[Finance, resilience, net zero and nature]

The United Nations' latest Interconnected Disaster Risks Report analysed 10 disasters that took place in 2020/2021.

These included the amazon wildfires, the arctic heatwave, the winter storms in Texas and Cyclone Amphan among others.

Disasters were selected for their representation of larger global issues, which have changed or will change our lives across the world.

It said:

"The three most commonly identified root causes shared between these 10 events are human-induced greenhouse gas emissions, insufficient disaster risk management and under-valuing environmental costs and benefits in decision-making."

–

In England we know that this century, we are likely to see 40-degree heat during the summer, but developers don't have to mitigate against that – not now nor at any point in the future.

The Institution of Civil Engineers' survey "What makes good design?" said the most limiting factors to progress on reducing greenhouse gas emissions and climate adaptation are that "it's not part of the project brief."

Which might save on immediate costs, but while the short-term rewards are narrowly distributed, the long-term damage is societal.

In May, the Bank of England published its first climate stress tests.

They showed that UK banks and insurers will end up taking on nearly £340 billion worth of climate-related losses by 2050, unless action is taken to curb rising temperatures and sea levels.

Such action will require collaboration between the public and private sectors.

But, around the world, just 5 percent of climate finance goes towards resilience.

Virtually none of that comes from the private sector.

–

The UK's 2021 National Infrastructure and Construction pipeline sets out plans for nearly £650 billion of public and private infrastructure investment by 2030.

The Infrastructure and Projects Authority has analysed over £200 billion of this, up to 2024/25.

For the equivalent period, England has about £3 billion of public money allocated to flood and coastal defences.

By comparison, this looks like a thin green line of defence.

—

Last year, the Environment Agency completed the government’s £2.6 billion, six-year capital flood programme, on time and on budget.

It means 700 flood schemes are better protecting more than 300,000 homes, nearly 600,000 acres of agricultural land, thousands of businesses and major pieces of infrastructure.

The Government has upped the budget of the new programme to a record £5.2 billion.

We know this investment works.

In February, the UK’s Meteorological Office named three major storms in one week for the first time.

Sadly, 400 homes flooded, but 50,000 properties were better protected.

The Environment Agency delivers infrastructure that provides resilience to climate change.

But to avoid financial climate chaos, we need all infrastructure to be more resilient.

Businesses and public sector organisations should be encouraged to assess their climate risks and develop plans in response.

If a local council is approving investment in new housing – or roads, or a shopping centre – they must demand that climate resilience runs through the veins of the project.

In its Progress Report to Parliament last week, the Climate Change Committee recommended Defra “Expand the list of organisations reporting under the Adaptation Reporting Power to ensure comprehensive coverage of critical infrastructure and services, such as canals and food supply chains.”

Regulation is part of the answer.

Environmental regulation must work in lockstep with financial regulation and economic regulation to ensure incentives and penalties have enough clout to drive change.

—

Today, green finance can help us go further to support regulated businesses to improve.

Investor interest in Environmental, Social and Governance practices, or ESG, widens the scrutiny of companies' environmental performance.

And it provides a growing financial incentive for innovation.

But, as the market for environmental benefits crosses an inflection point, it is exploitable.

In February, I spoke at the National Farmers' Union about how farmers are particularly vulnerable to schemes that promise to monetise activities like carbon offsetting, when we have no widely agreed standards to ensure they are paid fairly.

The danger to us all is even more widespread greenwash.

If we fail to identify and address greenwashing, we allow ourselves false confidence that we are already addressing the causes and treating the symptoms of the climate crisis.

Greenwash makes it more likely that we won't realise this deception until it is too late.

Companies that believe their own greenwash are embedding liability, storing up risk for their investors.

NGOs like ShareAction, Make My Money Matter and ClientEarth must be applauded for their tireless work to call this out.

And the Government's work on a green taxonomy begins to address this.

Providing frameworks and legislation for sustainable disclosure allows everyone to compare like for like – and make informed choices.

The more businesses are transparent about their plans to transition to net zero and prepare for climate shocks, the easier it is to benchmark best practice, set standards and celebrate the companies that really are delivering on their commitments.

The Centre for Greening Finance and Investment is leading by example through targeted research projects to support green finance analytics.

The Green Finance Institute, which I Chair, designs, develops and facilitates portfolios of scalable financial solutions that accelerate sector-specific transitions to a low-carbon future.

–

I also believe the future lies in some form of adaptation standards.

More work is needed to develop a strategic approach to managing climate risks.

Presently, we do not know:

- what the optimum level of investment is for UK climate adaptation, or
- how this should be balanced between the public and private sectors.

The Government could begin to address this by asking the Treasury to commission a review to assess the economics of resilience.

This work would be the equivalent of the 2021 Dasgupta Review into the economics of biodiversity.

It could consider:

- the costs and benefits of resilient investment both nationally and by economic sectors;
- what trajectory that investment should follow; and
- the appropriate balance between public and private investment.

This would help us understand how preparedness for climate shocks supports sustainable economic growth.

It would help to establish an overarching ambition for adaptation investment and a plan to achieve it.

As with the Government's ambition for net zero by 2050, delivering on climate resilience and nature recovery requires robust, consistent and trusted data.

Earlier this year, the Chancellor's letter to the UK Infrastructure Bank sent an important signal about the direction of travel.

It said it is "important that UKIB explores projects that make the UK's infrastructure more resilient to climate change and better adapted to future risks. More broadly, climate risk – including the impact of climate change on financial assets – should help to inform the Bank's decision making."

I want to congratulate the UK Infrastructure Bank on its Strategic Plan out last month.

And I am pleased that Nigel Topping, the UK's High Level Climate Action Champion, who launched the Race to Resilience ahead of COP26 has been appointed to the Board, alongside three others.

–

There is growing evidence of a compelling case for using nature-based solutions alongside or instead of traditional infrastructure.

The Environment Agency and the Green Finance Institute – through its pioneering GFI HIVE initiative – have been working with others to show how this makes money.

Nature-based solutions provide cost-effective adaptation.

For example: natural flood management can also deliver net-zero benefits in the form of carbon capture.

In May, along with Defra, Natural England and the GFI, we announced the second round of projects funded through the Natural Environment Investment Readiness Fund.

The fund provides grants of up to £100,000 to help organisations develop projects to the stage where they can demonstrate a return on investment.

One of the four pilot schemes is the Wyre Natural Flood Management project.

This reduces flood risk to downstream communities.

Over several years, interventions in the Wyre catchment will include wetland creation, leaky barriers, sloped embankments, alongside peatland and river restoration.

It uses a new financial model which will see the upfront investment repaid through contracts with organisations that benefit from improvements, including water and insurance companies.

It is also the first environmental project eligible for Social Investment Tax Relief, which was brought in by the government in 2014, with the aim of encouraging investment in social enterprises.

The use of Social Investment Tax Relief was successful in helping to bring in high net worth investors to the Wyre project.

A similar style Environmental Investment Tax Relief would be a possible incentive worth exploring in the Green Finance Strategy 2.0.

Once we have established the financial models that work, we can scale them up at pace.

—

Today, I have talked about how finance can help address the climate crisis.

The Green Finance Strategy 2.0 is an opportunity to help set the frameworks for more integration between resilience, reducing emissions and restoring nature.

But, success depends as much on how we choose to operate as it does on financial instruments.

Halfway through COP26, people in Boston, Lincolnshire, were protected from the highest tide of the year by the newly opened Boston Barrier – (the Thames and Hull barriers were also operating).

The Boston Barrier scheme is estimated to deliver over £1.4 billion in economic benefits to the town and surrounding area by encouraging investment, improving resilience and well-being, and by protecting historic assets.

This is important, but I want to talk about how the team did it.

Since the scheme’s inception almost £10 million has been invested in the local economy by using local suppliers where possible.

The barrier, designed by a gender balanced team, was also the first major construction project where we mapped work against the UN’s Sustainable Development Goals.

The Barrier was also made with 14,000 tonnes of low carbon concrete.

90 percent of the weight of the whole structure.

The learning from this will help us, and others all over the world, to steer large and small infrastructure projects that reduce emissions, help society and drive economic development.

We need to promote such choices, not only so my dedicated colleagues and their partner organisations get credit for their leadership.

But, so we can help investors properly understand the value of preparing for climate shocks and building more resilient communities.

In finance, the importance of disclosure and data cannot be underestimated.

Now, we need to use disclosure and data as a launchpad for deals and delivery.

Thank you.

UK to implement further punishing economic measures on Belarus

News story

The UK government introduces new sanctions on Belarus as the Lukashenko regime continues to actively facilitate Putin’s illegal invasion.

- New legislation will block the trade of around £60 million of goods with Belarus for its role in supporting the Russian invasion of Ukraine
- These measures include a ban on the export of oil refining goods, technology, and luxury goods

The UK government will tomorrow (5 July 2022) introduce new economic, trade and transport sanctions on Belarus as the Lukashenko regime continues to actively facilitate Putin's illegal invasion.

The package extends some of the significant measures made against Russia to Belarus, including import and export bans on goods worth around £60 million. This includes:

- Exports of oil refining goods
- Exports of advanced technology components, such as those used in quantum computing
- Exports of luxury goods, including British artwork and designer handbags
- Imports of Belarusian iron and steel

The UK government is also restricting Belarus' access to the UK's world class financial services sector – banning more Belarusian companies from issuing debt and securities in London.

The Belarus regime has actively facilitated Putin's invasion, letting Russia use its territory to pincer Ukraine – launching troops and missiles from their border and flying Russian jets through their airspace. Lukashenko has also openly supported the Kremlin's narrative, claiming that Kyiv was "provoking Russia" in order to justify Putin's bloody invasion.

Today's measures build on the wide-ranging measures the UK government has introduced on Belarus, including a 35 percent increase on tariffs on a range of goods originating from Belarus and sanctions on President Lukashenko and senior government officials for their continued human rights violations and undermining of democracy.

Published 4 July 2022

Outstanding young hero in Paraguay receives award in memory of Princess Diana

World news story

Young person from Paraguay is honoured with The Diana Award for going above and beyond in their daily life to create and sustain positive change.

Maureen Montania, Princess Diana Award recipient

Maureen Montanía, aged 26, from Paraguay has been recognised with the highest accolade a young person can achieve for social action or humanitarian efforts – The Diana Award.

Established in memory of Diana, Princess of Wales, the Award is given out by the charity of the same name and has the support of both her sons, The Duke of Cambridge and The Duke of Sussex.

The Princess Diana Award

Maureen grew up in a socially unequal environment in Paraguay, where gifted and talented students didn't have the opportunity to realise their abilities. Maureen fights for the rights of the invisible gifted children and adolescents in Paraguay through the 'Aikumby Laboratory' project.

To date, her work has helped more than 20 families, individuals, and institutions by conducting talent development workshops for parents, adolescents, and adults. She trained a team of professionals in the detection, assessment and diagnosis of giftedness, an activity that today has been transforming Paraguayan lives for more than a year through family and educational guidance.

Tessy Ojo CBE, CEO of The Diana Award, says:

> We warmly congratulate our new Diana Award recipients from the UK and across the world who are changemakers for their generation. It is especially poignant as we remember Princess Diana twenty-five years on. We know by receiving this honour they will inspire more young people to get involved in their communities and begin their own journey as active citizens.

You can find out more about the Diana Award.

For interviews and further information, please contact Emma Pelling:

+44 (0) 795 855 8172

emma@pellingpr.co.uk

Published 4 July 2022

Chief Inspector’s thoughts on Maritime Safety Week 2022

News story

As Maritime Safey Week begins, the MAIB will be publishing a series of blogs reiterating safety messages to the industry. Here Andrew Moll discusses fishing vessel safety.

Chief Inspector of Marine Accidents, Andrew Moll OBE, said:

> Today marks the start of Maritime Safety Week 2022, an important moment when the marine industry comes together to focus on how we can collectively continue to improve safety across the sector. As the MAIB has done in previous years, this week we plan to highlight a number of key areas of ongoing concern and reiterate the safety messages that the industry must note.
>
> Today I am going to concentrate on fishing vessel safety, which continues to require my close attention. In 2021, ten commercial fishermen lost their lives and nine out of the 22 investigations commenced by MAIB last year involved commercial fishing vessels. However, we will not lose focus on improving safety and will

continue to strive to understand the causes of accidents onboard fishing vessels so lessons can be learned and more tragedies can be averted in this most dangerous of professions.

Stability onboard fishing vessels is a significant ongoing safety issue. The recent reports looking into the tragic accidents onboard the potting vessels Nicola Faith and Joanna C have highlighted how modifications can compromise a vessel's stability. However, stability can also be compromised during fishing operations by, for example, overloading, which was the case in the accident involving Nicola Faith. The vessel had undergone several unapproved modifications, but our investigation found that the main trigger for the capsize was severe overloading by a combination of catch and fishing gear. The consequence in this accident was that all three crew members lost their lives.

At the start of Maritime Safety Week, I would encourage all skippers and crews to take a long hard look at their vessel's stability and ask themselves some potentially challenging questions. How much have modifications eroded our vessel's stability since it was built? Do we have a safe procedure for when the fishing gear becomes snagged or picks up a heavy load? Are we using the fish hold to best effect to minimise the weight on deck? I would urge crews to take a look at the Nicola Faith and Joanna C reports and heed the lessons the investigations identified.

Published 4 July 2022

Formal declaration of the Memorandum of Understanding

The MoU will remain in effect for 3 years and supports the long-standing partnership between the two agencies and helps to strengthen collaboration in the design and delivery of digital government public services.

The signing of the MoU took place on 4 July 2022 at 10 Whitechapel High Street, London. Representing the agencies to sign the MoU were Mr. Kok Ping Soon, Chief Executive of GovTech Singapore and Mr. Tom Read, Chief Executive Officer and Director General of Government Digital Service (GDS) UK.

Providing digital government services

Both the UK and Singapore are widely recognised as digital leaders and take an active role in shaping international standards and discussions in the digital government space.

The formalisation of both countries’ cooperation and collaboration is backed by their respective recognition of the importance of providing digital government services, and signals their intent to lock in the gains from the rapid digitalisation from the last three years. This MoU follows the signing of the UK-Singapore Digital Economy Agreement (UKSDEA) that came into force on 14 June 2022.

In recent years, Singapore has invested heavily in Digital, Data and Technology (DDaT), taking a holistic digital society approach by investing in their digital infrastructure, developing private sector digital capability, and setting aspirational digital government agendas.

The MoU will cover not only sharing know-how and approaches to building digital services, but also exploring new ways of working that help build more effective, efficient and economical government digital services in the long term.

Continuing the digital government partnership

Since the signing of the first MoU in 2019, there have been a number of ongoing activities between GDS and agencies across Singapore’s public sector for personalisation.

1. GDS and GovTech have held knowledge exchanges on life event design approaches, with a particular focus on priority events, personalisation and use of data to underpin this work.
2. GovTech and UK GDS have started exchanging knowledge and working toward mutual recognition of UK and Singapore digital identities through pilots.
3. GDS supported a review of the data security regime in Singapore’s public sector. GDS Information Assurance Unit shared their experience and best practices on data security, which were helpful to Singapore’s Public Sector Data Security Review Committee (PSDSRC) in developing recommendations on data security processes and initiatives.
4. In October 2020, GDS and GovTech met to discuss respective national cloud strategies, with a particular focus on standards, security and the types of data that can be held in different environments.

MoU and beyond

Bolstered by our close and harmonious partnership, GDS participates in two multilateral working groups for the Digital Government Exchange (DGX). DGX is an annual high-level conference run by the Singapore government and is attended by international public sector leaders from jurisdictions that have made significant progress in digital government.

With a view to enabling each other to become better at what they do, GDS and GovTech will continue to collaborate and cooperate, sharing the knowledge and expertise from both sides to deliver better results for both countries.