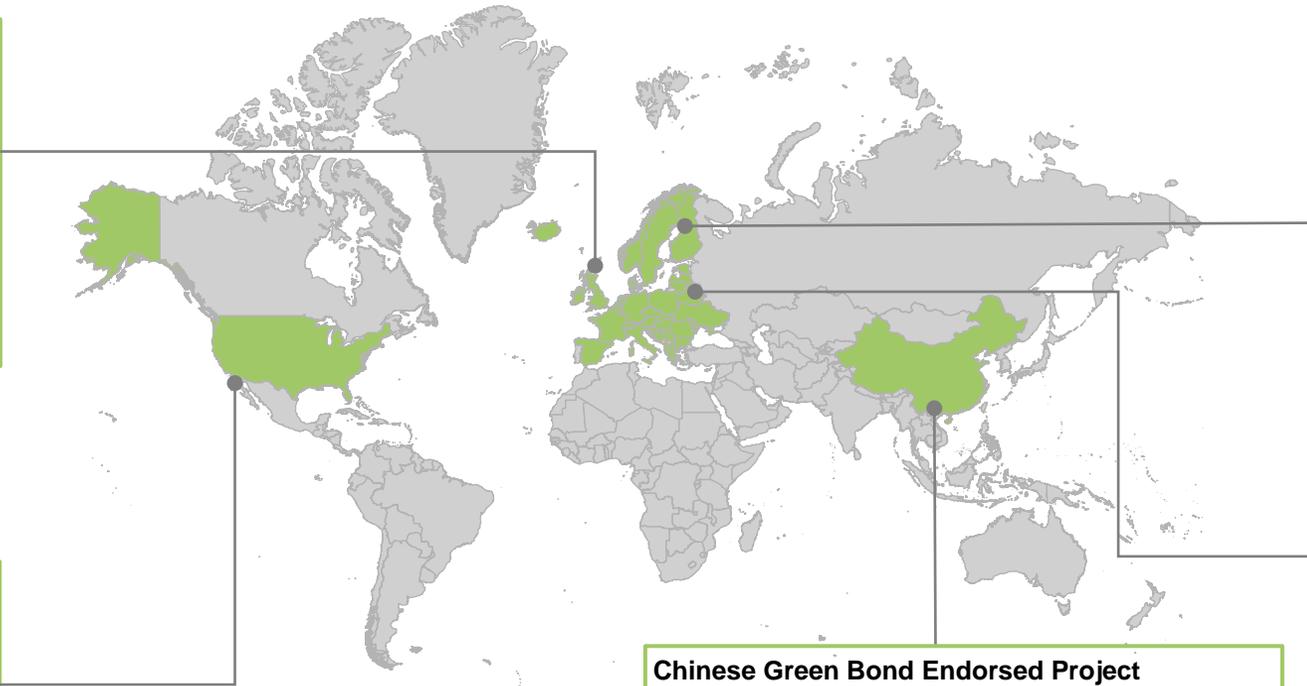
# THE EVOLVING REGULATORY AND VOLUNTARY DISCLOSURE LANDSCAPE FOR HIGH-RISK COMMODITIES COULD INCREASE PRESSURE ON FINANCIAL INSTITUTIONS

**UK Deforestation due diligence obligation**

- Proposed in Dec 2021, requires businesses to conduct due diligence on their supply chains to prevent the use and importation of illegal deforestation-related commodities
- Banks are exempt

**Proposed SEC Climate-Related Disclosures**

- If implemented, would require all public companies to disclose Scope 3 emissions in their global supply chains starting in reporting year 2023



**EU Sustainable Finance Disclosure Regulation**

- Adopted in March 2021 and requires financial market participants to disclose the sustainability of their funds, including their involvement in deforestation-related activities
- Complying with SFDR is vital to protect reputation and attract investors who want to allocate their money sustainably

**EU Deforestation due diligence obligation**

- Adopted by the EU parliament in September 2022, requires due diligence procedures for operators that import or export commodities and traders at any level of supply chains associated with all types of deforestation and forest degradation-related activities
- FIs could be included in the final regulation

**Chinese Green Bond Endorsed Project Catalogue**

- Classifies green activities according to six key areas of activity
- Converges with international standards

**EU Corporate Sustainability Reporting Directive**

**European Sustainability Reporting Standards**

- To be proposed in late 2022, will include mandatory disclosure for all relevant sectors causing deforestation and forest degradation either directly or through their supply chain

# A GROUP OF CENTRAL BANKS HAS IDENTIFIED BIODIVERSITY LOSS AND DEFORESTATION AS A MATERIAL RISK



In 2022, the Network for Greening the Financial System, a group of central banks, acknowledged that that nature-related risks could have significant macroeconomic and financial implications.

The NGFS recommends **central banks and financial supervisors** to:

- \* **Recognise biodiversity loss** as a potential source of economic and financial risk and **develop a response strategy to maintain financial and price stability**
- \* **Build the skills and capacity** among staff and market participants to **analyse and address biodiversity-related financial risks**
- \* **Assess the degree to which financial systems are exposed to biodiversity loss**, by conducting assessments of impact and dependency, developing biodiversity-related scenario analysis and stress-tests
- \* **Explore options for supervisory expectations** for financial institutions' governance, risk management, strategy, disclosure and financial conduct in relation to biodiversity-related financial risks and opportunities
- \* Help **build the financial architecture for mobilising investment for a biodiversity-positive economy**

The NGFS agenda and its endorsement by central banks and supervisors can incentivise banks to:

- Consider biodiversity loss, including deforestation, as **material financial risk** in their risk assessment and management
- **Request physical asset location data** from their counterparties and enhance supply chain traceability
- **Invest** in nature-positive activities such as NBS and **develop innovative finance instruments within a streamlined and structured financial architecture**

# COLLECTIVE ACTION CRITICAL TO UNLOCK DEEPER SYSTEM CHANGE



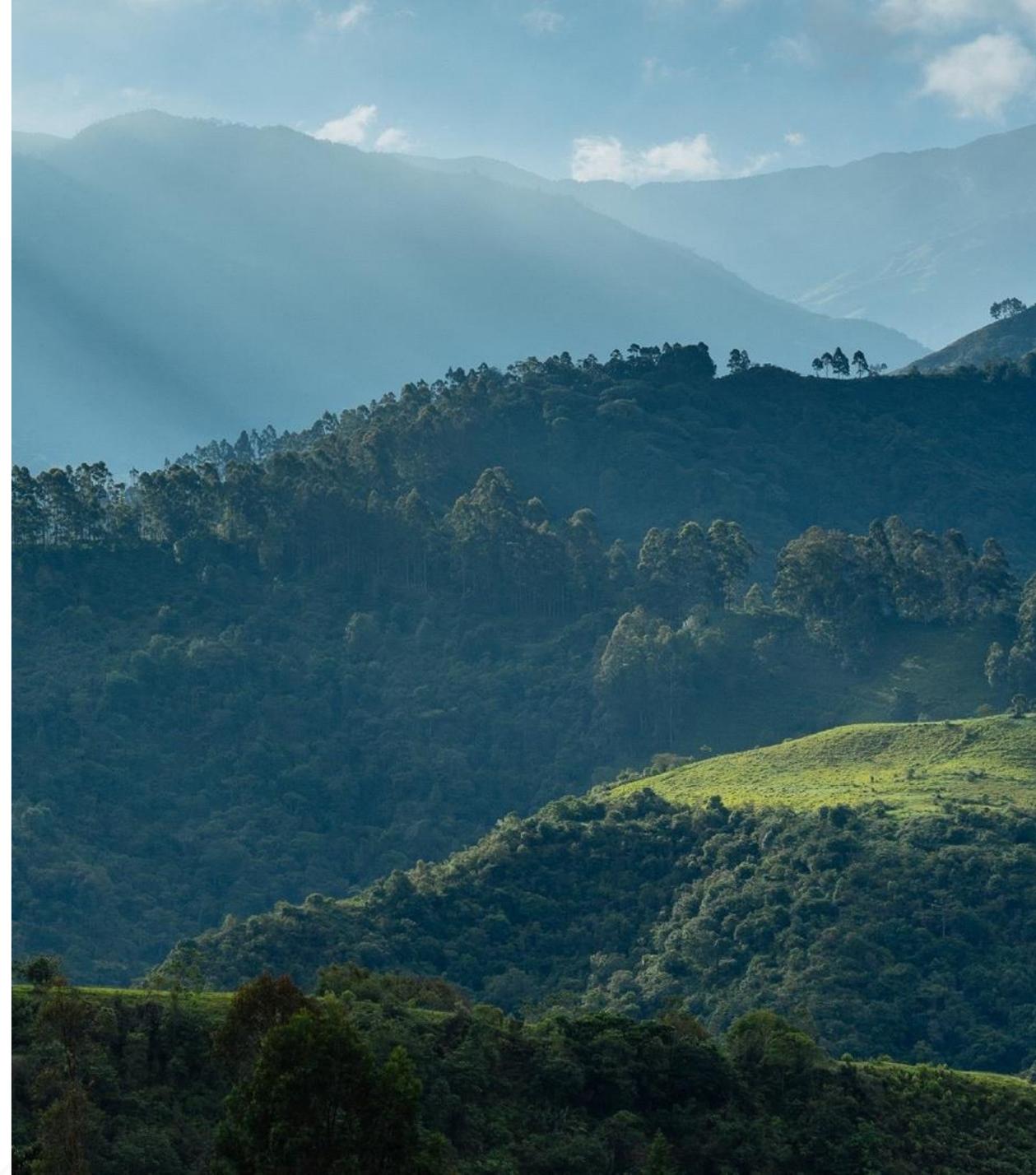
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# Investors Policy Dialogue on Deforestation

AN INVESTOR-LED SOVEREIGN ENGAGEMENT INITIATIVE  
THAT AIMS TO HALT DEFORESTATION

## INVESTOR POLICY DIALOGUE ON DEFORESTATION (IPDD)

- An investor-led initiative
- TFA role: **Secretariat**
- **Goal:** Coordinate a **public policy dialogue on halting deforestation** with government authorities and associations, as well as other stakeholders in selected countries with critically important forests and native vegetation.
- 65 institutional investors from 19 countries



## IPDD BRAZIL

Rising rates of deforestation in Brazil pose a **systemic risk for investor's portfolios of sovereign and corporate debt in the country, and therefore also pose a risk for Brazil's financing costs.**

- Significant reduction in deforestation rates
- Enforcement of Brazil's Forest Code.
- Reinforcement of Brazil's agencies tasked with implementing environmental and human rights legislation, and avoidance of any legislative developments that may negatively impact forest protection.
- Prevention of fires in or near forest areas, in order to avoid a repetition of fires like in 2019 (and 2020).
- Public access to data on deforestation, forest cover, tenure and traceability of commodity supply chains



# BRAZIL'S REGULATORY LANDSCAPE



- Regulation changes according to the Biome
- The Brazil Forest Code (Law no. 12.651)
- It defines land use requirements and obligations in Brazil:
  - properties within the Legal Amazon should maintain 80 percent of the area of the property as legal reserves,
  - properties are only required to maintain 35 percent within legal reserves in the Cerrado

## Proposed legislative changes

### PL 2159/2021 – Environmental Licensing

Proposed deregulation could lead to loosening of environmental regulations.

### PL 2633/2020, PL 510 – Land Regularisation

Bills aim to change regularisation of land tenure and ownership in public areas and could encourage new occupations and illegal deforestation of public forests. Changes to PL 510 could authorise the regularisation of occupied areas up until 2014, for example.

### PL191/20 – Mining in Indigenous Lands

Establishes conditions for mining and use of water for electricity generation in Indigenous Lands, among other things, which could increase deforestation.

# IFACC

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Innovative Finance for the Amazon,  
Cerrado, and Chaco

## OVERVIEW

There is a **\$30 billion investment opportunity** to support farmers in the sustainable production of cattle and soy in the Amazon, Cerrado and Chaco biomes of South America.

**Proven business models** are available to grow production and farmer incomes while avoiding further habitat loss, water and climate impacts.

- Soy can expand without further habitat loss through **expansion on already-cleared pasturelands**
- “**Sustainable intensification**” can meet future demand for beef and leather, while freeing up pasturelands for expansion of soy, other ag products



# THE ROLE OF INNOVATIVE FINANCE

Finance can play an essential role in shifting land-use dynamics, helping to increase production through yield improvements and better use of already-cleared lands.

Drivers of the Sustainability Transition



- Innovative finance is “one piece of the puzzle” for sectoral transition
- A “must do” in order to grow production while reducing habitat loss
- Supports farmers in transition to the new market realities
- Innovative finance is also an area of common ground across industry, producers and governments

# EXAMPLES OF FINANCIAL SOLUTIONS IFACC SEEKS TO ENCOURAGE

## Farm Loan Products

- **Long-term loans** for pasture recovery, yield improvements, sustainable intensification (e.g. Syngenta / Reverte)
- **Low-cost crop finance loans** as an incentive not to convert native vegetation (e.g. RCF)

## Farmland Investment Funds

- **Equity funds** that buy and manage land under a DCF model, e.g. pasture recovery, yield improvements without conversion of natural vegetation

## Capital Markets Offerings

- **Securitized agriculture receivables** with DCF performance metrics or use of proceeds (e.g. Green CRA)
- **Other capital markets offerings** that direct investment to DCF transition

## Corporate Debt Instruments

- **Sustainability-linked loans** with transparent performance metrics aligned with the DCF transition
- **Green bonds** with proceeds targeted to DCF transition investments

## Other Innovative Mechanisms

- **Producer services** businesses that bundle technical assistance and finance to support farmer transition (e.g. PECSA)
- Other innovative business and investment models

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**Thank you!**



**Romie Goedicke**

Associate Lead Nature - Partnerships & Development,  
UNEP-FI



Webinar Understanding New Regulatory Frameworks  
in Land-use Finance  
3 November – virtually

Romie Goedicke

UNEP Finance Initiative

## Working with Banks, Insurers, and Investors to create a Sustainable Finance Sector





## Biodiversity is the fastest developing ESG theme in global capital markets

- More than half of global economic output – US\$44 trillion – is dependent to some extent on nature. Increasing nature loss therefore presents a threat to the long-term sustainability of businesses, their investors and creditors and the global economy as a whole.
- The **IPBES Global Assessment report** in 2019 showed that an estimated 1 million species are under risk of extinction, most of them in the near future.
- Nearly US\$3 trillion could be lost from global GDP by the end of the decade without sustained action to protect biodiversity and ecosystems (**World Economic Forum's Global Risks report**).
- For 3 years running, the loss of biodiversity has been identified by the World Economic Forum's Global Risk Report as among the top 5 risks by impact to the global economy. The loss of biodiversity could have significant economic and financial implications, heavily impacting the supply chains and raw materials that underpin companies.



# UNEP FI Nature Team

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A gateway for financial institutions, bridging nature and finance, driving practical, science-based action on global environmental frameworks using the convening power of the United Nations.

- Bridging science and markets
- A precompetitive space for FIs
- A track record of 30+ years, with over 10 years in the nature space
- Cross sector – bringing together an alphabet soup of initiatives – and cross industry

# Agenda of work

Mainstreaming nature in financial decision making via:

#1 Raise awareness & building capacity on nature

#2 Support UNEP FI members to analyse current impact on nature, and set targets on most significant impact areas, and publicly report on progress using the TNFD risk and disclosure framework

#3 Work with UNEP FI members and the wider sector to act on nature-related risk by developing nature-positive projects

#4 Collaborate to achieve nature-positive outcomes, including policy, financing and capacity building

## UNEP FI's role in TNFD development

UNEP FI is a founding member, implementation and piloting partner of the TNFD. Our work focuses on:



**Technical and content support**

through the working groups and research together with UNEP WCMC (as a TNFD knowledge partner), and Global Canopy.



**Building support**

from key governments and financial regulators, by the work of Elizabeth Mrema as TNFD co-chair, and in collaboration with UNDP.



**Awareness & understanding**

about TNFD among PRB, PSI and ILP members via webinars and other engagements.



**Testing & piloting**

a draft TNFD framework with financial institutions to help strengthen disclosure of nature-related risks and opportunities in specific countries and sectors.



**Staff Support**

Catalyzing and building the knowledge and expertise of the TNFD secretariat via staff support, including for Working Groups such as Financial Institutions and Scenario's.

## TNFD piloting program

The goal is to have financial institutions (UNEP FI members) **test, learn, share and provide feedback** to the TNFD by providing a collaborative and pre-competitive space to work together with peers.

The pilots will focus on the intersection of realms and economic activities:

- Pilot group 1: Freshwater in Australia
- Pilot group 2: Forestry in Latin America
- Pilot group 3: Off-shore wind farms (global)
- Pilot group 4: Agriculture in Africa
- Pilot group 5: Rubber extraction in Indonesia
- Pilot group 6: Fisheries and agriculture in Europe
- NEW Pilot group 7: Commercial Real Estate in North America

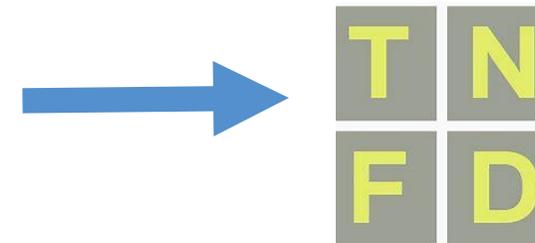
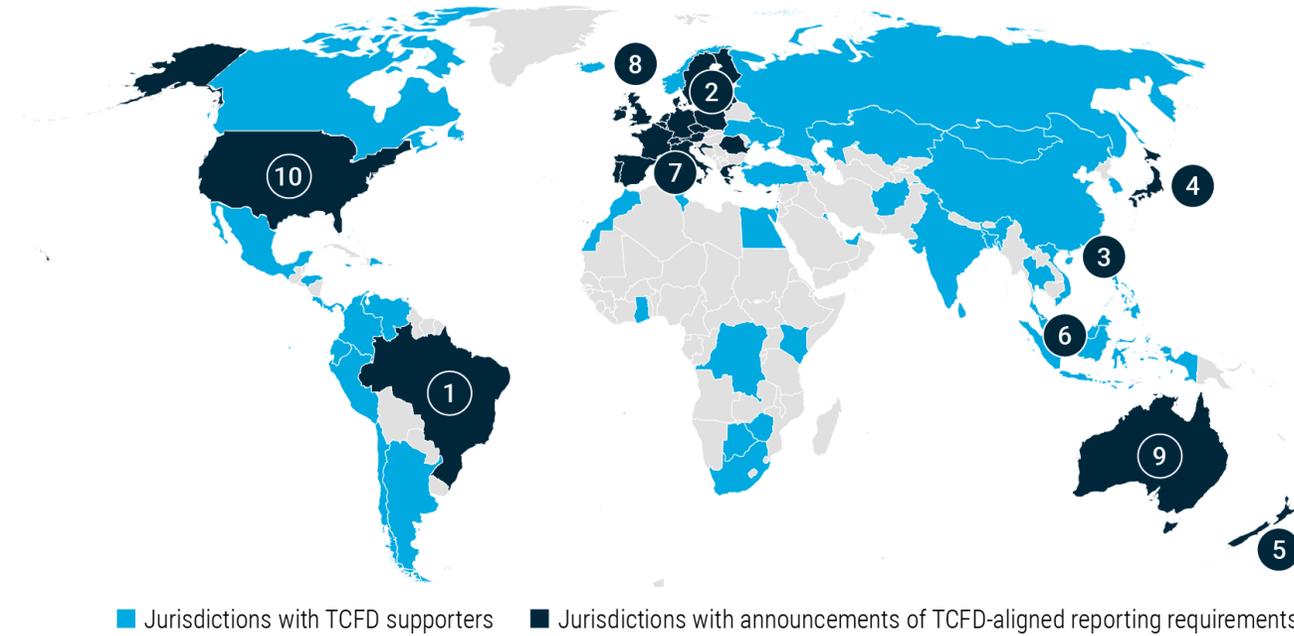


# UNEP FI's pilot participants



With support from\*:  
\*data providers and technical partners





- 1 Brazil**  
September 2021: The Central Bank of Brazil issued TCFD-aligned disclosure rules for regulated institutions
- 2 EU**  
April 2021: The European Commission issued a proposal that included the development of sustainability reporting standards based on existing frameworks, including the TCFD
- 3 Hong Kong**  
July 2021: The Hong Kong Monetary Authority issued draft guidance indicating authorized institutions should make TCFD-aligned disclosures
- 4 Japan**  
June 2021: The Tokyo Stock Exchange issued a revised Corporate Governance Code, indicating certain companies should enhance disclosure based on TCFD recommendations
- 5 New Zealand**  
April 2021: New Zealand introduced a bill that would require mandatory TCFD-aligned disclosure for the financial sector
- 6 Singapore**  
August 2021: The Singapore Exchange Regulation proposed a road map for mandatory TCFD-aligned disclosure
- 7 Switzerland**  
June 2021: Switzerland's Financial Market Supervisory Authority amended disclosure rules for banks and insurers to include climate-related financial risks, based on TCFD
- 8 United Kingdom**  
2020–2021: Several UK regulators issued rules and proposals for TCFD-aligned disclosure
- 9 Australia**  
April 2021: The Australian Prudential Regulatory Authority published TCFD-aligned draft guidance on managing climate risks
- 10 USA**  
March 2022: SEC publishes TCFD-aligned proposal for publicly-listed companies to disclose climate risks

Source: TCFD, Verisk Maplecroft

## COP15 Statement from the Private Financial Sector

### MOVING TOGETHER ON NATURE

This statement was drafted by the UNEP Finance Initiative (UNEP FI), the Principles for Responsible Investment (PRI) and the Finance for Biodiversity Foundation.

‘We take inspiration from the Paris Climate Agreement where Article 2.1(c) set a clear mandate for countries to require the financial sector to align its activities with climate goals. COP15 provides a unique chance to get a similar policy mandate in respect of the financial sector and biodiversity.’

Link: <https://www.tfaforms.com/5023646>



## Recent relevant publications



**Nature in a Haystack: Leveraging Public Nature-related Data in Disclosure Frameworks**  
 Recommendations based on an assessment of data availability for Costa Rica, India, Indonesia, Mexico and South Africa



**Are You Ready For Nature-related Disclosure?**  
 An assessment of readiness and expectations from the corporate market



**Prioritising Nature-related Disclosures: Considerations for High-risk Sectors**  
 An overview of the main dependencies and impacts for 10 high-risk sectors

## Communication activities



**'We need to talk about biodiversity'**  
Webinar series *(ongoing)*

**Nature for Life Hub 2022 (UNDP)**  
'An agenda for action: understanding nature-related risk and disclosure' *(November 2022)*



NATUREFORLIFEHUB.ORG  
**NATURE FOR LIFE**  
TOWARD A DECADE OF HOPE & TRANSFORMATION

**CBD COP 15 and side events on finance & biodiversity** *(December 2022)*



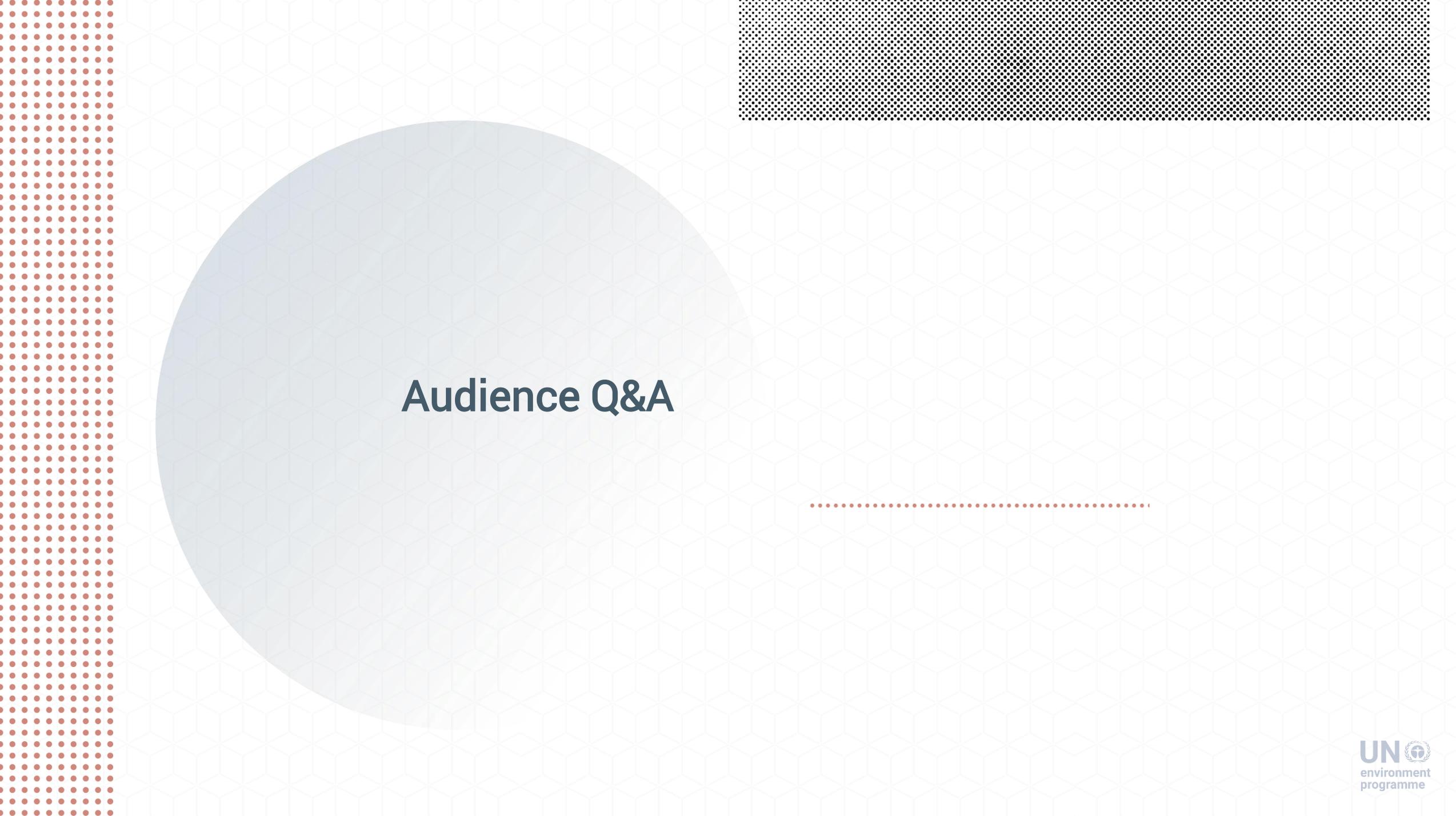
**Convention on  
Biological Diversity**

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# Thank you

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# Audience Q&A

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**Thank you**

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