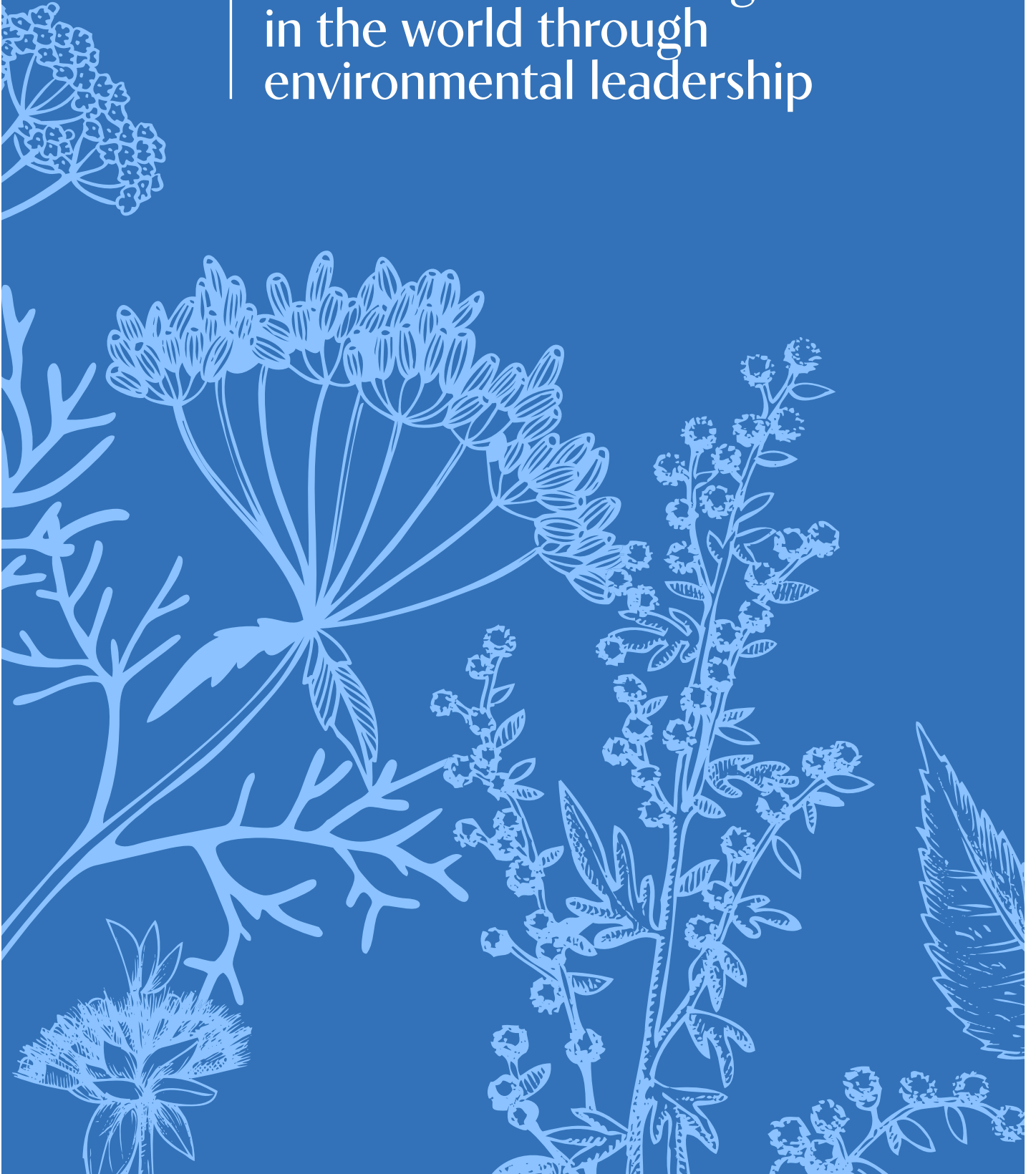


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Increasing the UK's influence and standing in the world through environmental leadership



The UK has built up a strong reputation on the world stage in recent years for environmental leadership - whether through our presidency of the COP26 climate conference in Glasgow or through our pivotal role in securing new global treaties on biodiversity and protection of the high seas. This reputation is a significant source of soft power for the UK and a way to build alliances with countries that experience grave environmental impacts and those which share our environmental aims. While we feel the impacts of environmental threats like climate change here, solving them requires sovereign nations to work together, whether through free trade, development finance, or diplomacy. International environmental action is about advancing our national interests, not grandstanding at global conferences, as some claim. In this parliament, maintaining and enhancing our standing on the world stage as leaders in tackling climate change and biodiversity loss should be a priority.



HIGHLIGHTING THE POSITIVE CONSERVATIVE RECORD

During the UK's presidency of COP26, the share of global GDP covered by national net zero targets rose from 30% to more than 90% and ambitious side deals to halt deforestation by 2030, phase out unabated coal power, and align financial flows with net zero were agreed.

CELEBRATING CEN CAMPAIGN WINS

Nature-related international development spending has been significantly increased, with the last government committing to spend £3 billion of the International Climate Finance budget on projects that protect and restore nature; a Blue Belt of marine reserves has been established and grown around the UK Overseas Territories, protecting 4.3 million square kilometres of marine environment; and a new due diligence obligation was created by the Environment Act for large companies trading forest-risk commodities to tackle illegal deforestation in their supply chains

Recommit to leading the world on marine conservation and restoration, by continuing to enable the expansion of our Blue Belt programme of marine reserves around UK Overseas Territories (UKOTs) and by being in the vanguard of global efforts to safeguard biodiversity in the high seas.

- **Work with the UKOTs to designate more marine protected areas in their waters:** to protect some of the most important biodiversity and marine habitats in British waters from harmful activities, the Blue Belt was established in 2014 and has grown significantly under successive Conservative governments, working closely with UKOT governments. It is now the world's largest network of marine conservation areas and an environmental achievement the UK should feel great pride in. In this parliament, ministers should look to build on this success by potentially extending the Blue Belt of marine protected areas (MPAs) to more UKOTs in the Caribbean, as well as continuing to manage and enforce the current MPA network of 4.3 million square kilometres across 10 UKOTs, equivalent in size to the total area of India, France, and Spain combined. Funding for

the programme should be guaranteed and increased modestly during this parliament in line with inflation, given the incredibly good value for money of the scheme and the expansion in the total area under protection. To date, the scheme has cost approximately £1.86 per year for every square kilometre protected. Private finance should also be crowded in to support the restoration of marine habitats inside the Blue Belt, through including 'blue carbon' credits generated in the UKOTs in UK carbon markets.¹⁰²

- **Ratify the High Seas Treaty in UK law:** the UK played a leading role in securing this deal to protect the high seas from overfishing and establish marine protected areas in waters that are beyond national jurisdictions. The government should prioritise legislation to ratify the agreement in UK law in advance of the UN Ocean Conference in June 2025, so that the treaty can come into force as soon as possible. Once the treaty is ratified, the UK should work with partners, including the governments of the UKOTs, to commence the formal consultation process for designating the first high seas MPAs adjacent to their waters.
- **Champion a global moratorium on deep sea mining:** the last government backed a moratorium on deep sea mining in October 2023, becoming one of 25 states to support protecting these pristine habitats from harmful mineral extraction. The deep sea holds an incalculable array of natural riches which have taken millenia to form. Less than 0.01% of the deep seafloor has been studied in detail.¹⁰³ Disturbing the sea bed through mining risks damaging unique habitats, undiscovered species, and the many benefits coastal communities derive from healthy oceans. While demand for critical minerals is expected to increase significantly due to the energy transition,

we should be prioritising extraction from terrestrial mines and using our existing mineral resources more efficiently, by reusing and recycling them, before we interfere with these precious ecosystems. The UK should urge other countries to back a global moratorium.

Dismantle trade barriers for green goods and services, to improve our resource security and cut the cost of the green transition for the UK and the rest of the world, while creating a level playing field on environmental standards for imports and domestic goods to enable efficient competition.

- **‘Ally-shore’ supply chains for clean technologies:** China is currently home to 90% of global solar manufacturing and 70% of battery manufacturing.¹⁰⁴ This is not a reason to shun clean technologies that are cheaper and vital for climate action, but increases the imperative of developing alternative supply chains that are secure and do not deepen dependence on China. Therefore, alongside supporting increased domestic manufacturing capacity for clean technologies, we should prioritise the signing of new free trade agreements with friendly countries, such as Chile and Canada, that are important for the net zero transition, due to critical mineral reserves or a concentration of supply chain companies for important clean technologies.
- **Cut tariffs on green goods:** we should expand the ‘green list’ of zero-rated, zero-carbon goods and services, including bicycles. In addition, we should also sign bespoke, small-scale free trade agreements (FTAs) to eliminate tariffs on sustainable products from key countries, building on the targeted FTA negotiated

with the Maldives to lower barriers to sustainable tuna imports. Targets for new FTAs could include the Congo or Gabon on timber, given their work to tackle deforestation from logging, and agricultural commodities from Costa Rica. This will expand free trade and make it cheaper for people to buy green products in the UK, while encouraging other countries to adopt greener practices to gain more favourable access to our market and creating an economic incentive for countries not to renege on environmental policies.

- **Strengthen supply chain due diligence requirements:** large firms now have to audit overseas supply chains for illegal deforestation and eliminate harm. The secondary legislation to implement this should be passed as soon as possible for all forest-risk commodities, such as soya and beef. In this parliament, this policy should be pushed further; for instance, due diligence requirements for forest-risk commodities should be extended to the investments of financial services companies and the due diligence approach should be applied to other forms of environmental harm, such as illegal, unreported, and unregulated fishing.
- **Encourage the development of high-integrity international carbon markets:** the UK's climate strategy should prioritise reducing our own emissions responsibly, supporting innovation in clean technologies, and developing clean industries that we have comparative advantage in. But for the hardest and most expensive-to-abate emissions, the UK should explore sourcing credits from countries with competitive advantages over the UK in greenhouse gas removal technologies, like direct air capture. This could be cheaper than generating domestic greenhouse gas removals

in bulk, given our relatively high industrial electricity prices. Appropriate safeguards to ensure the environmental integrity of international credits should be put in place.

- **Implement a Carbon Border Adjustment Mechanism (CBAM):** this will prevent high-carbon imports undercutting domestic products and create a level playing field for British industry with international competitors. Under the CBAM, a charge on high-carbon imports would be levied on a limited number of trade-exposed commodities, such as steel and fertiliser, to provide a level playing field on carbon pricing with domestic industries in order to avoid concerns about protectionism. This is essential to avoid the offshoring of industry, while pursuing a free market approach to climate policy through rising carbon pricing. This will save taxpayers' money on giving out free emissions permits to energy-intensive industries, while retaining the incentive for domestic industry to invest in clean, energy efficient technologies. Revenues from the CBAM should be ring-fenced to lower energy costs, for instance by funding the costs of removing some green levies from electricity bills, and to give a carbon pricing rebate to our exporters so they can compete on a level playing field with international competitors. The time gap between the UK scheme and the EU scheme's introduction should be kept to a minimum, and over time, once the mechanism has been proven, it should be applied to more trade-exposed commodities.

Increase our support for developing countries and UK Overseas Territories to help them address climate change and biodiversity loss in a way that furthers the UK's core economic and security interests and maximises opportunities to leverage private finance.

- **Meet our international climate finance responsibilities:** over the last five years, the government has allocated £11.6 billion of the overseas aid budget to help developing countries to cut emissions, adapt to climate change, and develop sustainably. In the new budget period from 2025, this should at the very least be increased in line with global targets set at the next UN climate summit. The government should also commit to an even split between adaptation and mitigation finance, building on the existing commitment to increase adaptation finance from £500 million in 2019 to £1.5 billion in 2025. Indeed, given the UK is responsible for a small share of global emissions, mitigation finance is essential for ensuring developing countries reduce their emissions too and for limiting the impact of extreme weather events in the UK, while adaptation finance will help tackle one of the main drivers of instability, conflict, and migration overseas. Similarly, a greater emphasis should be put on smaller, bilateral climate finance projects rather than multilateral donations, given the benefits for UK soft power and their greater value for money.
- **Work with international allies to close the finance gap for protecting nature:** we should strengthen our global leadership on nature by supporting the delivery of the G7 leaders' commitment to make all aid spending nature-positive and aligned with the Kunming-Montreal Global Biodiversity Framework (GBF). The UK should bid to host the Convention on Biological Diversity COP17 talks in 2026. We should use the conference to push other nations to match the UK's allocation of 25% of its climate finance budget for nature-based solutions, as we will not halt the global temperature rise without protecting and restoring carbon-rich natural habitats like forests. The UK should also replenish the successful Blue Planet Fund from our

GREEN SHOOTS

overseas development budget, which has been a key driver of international marine protection, for example with the Eastern Tropical Pacific Marine Corridor (CMAR) initiative in the Pacific.

- **Leverage more private finance in international climate finance programmes:** taxpayer support for developing countries to tackle climate change and biodiversity loss should aim to leverage more private finance. For instance, greater use should be made of government-backed guarantees to derisk projects for private capital, and of the British International Investment as a credit enhancement vehicle, offering loans or equity investments.
- **Unlock more climate finance from multilateral development banks (MDBs):** the UK should use its voting rights to champion the ‘Bridgetown Initiative’, a plan to reform MDBs to unlock more finance for developing countries to address climate change. The plan includes several elements that would not require additional aid spending, such as a call to leverage the balance sheets of the World Bank and other MDBs to unlock an additional \$1 trillion for climate finance, and to use ‘special drawing rights’ to support climate action in developing countries. This will help more developing countries take action on climate change and boost the UK’s standing with Commonwealth nations.
- **Replenish Darwin Plus scheme funding for nature recovery in the UKOTs:** the natural environments of the British Overseas Territories are of outstanding global value, with vast coral atolls, extensive carbon-rich peatlands, millions of penguins, and recovering great whale populations. The Darwin Plus grant scheme is open to UKOT governments and NGOs, and is the primary funder of nature restoration in these unique UK habitats. The scheme only has a modest cost to the exchequer

CONSERVATIVE ENVIRONMENT NETWORK

of £10 million per year and delivers excellent value for money, but is due to expire in 2025, leaving some projects facing a cliff-edge in funding. Adjusted for inflation, Darwin Plus should be extended for at least the lifetime of this parliament, continuing a globally important British conservative environmentalist success story.